

**Advocacy Training and Resource Center (ATRC)**

Prishtina, Kosovo

**Financial Statements**  
For the year ended 31 December 2022

and  
**Independent Auditor's Report**

Content:

<b>INDEPENDENT AUDITORS REPORT .....</b>	<b>3</b>
<b>STATEMENT OF FINANCIAL POSITION .....</b>	<b>5</b>
<b>STATEMENT OF PROFIT AND LOSS.....</b>	<b>6</b>
<b>STATEMENT OF CHANGES IN NET ASSETS .....</b>	<b>7</b>
<b>1. Information on the Organization .....</b>	<b>8</b>
<b>3. Property, plant and equipment .....</b>	<b>10</b>
<b>4. Cash and cash equivalents .....</b>	<b>10</b>
<b>6. Accounts receivable.....</b>	<b>11</b>
<b>7. Accounts payable.....</b>	<b>11</b>
<b>8. Deferred revenues .....</b>	<b>11</b>
<b>9. Donor funding.....</b>	<b>11</b>
<b>10. Personnel expenses.....</b>	<b>12</b>
<b>11. Operating expenses .....</b>	<b>12</b>
<b>12. Project expenses .....</b>	<b>13</b>
<b>13. In-kind contributions.....</b>	<b>13</b>
<b>14. Subsequent events.....</b>	<b>13</b>

## INDEPENDENT AUDITORS REPORT

To: The Advocacy Training and Resource Center (ATRC) Management

### Opinion

We have audited financial statements of 'The Advocacy Training and Resource Center' which comprises the Statement of Financial Position As at 31 December 2022 and the Statement of Income, Statement of Changes in Net Assets and notes to financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Advocacy Training and Resource Center (the organisation), for the year ended December 31, 2022, are prepared in all material respects, in accordance with generally accepted accounting policies described in the Note 2. and requirements of the 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 and fair presentation of financial statements in accordance with International Financial Reporting Standards 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



**bakertilly**  
Baker Tilly Kosovo L.L.C.  
Prishtinë

Baker Tilly Kosovo  
Prishtinë

17 mars 2023

Baker Tilly Kosovo trading as Baker Tilly is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.

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

**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2022

(All amounts are in Euro unless otherwise stated)

		At 31 December 2022	At 31 December 2021
	Notes		
<b>Assets</b>			
Property, plant and equipment	3	6,645	8,307
<b>Total non-current assets</b>		<b>6,645</b>	<b>8,307</b>
Cash on hand and at banks	4	30,494	33,427
Advances for grantees	5	14,308	23,987
Receivables	6	10,955	11,807
<b>Total current assets</b>		<b>55,757</b>	<b>69,221</b>
<b>TOTAL ASSETS</b>		<b>62,402</b>	<b>77,527</b>
<b>CURRENT LIABILITIES</b>			
Accounts Payable	7	181	149
Grants Payable	7	12,350	-
Deferred Revenues	8	43,226	69,072
Donor Liabilities		6,645	8,307
<b>TOTAL FUND BALANCE AND LIABILITIES</b>		<b>62,402</b>	<b>77,527</b>

These financial statements are approved and signed on 01 March 2022 on behalf of the management by:

**Kushtrim Kaloshi**

Executive Director



**Fidan Çerkini**

Director of Finance and Administration

The accompanying notes 1 to 13 of the financial statements are an integral part of them.

**ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)****STATEMENT OF PROFIT AND LOSS**

As at 31 December 2022

*(All amounts are in Euro unless otherwise stated)*

<b>For the year ended</b>	<b>Notes</b>	<b>At 31 December 2022</b>	<b>At 31 December 2021</b>
Income	9	482,231	352,575
<b>Total Income</b>		<b>482,231</b>	<b>352,575</b>
<b>Expenses</b>			
Payroll expenses	10	(164,246)	(162,054)
Operating expenses	11	(61,532)	(88,116)
Project expenses	12	(254,791)	(100,329)
In-kind contributions	13	(1,661)	(2,077)
<b>Total expenses</b>		<b>(482,231)</b>	<b>(352,575)</b>
<b>Surplus/(Deficit) for the year</b>		<b>-</b>	<b>-</b>

*The accompanying notes 1 to 13 of the financial statements are an integral part of them.*

**ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)**  
**STATEMENT OF CHANGES IN NET ASSETS**  
For the year ended 31 December 2022  
*(All amounts are in Euro)*

<b>For the year ended</b>	<b>At 31 December 2022</b>	<b>At 31 December 2021</b>
<i>Adjustments for:</i>		
Depreciation	1,661	2,077
Asset cost correction	-	-
Increase/(decrease) in receivables	852	(4,231)
Increase/(decrease) in advances for grantees	9,679	(22,412)
Increase/(decrease) in payables	12,383	(3,317)
Increase/(decrease) in deferred Revenues	(25,846)	17,562
Increase/(decrease) in donor liabilities	(1,661)	(2,077)
<b>Cash generated from operations</b>	<b>(4,594)</b>	<b>(14,474)</b>
<b>Net cash from (used in) operating activities</b>	<b>(2,932)</b>	<b>(12,397)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	-	-
<b>Net cash used in by investing activities</b>	<b>-</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,932)</b>	<b>(12,397)</b>
Cash and cash equivalents at the beginning of the year	33,427	45,824
<b>Cash and cash equivalents at the end of the year</b>	<b>30,494</b>	<b>33,427</b>

*The accompanying notes 1 to 13 of the financial statements are an integral part of them.*

**ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)**  
**NOTES TO FINANCIAL STATEMENTS**  
For the year ended 31 December 2022  
(All amounts are in Euro)

**Summary of significant accounting policies and general information**

**1. Information on the Organization**

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.

Advocacy Training and Resource Center (ATRC) works in increasing citizen 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 2022 are:

- US AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) – JUSTICE ACTIVITY
- GLOBAL COMMUNITY ENGAGEMENT AND RESILIENCE FUND (GCERF)
- EUROPEAN COMMISSION / EUROPEAN UNION OFFICE IN KOSOVO

**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**

ATRC 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 (ATRC)

### NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2022

(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:

	2022	2021
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 'ATRC 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 (ATRC)**  
**NOTES TO FINANCIAL STATEMENTS**  
For the year ended 31 December 2022  
*(All amounts are in Euro)*

**3. Property, plant and equipment**

	Computers	Office Equipment	Motor Vehicle	Software	Total
<b>Cost:</b>					
<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	-	-	-	-	-
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>
Additions	-	-	-	-	-
Correction	-	-	-	-	-
<b>As at December 31, 2022</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, 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, 2021</b>	<b>54,675</b>	<b>22,719</b>	<b>51,317</b>	<b>2,337</b>	<b>130,800</b>
Charge for the year	952	640	10	60	1,661
Eliminated on disposal	-	-	-	-	-
<b>As at December 31, 2022</b>	<b>55,627</b>	<b>23,359</b>	<b>51,327</b>	<b>2,396</b>	<b>132,462</b>
<b>Net book value:</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>
<b>As at December 31, 2022</b>	<b>3,806</b>	<b>2,560</b>	<b>40</b>	<b>239</b>	<b>6,645</b>

**4. Cash and cash equivalents**

	At 31 December 2022	At 31 December 2021
Cash in bank	30,492	33,425
Cash on hand	2	2
<b>Total</b>	<b>30,494</b>	<b>33,427</b>

**5. Advances for grantees**

The following amounts comprise the balance as of 31 December 2022 and 2021:

	At 31 December 2022	At 31 December 2021
Peer Educators Network	735	6,164
Pristina Institute for Political Studies	-	5,593
BIRN	13,573	12,229
<b>Total</b>	<b>14,308</b>	<b>23,987</b>

**ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)**  
**NOTES TO FINANCIAL STATEMENTS**  
For the year ended 31 December 2022  
*(All amounts are in Euro)*

**6. Accounts receivable**

	<b>At 31</b>	<b>At 31</b>
	<b>December 2022</b>	<b>December 2021</b>
Receivables from donors	10,955	11,807
<b>Total</b>	<b>10,955</b>	<b>11,807</b>

**7. Accounts payable**

	<b>At 31</b>	<b>At 31</b>
	<b>December 2022</b>	<b>December 2021</b>
BIRN for the Grant Contract #2021/430-829	12,350	-
Others	181	149
<b>Total</b>	<b>12,531</b>	<b>149</b>

**8. Deferred revenues**

	<b>At 31</b>	<b>At 31</b>
	<b>December 2022</b>	<b>December 2021</b>
Global Community Engagement and Resilience Fund-GCERF	28,020	69,072
European Union Office in Kosovo – 2021/430-829	15,205	-
<b>Total</b>	<b>43,226</b>	<b>69,072</b>

**9. Donor funding**

<b>For the year ended</b>	<b>At 31</b>	<b>At 31</b>
	<b>December 2022</b>	<b>December 2021</b>
USAID - E4E Funds	-	2,755
Global Community Engagement and Resilience Fund (GCERF)	308,627	158,953
Save the Children International Office in Kosovo (SCIK)	-	54,041
Dutch Embassy	-	68,952
Community Development Fund (CDF)	-	8,999
Advocating and Consolidating Local Thematic Networks	-	3,599
European Commission – ENV.Net Environmental Campaigns)	-	5,400
USAID – JUSTICE ACTIVITY	81,423	55,215
European Union Office in Kosovo – 2021/430-829	90,487	-
Other incomes	1,695	3,661
<b>Total</b>	<b>482,231</b>	<b>352,575</b>

**ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)**  
**NOTES TO FINANCIAL STATEMENTS**  
For the year ended 31 December 2022  
*(All amounts are in Euro)*

**10. Personnel expenses**

<b>For the year ended</b>	<b>At 31 December 2022</b>	<b>At 31 December 2021</b>
Gross salary	119,941	104,635
Pension contributions	7,864	5,232
External staff	36,440	52,188
<b>Total</b>	<b>164,246</b>	<b>162,054</b>

**11. Operating expenses**

<b>For the year ended</b>	<b>At 31 December 2022</b>	<b>At 31 December 2021</b>
Travel - Other Expenses	52	-
Per Diem	39	61
Transportation Expense	1,047	-
Travel - Mileage Personal Vehicle	338	-
Lodging	508	-
Office Vehicle Fuel	538	-
Office Furniture/Fixtures	102	255
Office Computer Hardware/Software	158	-
Office Supplies	88	1,038
Other Supplies	2,140	-
Seminar/Conference	1,254	8,030
Trainings & Workshops	15,171	8,344
Web Site Developments	463	450
Translation & Translation Equipment	1,386	7,722
Printing and Publications	5,616	6,684
Meetings	236	426
Promotion and Design	3,420	21,636
Taxes, License, and Fees	434	-
Bank/Wire Fees	969	815
Office Security & Insurance	439	1,216
Telephone	937	1,196
Internet	570	619
Repairs/Maint-Equipment	695	-
Repairs/Maint-Other	148	-
Office Rent	17,143	17,143
Office Printing Expenses	200	-
Subscriptions	-	-
Advertising	590	-
Office Vehicle Expense	860	2,387
Cleaning Services	2,957	-
Electricity & Heating	2,280	2,428
Water & Sewage	153	153
Audit/accountancy	600	4,150
Other expenses	-	3,365
<b>Total</b>	<b>61,532</b>	<b>88,116</b>

**ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)****NOTES TO FINANCIAL STATEMENTS**

For the year ended 31 December 2022

*(All amounts are in Euro)***12. Project expenses**

<b>For the year ended</b>	<b>At 31 December 2022</b>	<b>At 31 December 2021</b>
Global Community Engagement and Resilience Fund (GCERF)	201,769	95,609
Other	-	4,720
European Union Office in Kosovo - 2021/430-829	53,022	-
<b>Total</b>	<b>254,791</b>	<b>100,329</b>

**13. In-kind contributions**

<b>For the year ended</b>	<b>At 31 December 2022</b>	<b>At 31 December 2021</b>
ATRC - Depreciations Expenses	1,661	2,077
<b>Total</b>	<b>1,661</b>	<b>2,077</b>

**14. Subsequent events**

There are no events subsequent to the date of Statement of Financial Position that require adjustments or disclosure in the Financial Statements.

**Advocacy Training and Resource Center (ATRC)  
Audit of Financial Statements  
For the year ended 31 December 2022**

**MANAGEMENT LETTER**



Bekim Fehmiu. 110 Icon Tower  
10 000 Prishtina, Kosovo

T: + 381 (0)38 70 70 71

info@bakertillyks.com  
www.bakertillyks.com

17 March 2023

## MANAGEMENT LETTER

### To: Advocacy Training and Resource Center (ATRC)

We have audited the financial statements of Advocacy Training and Resource Center (ATRC) for the year ended 31 December 2022. In planning and performing our audit, we considered its internal control over financial reporting as basis for designing our auditing procedures, obtained an understanding of the design effectiveness of internal controls, determined whether internal controls have been placed in operation, assesses control risk, and performed tests of the project's internal controls for the purpose of expressing our opinion on the financial report, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control over financial reporting.

During our audit we did not find any matters involving the internal control system and the accounting system that could result in internal control weakness.

This report is intended solely for the information and use of the Advocacy Training and Resource Center (ATRC) management and is not intended to be and should not be used by anyone other than these specified parties.

We would like to thank you and your staff for the excellent co-operation and support during the audit.

Yours sincerely

  
Lulzim Zeka  
Statutory Auditor  
Baker Tilly Kosovo

Advocacy Training and Resource Center (ATRC) for the year ended 31 December 2022  
 Management Letter (internal control findings)

Observation/risk	Priority of improvement	Recommendation	Management comment
1) Matters outstanding (from prior year) <i>NONE</i>			
2) Accounting procedures and internal control system (actual year) <i>NONE</i>			
3) Other matter (High business risk, Financial statements and accounting policies, other matters) <i>NONE</i>			

- Priority: A Urgent action required: High business risk to be brought to the attention of Organization's management and to be addressed as matter of urgency.  
 B Financial statements, accounting procedures or control weakness exists with medium risk of financial loss or incorrect accounting treatment being applied.  
 C Financial statements, accounting procedures or control weakness exists with low risk of financial loss or incorrect accounting treatment being applied