

DEMOCRACY PLUS D+
Financial Statements
For the year ended December 31, 2020
and
Independent Auditor's Report

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INDEPENDENT AUDITORS REPORT

To: Democracy Plus (D+)

Opinion

We have audited financial statements of Democracy Plus (D+) which comprises the Statement of Financial Position as at December 31, 2020 and the Statement of Income, Statement of Cash Flow and notes to financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of Democracy Plus (D+) (the organisation), for the year ended December 31, 2020 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



Baker Tilly Kosovo
Prishtina, Kosovo



Baker Tilly Kosovo L.L.C.
Prishtinë

31 March 2021

DEMOCRACY PLUS D+
Statement of Financial Position
As of December 31, 2020
(all amounts are in Euro)

As at 31 December		2020	2019
	Notes		
Assets			
Non-current assets			
Property and equipment	3	15,914	8,915
Total		15,914	8,915
Current assets			
Cash and cash equivalents	4	95,426	107,753
Accounts receivables	5	17,353	17,318
Advances for grantees		-	1,335
Total		112,780	126,406
Total assets		128,694	135,321
Liabilities and fund balance			
Fund Balance			
Balance as at 01 January		-	-
Sufficit (deficit) of the year		-	-
Total		-	-
Current liabilities			
Accounts payable	6	17,557	7,943
Deferred Revenues	7	95,222	118,464
Deferred Revenue: Donated Assets		15,914	8,915
Total		128,694	135,322
Total liabilities and fund balance		128,694	135,322

These financial statements are approved and signed on March 22, 2021 on behalf of the management by:


Valmir Ismaili
Executive Director


Gani Asllani
Director of Finance and Administration

The accompanying notes 1 to 11 of the financial statements are an integral part of them.

DEMOCRACY PLUS D+**Statement of Income**

For the year ended December 31, 2020

(all amounts are in Euro)

For the year ended 31 December		2020	2019
Income	Notes		
Grant income	7	388,329	298,617
Income from donated assets		5,822	3,011
Total Income		394,151	301,628
Expenses			
Salary expenses	8	(232,706)	(180,853)
Project expenses	9	(129,686)	(88,755)
Administrative expenses	10	(25,937)	(28,740)
Depreciation expenses	3	(5,822)	(3,280)
Total expenses		(394,151)	(301,628)
Suficit / (deficit) of funds for the year		-	-

The accompanying notes 1 to 11 of the financial statements are an integral part of them.

DEMOCRACY PLUS D+
Statement of Cash Flow

For the year ended December 31, 2020
(all amounts are in Euro)

For the year ended 31 December	2020	2019
Cash flows from (used in) operating activities		
Profit (loss) before tax	-	-
<i>Adjustments for:</i>		
Depreciation	5,822	3,280
Asset cost correction	-	(3,280)
Change in accounts receivables	(35)	(17,318)
Change in advance	1,335	(1,335)
Change in trade and other payables	9,614	4,715
Change in trade and other payables	(23,241)	5,943
Change in deferred Revenue: Donated Assets	6,999	11,072
Cash generated from operations	(5,328)	3,077
Net cash from (used in) operating activities	494	3,077
Cash Flows from investing activities		
Purchase of equipment	(12,821)	(4,715)
Net cash used in by investing activities	(12,821)	(4,715)
Cash Flows from financing activities		
Net cash generated by financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	(12,327)	(1,638)
Cash and cash equivalents at the beginning of the year	107,753	109,391
Cash and cash equivalents at the end of the year	95,426	107,753

The accompanying notes 1 to 11 of the financial statements are an integral part of the

DEMOCRACY PLUS D+
Notes to Financial Statements
 For the year ended December 31, 2020
 (all amounts are in Euro)

1. Introduction and background

Democracy Plus D is registered as a non-governmental and non-profit Organization Number on 11 March 2016 with registration number 5200344-0 and fiscal number 601602643, with head office located at Str. Tirana, Blloku C/4/1, Entry C, 8th floor, No. 83/84 Prishtinë, 10000, Kosovo D+ strives for the development of a democratic society through increasing civic participation in the political process, generating greater public accountability and influencing decision-making. D+ aims to contribute to establishing good governance practices in public institutions at the central and local level, strengthening the rule of law, advancing political parties and the process of free and fair elections.

D+ undertakes initiatives that aim at bringing decision-makers closer to citizens through policy research, facilitation of dialogue and interaction, as well as public education.

Democracy Plus donors and supporters for the year 2020 included:

Donor	Project
DAI TEAM / USAID	Digital Solution for Integrity in Public Procurement
ATRC/ Global Community Engagement and Resilience Fund	With Participatory Democracy for a Kosovo without Radicalization
MATR/ The Kingdom of the Netherlands	Contributing to the promotion of good governance and participative legislation making and monitoring
Association Centers for Civic Initiatives / SELDI	Enhancing the transparency and accountability of public procurement in municipalities
British Embassy / Balkan Investigative Reporting Network BIRN	Monitor processes within the Tax Administration of Kosovo to raise transparency and identify violation
IEN /Tobacco Taxes in Low-and Middle-Income countries	Accelerating Progress on Tobacco Taxes in Low-and Middle-Income countries
Embassy of Canada in Zagreb/ CFLI	Strengthening women political representatives' engagement and demand for accountability at six Kosovo Municipal Assemblies through improving their knowledge and skills of political engagement
National Endowment for Democracy / NED	Promoting Youth Participation in Public Institutions
MILLENNIUM DPI PARTNERS USAID's Justice System Support Program JSSP	Transparency and Efficiency of Kosovo's Basic Courts (II)
Kosovo Foundation for Open Society (KFOS)	Fostering Grassroots Anti-Corruption Work in Health and Education in the Western Balkans
LEGA/ICMA/ USAID	RFA No. RFA#1-2019 – Create Local Capacity for Inter-ethnic Cooperation
Kosovo Foundation for Open Society (KFOS)	Reorganization of the Government
Kosovo Foundation for Open Society (KFOS)	Transparency and full expenditure of public money through the opening of treasury transactions
Kosovo 2.0 / Internews Kosova	Using journalism to promote human rights and freedoms
Kosovar Civil Society Foundation (KCSF)	Exercising public pressure and exposing potential corruption in four non-majority municipalities through active monitoring and comparison in their decision-making and citizen inclusion
Olof Palme International Center / OPIC	Building Community Activism through Civic Forums
Balkan Green Foundation/BGF	Engaging youth in protecting the environment from waste
Kosovo Foundation for Open Society (KFOS)	Improving the Government approach in reacting against the pandemic through better institutional coordination and communication in this regard
MILLENNIUM DPI PARTNERS USAID's Justice System Support Program	Transparency and Efficiency of Kosovo's Basic Courts (III)
DAI Global, LLC (DAI)	Monitor transparency and the quality of decision making at the Procurement Review Body (PRB)
USAID	Community Collaboration Activity in Kosovo
International Republican Institute - IRI	Improving Political Party Responsiveness to Citizen Needs
Kosovo Foundation for Open Society (KFOS)	Exposure to corruption in health and education during the Covid-19 pandemic

2. Statement of Significant Accounting Policies

2.1. General Accounting Principle

The organization maintains its accounting records on the modified cash basis of accounting. Accordingly, revenue is recorded when cash is received and expenses are recorded when paid. Modifications to the cash basis of accounting relate to the accounts receivable and payable which are recognized at the end of reporting period.

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.

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:

	2020	2019
Furniture and office equipment	5 years	5 years
IT equipment	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.

DEMOCRACY PLUS D+
Notes to Financial Statements
For the year ended December 31, 2020
(all amounts are in Euro)

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 Democracy Plus receives payment in advance for a project to be implemented in futurereceives advance payment for a project to be implemented in the future. Revenue is recognized in relation to the occurrence of expenses.

2.12. Employee benefits

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

DEMOCRACY PLUS D+
Notes to Financial Statements
For the year ended December 31, 2020
(all amounts are in Euro)

3. Property and Equipment

	Computer	Furniture	Office Equipment	Total
Cost:				
As at December 31, 2018	5,079	5,660	943	11,682
Additions 2019	4,446	-	269	4,715
Disposals	-	-	-	-
As at December 31, 2019	9,525	5,660	1,212	16,397
Additions 2020	9,675	2,106	1,039	12,821
Correction	-	-	-	-
As at December 31, 2020	19,200	7,766	2,251	29,218
Accumulated depreciation:				
As at December 31, 2018	1,572	2,259	371	4,202
Charge for the year	1,943	1,085	252	3,280
Eliminated on disposal	-	-	-	-
As at December 31, 2019	3,515	3,344	623	7,482
Charge for the year	3,848	1,507	467	5,822
Eliminated on disposal	-	-	-	-
As at December 31, 2020	7,363	4,851	1,090	13,304
Net book value:				
As at December 31, 2019	6,010	2,316	589	8,915
As at December 31, 2020	11,838	2,916	1,161	15,914

4. Cash and cash equivalents

As at December 31	2020	2019
Cash in bank	95,422	107,742
Cash on hand	4	11
Total	95,426	107,753

5. Accounts Receivable

As at December 31	2020	2019
MATRA/The Kingdom of the Netherlands	10,812	-
IEN /Tobacco Taxes in Low-and Middle-Income countries	6,542	5,479
Association Centers for Civic Initiatives / SELDI Millennium DPI Partners/ USAID's Justice System Support	-	775
LEGA/ICMA/USAID	-	3,078
Total	17,353	17,318

6. Accounts Payable

As at December 31	2020	2019
BBros LLC	5,565	5,565
Levizja FOL	11,837	-
ACA	-	2,000
Other	156	378
Total	17,557	7,943

DEMOCRACY PLUS D+**Notes to Financial Statements**

For the year ended December 31, 2020

*(all amounts are in Euro)***7. Deferred revenues**

As at December 31	Deferred income at December 31, 2019	Funds received from donors in 2020	Total funds received in 2020	Income recognized 2020	Deferred income at December 31, 2020
Kosovo Foundation for Open Society (KFOS)	40,112	21,945	62,057	53,102	8,955
DAI Global-Po-Pri-032	10,894	13,676	24,570	7,453	17,117
Embassy of Canada in Zagreb/CFLI	3,868	2,338	6,207	6,206	-
ATRC/Global Community Engagement and Resilience Fund	5,985	17,917	23,902	23,902	-
MATRA/The Kingdom of the Netherlands	23,403	-	23,403	23,403	-
British Embassy/ Balkan Investigative Reporting Network BIRN	-	12,713	12,713	12,713	-
National Endowment for Democracy (NED)	9,677	21,140	30,817	30,817	-
The "Increasing Civic Engagement in the Digital Agenda - ICEDA	-	10,500	10,500	284	10,216
Olof Palme International Center/OPIC	-	31,447	31,447	31,447	-
Konrad-Adenauer-Stiftung, Office Kosovo/ KAS	-	10,950	10,950	-	10,950
Association Centers for Civic Initiatives / SELDI	-	5,526	5,526	5,526	-
Millennium DPI Partners/ USAID's Justice System Support Program JSSP	-	-	-	-	-
Kosovar Civil Society Foundation (KCSF)	-	42,325	42,325	42,325	-
IEN /Tobacco Taxes in Low-and Middle-Income countries	-	32,654	32,654	30,066	2,588
LEGA/ICMA/USAID	294	20,367	20,661	20,661	-
Balkan Green Foundation/BGF	-	19,536	19,536	19,536	-
Kosovo 2.0 / Internews Kosova	-	14,985	14,985	14,985	-
USAID	-	6,000	6,000	6,000	-
International Republican Institute - IRI	-	19,804	19,804	9,823	9,981
Democracy Plus	-	46,148	46,148	37,165	8,984
Total	24,230	352,172	470,635	375,413	26,432
	118,464				95,222

DEMOCRACY PLUS D+
Notes to Financial Statements
For the year ended December 31, 2020
(all amounts are in Euro)

8. Salary expenses

For the year ended December 31	2020	2019
Salary for Administration	63,722	47,022
Salary for Program	129,236	95,367
External staff	28,718	29,948
Pension contributions	11,031	8,516
Total	232,706	180,853

9. Project expenses

For the year ended December 31	2020	2019
Training expenses	12,660	21,638
Online Platforms	6,407	-
Printing and marketing expenses	10,005	10,114
Infographics and Design	10,038	
Translation	7,866	7,578
Project partners	71,061	35,402
Travel and meetings	6,297	11,141
Workshops	-	2,882
Other expenses	5,352	-
Total	129,686	88,755

10. Administrative expenses

For the year ended December 31	2020	2019
Rent	11,868	11,968
Office Supplies	3,007	1,766
Telephone and internet	2,863	2,930
Utilities	1,050	1,286
Repairs and maintenance	5,609	7,796
Other expenses	1,540	2,994
Total	25,937	28,740

11. Subsequent events

Extraordinary events

The rapid development of the Covid-19 virus and its social and economic impact in Kosovo and globally, may result in changes in project implementation and achievement of the organization's objectives. Given that the organization is registered and functions as a non-governmental organization in Kosovo, the management still can not adequately assess the impact of the pandemic situation on the implementation and fulfillment of contracts with donors for ongoing projects, which lie within a certain period of time in the future.

The long-term impact can have an impact on the organization's revenue, cash flows, and funding. However, at the date of these financial statements, the organization continues to meet its objectives and obligations to the donor, and therefore continues to apply the basis for preparing the financial statements on a going concern basis.

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