

**ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)**

**Financial Statements**

For the year ended December 31, 2021

and

**Independent Auditor's Report**

## Contents

INDEPENDENT AUDITORS REPORT .....	3
Statement of Financial Position .....	5
Statement of Income .....	6
Statement of Cash Flows .....	7
1. Organization .....	8
2. Statement of Significant Accounting Policies .....	8
3. Office Equipment .....	10
4. Cash and cash equivalents .....	10
5. Advances for grantees .....	11
6. Receivables .....	11
7. Accounts payable .....	11
8. Deferred Revenues .....	11
9. Income .....	12
10. Personnel expenses .....	12
11. Operating expenses .....	12
12. Project expenses .....	13
13. In-kind Contributions .....	13
14. Events after the reporting date .....	13

## 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 2021, 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 31 December 2021 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

14 March 2022



© BakerTilly  
Baker, Tilly Kosovo L.L.C.  
Prishtinë

**Advocacy Training and Resource Center**

**Statement of Financial Position**

As at 31 December 2021

(all amounts are in Euro)

As at 31 December		2021	2020
	Notes		
<b>Assets</b>			
Property, plant and equipment	4	8,307	10,383
<b>Total non-current assets</b>		<b>8,307</b>	<b>10,383</b>
Cash and Cash equivalents	5	33,427	45,824
Advances for grantees	6	23,987	1,575
Accounts Receivable	7	11,807	7,576
<b>Total current assets</b>		<b>69,221</b>	<b>54,975</b>
<b>Total assets</b>		<b>77,527</b>	<b>65,358</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	8	149	3,465
Deferred Revenues	9	69,072	51,510
Donor Liabilities		8,307	10,383
<b>Total current liabilities</b>		<b>77,527</b>	<b>65,358</b>
<b>TOTAL FUND BALANCE AND LIABILITIES</b>		<b>77,527</b>	<b>65,358</b>

These financial statements were authorized for issue by the Board of Directors on 07 March 2022 and signed on their behalf by:

  
Kushtrim Kaloshi  
Executive Director



  
Fidan Çerkini  
Finance and Administration Manager

## Advocacy Training and Resource Center

### Statement of Income

For the year ended 31 December 2021

(all amounts are in Euro)

<u>For the year ended 31 December</u>		<u>2021</u>	<u>2020</u>
	<b>Notes</b>		
Income	10	352,575	752,672
<b>Total Income</b>		<b>352,575</b>	<b>752,672</b>
<b>Expenses</b>			
Payroll expenses	11	(162,054)	(289,671)
Operating expenses	12	(88,116)	(44,085)
Project expenses	13	(100,329)	(379,188)
In-kind contributions	14	(2,077)	(39,728)
<b>Total expenses</b>		<b>(352,575)</b>	<b>(752,672)</b>
<b>Surplus/(Deficit) for the year</b>		<b>-</b>	<b>-</b>

## Advocacy Training and Resource Center

### Statement of Cash Flows

For the year ended 31 December 2021

(all amounts are in Euro)

<b>For the year ended 31 December</b>	<b>2021</b>	<b>2020</b>
<b>Cash flows from (used in) operating activities</b>		
<i>Adjustments for:</i>		
Depreciation	2,077	4,695
Asset cost correction	-	2,279
Increase/(decrease) in receivables	(4,231)	(4,326)
Increase/(decrease) in advances for grantees	(22,412)	44,187
Increase/(decrease) in payables	(3,317)	(32,770)
Increase/(decrease) in deferred Revenues	17,562	(109,720)
Increase/(decrease) in donor liabilities	(2,077)	(3,939)
<b>Cash generated from operations</b>	<b>(14,474)</b>	<b>(106,569)</b>
<b>Net cash from (used in) operating activities</b>	<b>(12,397)</b>	<b>(99,594)</b>
<b>Cash Flows from investing activities</b>		
Payments for property, plant and equipment	-	(2,347)
<b>Net cash used in by investing activities</b>	<b>-</b>	<b>(2,347)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(12,397)</b>	<b>(101,941)</b>
Cash and cash equivalents at the beginning of the year	45,825	147,766
<b>Cash and cash equivalents at the end of the year</b>	<b>33,427</b>	<b>45,824</b>

## **Advocacy Training and Resource Center**

### **Notes to Financial Statements**

For the year ended 31 December 2021

*(all amounts are in Euro)*

## **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, 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.

Donors and supporters of ATRC during 2021 are:

- US Agency for International Development (USAID)
- Global Community Engagement and Resilience Fund (GCERF).
- Save the Children International Office in Kosovo (SCIK)
- The Kingdom of the Netherlands Embassy in Kosovo / MATRA Program
- European Union
- Community Development Fund (CDF)

### **2. Statement of Significant Accounting Policies**

#### **2.1 General Accounting Principle**

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.

#### **2.2 Basis of measurement**

The Financial Statements have been prepared on the historical cost basis.

#### **2.3 Functional and presentation currency**

The Financial Statements are presented in EUR, which is the Organization's functional currency.

#### **2.4 Income Tax**

The organization is a Non-Governmental organization (NGO) whose received donations in the reporting year have been implemented for the humanitarian purposes. According to law no 06/L-105 on Corporate Income Tax, NGO's whose total income was used for their public benefit purposes are tax exempted.



## Advocacy Training and Resource Center

### Notes to Financial Statements

For the year ended 31 December 2021

(all amounts are in Euro)

## 2. Statement of Significant Accounting Policies (continued)

### 2.5 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

#### (i) Depreciation

Depreciation is recognized in profit or loss on a straight line basis over the estimated useful lives of the assets. Depreciation methods, useful lives and residual values (if not insignificant) are reassessed at the reporting date.

The estimated useful lives for the current and comparative periods were as follows:

	2021	2020
Furniture and office equipment	5 years	5 years
Vehicles	5 years	5 years

### 2.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash deposited in bank.

### 2.7 Foreign currency transactions

Foreign currency transactions are recorded at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign currency differences arising on retranslation are recognized in profit or loss.

### 2.8. Revenues

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the organization and the revenue can be reliably measured.

### 2.9. Expenses

Expenses consist of the program, administration and management expenses. Expenses are recognized when incurred.

### 2.10. Accounts Payable

Pension contribution, payroll taxes and other accrued liabilities, have been disposed on the financial statements as accounts payable.

### 2.11. Deferred Income

Deferred income is an income/donation for which the cash has been collected by the organization, but have yet to be expensed. Consequently this liability occurs when 'AMC' receives payment in advance for a project to be implemented in future.

### 2.12. Deficit of revenues over expenses

The negative balance (deficit) is a result of donations and implemented project costs until end of the year.

### 2.13. Employee benefits

The Organization makes contributions for the benefit of employees to the Kosovo Pension Saving Trust (KPST). The contributions are expensed as incurred.

Advocacy Training and Resource Center

Notes to Financial Statements

For the year ended 31 December 2021

(all amounts are in Euro)

3. Office Equipment

	Computer s	Office Equipment	Motor Vehicle	Software	Total
<b>Cost:</b>					
<b>As at December 31, 2019</b>	<b>57,535</b>	<b>27,137</b>	<b>51,856</b>	<b>2,511</b>	<b>139,039</b>
Additions 2020	2,347	-	-	-	2,347
Correction	(449)	(1,218)	(489)	124.01	(2,031)
<b>As at December 31, 2020</b>	<b>59,433</b>	<b>25,919</b>	<b>51,367</b>	<b>2,635</b>	<b>139,107</b>
Additions 2021	-	-	-	-	-
Correction	-	-	-	-	-
<b>As at December 31, 2021</b>	<b>59,433</b>	<b>25,919</b>	<b>51,367</b>	<b>2,635</b>	<b>139,107</b>
<b>Accumulated depreciation:</b>					
<b>As at December 31, 2019</b>	<b>51,613</b>	<b>20,225</b>	<b>50,300</b>	<b>2,138</b>	<b>124,028</b>
Charge for the year	1,873	1,694	1,005	124	4,695
Eliminated on disposal	-	-	-	-	-
<b>As at December 31, 2020</b>	<b>53,486</b>	<b>21,919</b>	<b>51,305</b>	<b>2,262</b>	<b>128,724</b>
Charge for the year	1,190	800	12	75	2,077
Eliminated on disposal	-	-	-	-	-
<b>As at December 31, 2020</b>	<b>54,675</b>	<b>22,719</b>	<b>51,317</b>	<b>2,337</b>	<b>130,800</b>
<b>Net book value:</b>					
<b>As at December 31, 2020</b>	<b>5,948</b>	<b>4,001</b>	<b>62</b>	<b>373</b>	<b>10,383</b>
<b>As at December 31, 2021</b>	<b>4,758</b>	<b>3,200</b>	<b>50</b>	<b>298</b>	<b>8,307</b>

4. Cash and cash equivalents

The following amounts comprise the balance as of 31 December 2021 and 2020

<b>As at 31 December</b>	<b>2021</b>	<b>2020</b>
Cash in bank	33,425	45,820
Cash on hand	2	5
<b>Total</b>	<b>33,427</b>	<b>45,824</b>

## Advocacy Training and Resource Center

### Notes to Financial Statements

For the year ended 31 December 2021

(all amounts are in Euro)

#### 5. Advances for grantees

The following amounts comprise the balance as of 31 December 2021 and 2020:

<b>As at 31 December</b>	<b>2021</b>	<b>2020</b>
RADC	-	1,575
Peer Educators Network	6,164	-
Pristina Institute for Political Studies	5,593	-
BIRN	12,229	-
<b>Gjithsej</b>	<b>23,987</b>	<b>1,575</b>

#### 6. Receivables

<b>As at 31 December</b>	<b>2021</b>	<b>2020</b>
Receivables from donors	11,807	7,576
<b>Total</b>	<b>11,807</b>	<b>7,576</b>

#### 7. Accounts payable

<b>As at 31 December</b>	<b>2021</b>	<b>2020</b>
Others	149	3,465
<b>Total</b>	<b>149</b>	<b>3,465</b>

#### 8. Deferred Revenues

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

<b>As at 31 December</b>	<b>2021</b>	<b>2020</b>
Save the Children International Office in Kosovo (SCIK)	-	484
Global Community Engagement and Resilience Fund (GCERF)	-	24,547
The Kingdom of the Netherlands Embassy in Kosovo / MATRA Program	-	25,740
Global Community Engagement and Resilience Fund (GCERF).	69,072	-
ATRC	-	739
<b>Total</b>	<b>69,072</b>	<b>51,510</b>

## Advocacy Training and Resource Center

### Notes to Financial Statements

For the year ended 31 December 2021

(all amounts are in Euro)

#### 9. Income

For the year ended 31 December	2021	2020
US Agency for International Development (USAID) – E4E	2,755	390,424
Global Community Engagement and Resilience Fund (GCERF).	158,953	204,533
Save the Children International Office in Kosovo (SCIK)	54,041	47,493
The Kingdom of the Netherlands Embassy in Kosovo / MATRA Program	68,952	17,683
Community Development Fund (CDF)	8,999	-
<i>Advocating and Consolidating Local Thematic Networks of Civil Society Organisations</i>	3,599	-
<i>European Commission – ENV.Net Environmental Campaigns)</i>	5,400	-
USAID/CHEMONICS Justice Activity	55,215	1,878
European Commission - ENV Net	-	20,333
European Union/IPA Program	-	22,227
Other incomes	3,661	13,068
<b>Total</b>	<b>352,575</b>	<b>717,640</b>

#### 10. Personnel expenses

For the year ended 31 December	2021	2020
Salary	104,635	275,877
Pension contributions	5,232	13,794
External staff	52,188	-
<b>Total</b>	<b>162,054</b>	<b>289,671</b>

#### 11. Operating expenses

For the year ended 31 December	2021	2020
Rent Expenses	17,143	17,143
Seminar/Conference	8,030	1,200
Trainings & Workshops	8,344	765
Translation & Translation Equipment	7,722	308
Audit	4,150	5,800
Vehicle expenses	2,387	1,208
Office supplies	1,038	3,078
Printing and copying	6,684	2,948
Promotion and Design	21,636	-
Office Equipment	255	3,379
Phone expenses	1,196	2,069
Banking Commissions	815	1,324
Meeting expenses	426	-
Internet Expenses	619	650
Electricity and heating expenses	2,428	2,252
Office security service	1,216	300
Water expenses	153	55
Web Site expenses	450	371
Per diem expenses	61	540
Other expenses	3,365	697
<b>Total</b>	<b>88,116</b>	<b>44,085</b>

## Advocacy Training and Resource Center

### Notes to Financial Statements

For the year ended 31 December 2021

(all amounts are in Euro)

#### 12. Project expenses

<b>For the year ended 31 December</b>	<b>2021</b>	<b>2020</b>
Kipred	-	29,103
GCERF	95,609	-
BIRN	-	55,093
Developing together	-	10,028
ANIBAR	-	23,907
KCBS	-	16,980
SPRC	-	19,045
D+	-	23,902
CSGD	-	1,451
TOKA	-	2,622
Rinia Aktive e Gjakoves	-	1,706
Qendra për studime të avancuara FIT	-	14,908
INDEP	-	12,031
ICDC	-	5,827
D4D	-	20,415
Communication for Social Development	-	17,639
FKMNS	-	3,388
Kosova - Women 4 Women	-	23,941
Forumi Kosovar i Aftësisë së Kufizuar	-	1,106
CEL	-	23,477
DSK	-	23,893
Teacher for Kosovo	-	16,808
Other	4,720	31,921
<b>Total</b>	<b>100,329</b>	<b>379,188</b>

#### 13. In-kind Contributions

<b>For the year ended 31 December</b>	<b>2021</b>	<b>2020</b>
E4E - Contributions	-	35,033
E4E - Depreciations Expenses	-	-
GCREF - Depreciations Expenses	-	778
ATRC - Depreciations Expenses	2,077	3,918
<b>Total</b>	<b>2,077</b>	<b>39,728</b>

#### 14. Events after the reporting date

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