



Democracy Plus

Independent Auditor's Report and financial statements
for the year ended December 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Democracy plus

Opinion

We have audited the accompanying financial statements of the Democracy Plus, which comprise the statement of financial position as at December 31, 2019, and the statement of profit or loss, statement of changes in fund balances and statement of cash flow for the year then ended, and other explanatory notes.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position Democracy Plus as of December 31, 2019, results of its operation and the cash flow for the year then ended in conformity with International Financial Reporting Standards.

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 Project financial report section of our report. We are independent of the Business in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have 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 these financial statements in accordance with the International Financial Reporting Standard and the internal controls that the management deems necessary to enable the preparation of financial statements without material misstatement due to fraud or error. For the financial statements preparation, management is responsible for assessing the organization's ability to sustainability in the future, disclosing, as necessary, future sustainability issues and using the accounting continuity principle unless management intends to liquidate the Organization or Interrupt the operation, or there is no other possible alternative than to do it. Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 total, 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 the 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 the 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 a 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 our 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.


Armend Osaj – Auditor Ligjor
ACA – Audit & Consulting Associates
Prishtinë, Kosovë
Mars, 2020



DEMOCRACY PLUS
Statement of Financial Position
For the year ended December 31, 2019

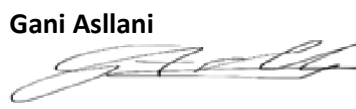
	Notes	December 31, 2019 (in EUR)	December 31, 2018 (in EUR)
ASSETS			
Non-current assets			
Property and equipment	4	8,915	7,480
Total non-current assets		8,915	7,480
Current assets			
Cash and bank equivalents	5	107,753	109,392
Accounts receivable	6	17,318	-
Program advance		1,335	-
Total current assets		126,407	109,392
TOTAL ASSETS		135,322	116,872
LIABILITIES AND RESERVES			
Non-current liabilities			
Deferred Revenue: Donated Assets	4	8,915	7,480
Total non-current liabilities		8,915	7,480
Current liabilities			
Accounts payable	7	7,943	2,000
Deferred Revenue	8	118,464	107,392
Total current liabilities		126,407	109,392
Reserves			
Retained surplus		-	-
Total reserves		-	-
TOTAL LIABILITIES AND RESERVES		135,322	116,872

The financial statements have been signed in March 2020 by:

Valmir Ismaili

 Executive Director



Gani Asllani

 Director of Finance and Administration

The accompanying notes from 1 to 15 form an integral part of these financial statements

DEMOCRACY PLUS
Statement of Comprehensive Income
For the year ended December 31, 2019

	Notes	December 31, 2019	December 31, 2018
		(in EUR)	(in EUR)
Income			
Grant income	9	298,617	290,534
Income from donated assets	4	<u>3,011</u>	<u>2,358</u>
Total income		<u>301,628</u>	<u>292,892</u>
Operating Expenses			
Staff salaries and benefits	10	180,853	173,535
Project activities	11	88,755	92,588
Administrative expenses	12	28,740	24,411
Depreciation expenses	4	<u>3,280</u>	<u>2,358</u>
Total expenses		<u>301,628</u>	<u>292,892</u>
Profit Before taxation		-	-
Income tax		-	-
Net (deficit)/surplus for the year		<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes from 1 to 15 form an integral part of these financial statements

DEMOCRACY PLUS
Statement of Changes in Equity
For the year ended December 31, 2019

	Retained surplus		Total
	(in EUR)		(in EUR)
As at December 31 2017	_____ -		_____ -
Profit for the year	-		-
<hr/>			
As at December 2018	_____ -		_____ -
Profit for the year	-		-
<hr/>			
As at 31 December 2019	_____ -		_____ -

The accompanying notes from 1 to 15 form an integral part of these financial statements

DEMOCRACY PLUS
Statement of Cash Flows
For the year ended December 31, 2019

	Year ended December 31, 2019 (in EUR)	Year ended December 31, 2018 (in EUR)
Cash flows from operating activities		
Net (deficit)/surplus for the year	-	-
Adjustments for:		
Depreciation of property and equipment	3,280	2,358
Income from donated assets	(3,280)	(2,358)
	<hr/>	<hr/>
Operating surplus before changes in operating assets and liabilities	-	-
	<hr/>	<hr/>
Changes in operating assets and liabilities		
Change in accounts receivable	(17,318)	-
Change in donated assets	4,715	5,072
Change in deferred revenues	11,072	43,292
Change in accounts payable and accrued expenses	5,943	307
Change in advance	(1,335)	-
	<hr/>	<hr/>
Net cash used in operating activities	3,077	48,671
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of property and equipment	(4,715)	(5,072)
	<hr/>	<hr/>
Net cash used in investing activities	(4,715)	(5,072)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(1,638)	43,599
Cash and cash equivalents at the beginning of the year	109,392	65,793
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	107,753	109,392
	<hr/>	<hr/>

The accompanying notes from 1 to 15 form an integral part of these financial statements

DEMOCRACY PLUS

Notes to the Financial Statements

For the year ended December 31, 2019

1. INTRODUCTION

Democracy Plus (hereafter called the “Organization” or “D+”), a non-for-profit organization is established as a foundation, founded in accordance with the Law no. 04/L-057 on freedom of Association in Non-Governmental Organizations, approved from the Kosovo Assembly on 2011, under the registered number 5200344-0 and Fiscal number 601602643. The organization was registered on 11.03.2016.

The main objective of D+ is to foster democratic values and practices that will further strengthen the voice of the Kosovar society. D+ aims at contributing in establishing good governance practices, strengthening the rule of law, assisting political parties and the process of free and fair elections, and fostering respect for human rights and social issues. In its short time of existence, D+ has implemented different projects that aim to bring decision-makers closer to citizens through policy research, facilitation of dialogue and interaction as well as public education.

D+'s staff have implemented projects that facilitate discussion between citizens and local authorities in addressing a number of public issues. D+ has advocated for increased of youth in local decision making, provided interns to 16 municipalities of Kosovo to aid them in improving communication with citizens.

Building on its experience and credibility to help local institutions and facilitate communication with the public, D+ has launched an online platform to bridge the communication gap between constituents and local governments with regards to the provision of public services including: road work, public lightning, trash collection among others. Through this idea, D+ has given citizens a forum to exercise public pressure on their elected officials to improve service delivery, while enabling municipalities to act quickly upon requests coming from their constituents. In addition, D+ was heavily involved in monitoring elections both parliamentary and local ones that took place during June and October/November 2017 respectively. In this regard, D+ held training for women candidates for better representation in elections, organized Mayoral candidates of seven municipalities to commit to upholding transparency and accountability at the cornerstone of their governance once elected.

In addition, D+ continued implementing www.ndreqe.com, a fix-my-community platform that makes it easier for citizens report public service complaints to municipal institution using GPS coordinates and mobile photography of the complaint.

Democracy Plus donors and supporters for the year 2019 included:

1. Millennium DPI Partners / USAID's Justice System Support Program
2. Kosovo Foundation for Open Society (KFOS)
3. DAI Global, LLC / USAID's Digital Solution for Integrity in Public Procurement
4. The Olof Palme International Center (OPIC)
5. The State of the Netherlands (MATRA Programme)
6. United States Embassy in Kosovo
7. Balkan Investigative Report Network (BIRN) / British Embassy in Kosovo
8. Advocacy Training and Resource Center (ATRC) / The Global Community Engagement and Resilience Fund (GCERF)
9. DAI Global, LLC/ USAID
10. International Zusammenarbeit (GIZ)

DEMOCRACY PLUS

Notes to the Financial Statements (continued)

For the year ended December 31, 2019

11. Konrad-Adenauer-Stiftung, Office Kosovo / KAS
12. Kosovar Stability Initiative/ European Union
13. The Balkan Trust for Democracy (BTD)
14. Embassy of Canada in Zagreb
15. Assotiation Centers for Civic Initiatives
16. Institute of Economic Sciences (IES)
17. National Endowment for Democracy (NED)
18. Westminster Foundation for Democracy (WFD)
19. International City/County Management Association (ICMA) / USAID
20. Kosovar Civil Society Foundation (KCSF)
21. Other Donors.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1 Standards and Interpretations effective in the current period

Below are presented the amendments to the existing standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee which are effective for the current period:

Standard	Description	Effective date
IFRS 1	Annual Improvements to IFRS 2014–2016 Cycle	Beginning on or after January 2018
IAS 28	Annual Improvements to IFRS 2014–2016 Cycle	Beginning on or after January 2018
IFRS 15	Revenue from Contracts with Customers	Beginning on or after January 2018
IFRS 9	Financial Instruments	Beginning on or after January 2018
IAS 40	Transfers of Investment Property (Amendments to IAS 40)	Beginning on or after January 2018
IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)	Beginning on or after January 2018
IFRS 2	Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	Beginning on or after January 2018
IFRS 16	Leases	Beginning on or after

DEMOCRACY PLUS
Notes to the Financial Statements (continued)
For the year ended December 31, 2019

		January 2019
IFRS 9	Prepayment Features with Negative Compensation (Amendments to IFRS 9)	Beginning on or after January 2019
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	Beginning on or after January 2019
IAS 12, IAS 23, IFRS 3 and IFRS 11	Annual Improvements to IFRS 2015-2017 Cycle	Beginning on or after January 2019
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	Beginning on or after January 2019

2.2 Standards and interpretations in issue not yet effective

In these financial statements the following standards, revisions and interpretations were in issue but not yet effective:

Standard	Description	Effective date
CF	Conceptual Framework for Financial Reporting	Beginning on or after January 2020
IFRS 3	Definition of a Business (Amendments to IFRS 3)	Beginning on or after January 2020
IAS 1 and IAS 8	Definition of Material (Amendments to IAS 1 and IAS 8)	Beginning on or after January 2020
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	Beginning on or after January 2020
IFRS 17	Insurance Contracts	Beginning on or after January 2021
Practice Statement 2	Making Materiality Judgements	No effective date as non-mandatory guidance

The organization has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The entity anticipates that the adoption of these standards, revisions and interpretations will have no material impact on the financial statements of the entity in the period of initial application.

DEMOCRACY PLUS
Notes to the Financial Statements (continued)
For the year ended December 31, 2019

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis.

3.3 Currency of presentation

The reporting currency of Democracy Plus is the European Union currency unit Euro ("EUR"). The organization has six bank accounts in Pro Credit Bank.

3.4 Significant accounting policies

A summary of the most significant accounting policies adopted in the preparation of the financial statements is presented below:

3.4.1 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are considered to be cash on hand and at bank and in operating accounts at bank with an original maturity of three months or less.

3.4.2 Foreign currencies

Transactions in foreign currencies are converted to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary items that are measures in terms of historical cost in a foreign currency are not retranslated.

3.4.3 Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Democracy Plus.

Depreciation is calculated to write off the cost of items of IT equipment and Furniture and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. The estimated useful lives of property and equipment for current and comparative periods are as follows:

IT equipment	5 years
Furniture, fixture and equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

DEMOCRACY PLUS
Notes to the Financial Statements (continued)
For the year ended December 31, 2019

3.4.4 Revenue recognition

Revenues from grants are recognized as income on the period when received. At the end of the year the excess amount of revenues over expenses is treated as balance carried forward to the next period.

3.4.5 Expenses recognition

Expenses incurred are recognized in that period with the historical costs.

3.4.6 Taxation

Democracy Plus is established as a nongovernmental organization, therefore has responsibility and operates as an NGO under applicable Kosovo Laws.

3.4.7 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.

3.4.8 Critical judgments in applying the organization's accounting policies

In the process of applying the Organization's accounting policies, which are described in note 3 above, management has made no judgments that have significant effect on the amounts recognized in the financial statements.

3.4.9 Critical judgments in applying the accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

DEMOCRACY PLUS
Notes to the Financial Statements (continued)
For the year ended December 31, 2019

4. PROPERTY AND EQUIPMENT

	Computer equipment	Furniture	Equipment	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cost				
As at January 01, 2018	3,331	2,336	943	6,610
Additions	1,748	3,324	-	5,072
Write offs and disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at December 31, 2018	<u>5,079</u>	<u>5,660</u>	<u>943</u>	<u>11,682</u>
As at January 01, 2019	5,079	5,660	943	11,682
Additions	4,446	-	269	4,715
Write offs and disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at December 31, 2019	<u>9,525</u>	<u>5,660</u>	<u>1,212</u>	<u>16,397</u>
Accumulated depreciation				
As at January 01, 2018	788	867	189	1,844
Depreciation charge for the year	784	1,392	182	2,358
Write offs and disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at December 31, 2018	<u>1,572</u>	<u>2,259</u>	<u>371</u>	<u>4,202</u>
As at January 01, 2019	1,572	2,259	371	4,202
Depreciation charge for the year	1,943	1,085	252	3,280
Write offs and disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At December 31, 2019	<u>3,515</u>	<u>3,344</u>	<u>623</u>	<u>7,482</u>
Net book value				
As at December 31, 2019	<u>6,009</u>	<u>2,316</u>	<u>589</u>	<u>8,915</u>
As at December 31, 2018	<u>3,507</u>	<u>3,401</u>	<u>572</u>	<u>7,480</u>

DEMOCRACY PLUS
Notes to the Financial Statements (continued)
For the year ended December 31, 2019

DEFERRED INCOME RELATED TO DONATED ASSETS

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Balance as at 01 January	7,480	4,766
Donation received during the year	4,715	5,072
Release to income during the year	(3,280)	(2,358)
Balance as at 31 December	8,915	7,480

5. CASH AND BANK BALANCES

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Cash on hand	11	20
Cash at banks	107,742	109,372
Total Cash and Cash Equivalents	107,753	109,392

During this period “Democracy Plus” had six bank accounts opened in Pro Credit Bank. The bank accounts are in Euro currency.

6. ACCOUNTS RECEIVABLE

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Accounts Receivable	17,318	-
Total receivables	17,318	-

DEMOCRACY PLUS
Notes to the Financial Statements (continued)
For the year ended December 31, 2019

7. PAYABLES

	December 31, 2019 (in EUR)	December 31, 2018 (in EUR)
Accounts Payable	7,943	2,000
Total payable	<u>7,943</u>	<u>2,000</u>

8. DEFERRED REVENUE

	December 31, 2019 (in EUR)	December 31, 2018 (in EUR)
Kosovo Foundation for Open Society (KFOS)	40,112	25,377
DAI Global, LLC / USAID's Digital Solution for Integrity in Public Procurement	10,894	9,576
Democracy Plus	24,230	24,230
Embassy of Canada in Zagreb	3,868	-
Advocacy Training and Resource Center (ATRC) / The Global Community Engagement and Resilience Fund (GCERF)	5,985	1,267
Kosovar Stability Initiative/ European Union	-	4,792
The State of the Netherlands (MATRA Programme)	23,403	37,913
Balkan Investigative Report Network (BIRN) / British Embassy in Kosovo	-	573
United States Embassy in Kosovo	-	3,664
Institute of Economic Sciences (IES)	294	-
National Endowment for Democracy (NED)	<u>9,677</u>	-
Total Deferred Revenue	<u>118,464</u>	<u>107,392</u>

DEMOCRACY PLUS
Notes to the Financial Statements (continued)
For the year ended December 31, 2019

9. GRANT INCOMES

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Kosovo Foundation for Open Society (KFOS)	28,768	44,373
Kosovar Civil Society Foundation (KCSF)	10,500	29,412
United States Embassy in Kosovo	3,664	9,407
Embassy of Canada in Zagreb	5,403	2,512
Friedrich-Ebert-Stiftung Kosovo Office (FES)	-	11,708
Croatian Journalists' Association (CJA)	-	6,265
Austrian Embassy	-	-
DAI Global, LLC/ USAID	46,174	6,374
Democracy Plus	3,011	2,358
The Olof Palme International Center (OPIC)	28,022	-
Assotiation Centers for Civic Initiatives	3,475	-
Kosova Democratic Institute (KDI)	1,700	-
International City/County Management Association (ICMA) / USAID	5,875	-
National Endowment for Democracy (NED)	4,787	-
Balkan Investigative Report Network (BIRN) / British Embassy in Kosovo	16,383	9,853
Community Development Fund (CDF)/ USAID	-	3,930
Chemonics International Inc/ USAID	-	38,233
The State of the Netherlands (MATRA Programme)	44,510	11,475
Institute of Economic Sciences (IES)	9,915	-
Westminster Foundation for Democracy (WFD)	3,949	-
Ministry of Local Government Administration	-	7,929
Konrad-Adenauer-Stiftung, Office Kosovo / KAS	5,500	8,875
Millennium DPI Partners / USAID	23,169	40,791
Advocacy Training and Resource Center (ATRC) / The Global Community Engagement and Resilience Fund (GCERF)	31,755	14,532
Kosovar Stability Initiative/ European Union	5,990	-
Helsinki Committee for Human Rights of North Macedonia	2,121	-
Center for Peace and Tolerance (CPT)	-	2,990
The Balkan Trust for Democracy (BTD)	16,522	-
International Zusammenarbeit (GIZ)	436	41,875
Total grant incomes	<u>301,628</u>	<u>292,892</u>

DEMOCRACY PLUS
Notes to the Financial Statements (continued)
For the year ended December 31, 2019

10. STAFF SALARIES AND BENEFITS

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Salary for Administration	47,022	165,622
Salary for Program	95,367	-
External Personnel	29,948	-
Pension contribution	8,516	7,913
Total staff salaries and benefits	<u>180,853</u>	<u>173,535</u>

11. PROJECT ACTIVITIES

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Training expenses	21,638	10,423
Marketing costs	10,114	22,906
Translation	7,578	10,786
Project partners	35,402	8,886
Travel and Meetings	11,141	8,804
Workshops	2,882	13,103
Other	-	2,121
Project Analysis	-	15,560
Total Project activities	<u>88,755</u>	<u>92,588</u>

DEMOCRACY PLUS
Notes to the Financial Statements (continued)
For the year ended December 31, 2019

12. ADMINISTRATIVE EXPENSES

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Rent	11,968	8,242
Office supplies	1,766	4,990
Travel expenses	-	2,272
Telephone and internet	2,930	3,281
Audit expenses	2,000	2,000
Utilities	1,286	616
Repairs and maintenance	7,796	1,890
Other expenses	994	1,119
Total administrative expenses	<u>28,740</u>	<u>24,411</u>

13. RELATED PARTY DISCLOSURE

For the purposes of these financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions as defined by IAS 24 "Related Party Disclosures". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

14. RISK MANAGEMENT

14.1 Credit risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of trade receivables and holdings of cash at bank. The Organization's credit risk is managed by placing its cash and cash equivalents with high quality financial institutions. The receivables credit risk is controlled through revised credit terms (maximum 15 days as credit limit), credit approvals, credit limits and monitoring procedures.

14.2 Interest rate risk

The organization is not exposed to interest rate risk as they do not have any borrowings or placements.

DEMOCRACY PLUS
Notes to the Financial Statements (continued)
For the year ended December 31, 2019

14.3 Foreign exchange risk

The organization pays liabilities in foreign currency within a short period of time thus reducing the risk that changes in foreign currency would result in significant losses.

14.4 Liquidity risk

Liquidity risk arises in the general funding of the Organization's activities and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturity and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame to meet the liability obligations.

The organization monitors its liquidity on a periodic basis in order to manage its obligations as and when they fall due. As at December 31, 2018, the Organization's financial assets and liabilities have maturity less than 12 months.

15. SUBSEQUENT EVENTS

There are no subsequent events that would require either adjustments or additional disclosures in the financial statements.