Organizata për Rritjen e Cilësisë në Arsim

AUDIT & CONSULTING ASSOCIATES

Organizata për Rritjen e Cilësisë në Arsim

Independent Auditor's Report and Individual Financial Statements

for the year ended December 31, 2021

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AUDIT & CONSULTING ASSOCIATES

INDEPENDENT AUDITOR'S REPORT

To the Management of ORCA

Opinion

We have audited the accompanying financial statements of Organizata për Rritjen e Cilësisë në Arsim - ORCA, which comprise the statement of financial position as at December 31, 2021 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 of Organizata për Rritjen e Cilësisë në Arsim - ORCA as of December 31, 2021, results of its operation and the cash flow for the year then ended in conformity with actual lows.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (with the application of ISA 700). 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.

Astrit Musa – Statutory Auditor
ACA – Audit & Consulting Associates
Prishtine, Kosove
25 February, 2022

Organizata për Rritjen e Cilësisë në Arsim
Statement of Financial Position
For the year ended December 31, 2021

	Note	31 December 2021 (in EUR)	31 December 2020 (in EUR)
ASSETS			
Current assets:			
Cash and cash equivalents	3	59,976	55,892
Total current assets		**59,976**	**55,892**
TOTAL ASSETS		**59,976**	**55,892**
FUND BALANCE AND LIABILITIES			
Current liabilities:			
Accurred liabilities	4	307	2,330
Deferred revenues	5	59,669	53,562
Total current liabilities		**59,976**	**55,892**
TOTAL FUND BALANCE AND LIABILITIES		**59,976**	**55,892**

The financial statements have been signed on 22 February 2022 by:

Rron Gjinovci
Executive Director

Syzana Firza -Puka
Financial Manager

The accompanying notes from 1 to 12 form an integral part of these financial statements

Organizata për Rritjen e Cilësisë në Arsim
Statement of Proffit or Loss
For the year ended December 31, 2021

	Note	31 December 2021 (in EUR)	31 December 2020 (in EUR)
Incomes			
Incomes	6	210,438	115,794
Total incomes		**210,438**	**115,794**
Expenses			
Program expenses	7	74,052	39,928
Administrative expenses	8	24,502	8,311
Salary expenses	9	90,476	62,834
Equipment expenses	10	7,240	1,467
Other expenses	11	14,168	3,253
Total expenses		**210,438**	**115,794**
Net (deficit)/surplus for the year		-	-

The accompanying notes from 1 to 12 form an integral part of these financial statements

Organizata për Rritjen e Cilësisë në Arsim
Statemenf of Cash Flow
For the year ended December 31, 2021

	31 December 2021
	(in EUR)
Cash flows from operating activities:	
Net surplus(deficit)for the year:	
Adjustments for:	
Depreciation	-
Financial charges	-
Change in payables	4,084
Net cash flow generated from/(used in) operating activities	**4,084**
Net increase in cash and cash equivalents	**4,084**
Cash and cash equivalents at 1 January	55,892
Cash and cash equivalents at 31 December	**59,976**

The accompanying notes from 1 to 12 form an integral part of these financial statements

1. INTRODUCTION

Organizata për Rritjen e Cilësisë në Arsim (ORCA), established in 2016 in Prishtina, whose mission is to contribute to increasing the quality of education in Kosovo, with the main focus on university education.

ORCA is a non-governmental organization with a focus on higher education and science that supports groups that aim to democratize educational institutions and academic integrity and that believe that education should be at the service of progress and equality among people.

ORCA is active in overseeing academic processes in higher education in Kosovo, and in coordinated responses to improve the quality of public university teaching.

This goal is made possible through careful and methodological review of academic developments in collaboration with experts in various fields and deserving academics.

ORCA is also committed to revitalizing activism among students in the public university system through collaboration with student organizations and raising awareness and field response capacity of the wider student community.

In addition to increasing public and institutional pressure, ORCA will provide concrete recommendations to institutions responsible for improving the state of education in Kosovo

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements for the Organization have been prepared on a cash basis for revenue and expenditure. The basics of measurement are described in more detail in the accounting policies set out below.

2.2 Currency of presentation

The functional currency of the Organization is the European Union currency unit Euro ("EUR"). The business financial statements are presented in Euro.

2.3 Foreign currency exchange

Foreign currency transactions are exchanged into the functional currency using the exchange rates existing at the dates of the transactions. Foreign currency gains and losses arising from the adjustment of transactions such as the re-measurements of monetary items at the end of the year exchange rates are presented as profit or loss.

2.4 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.

2.5 Trade payables

The amounts payable are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the business or not.

2.6 Taxes

The organization was established as a non-governmental organization, therefore it has responsibilities and operates as an NGO under the applicable laws of Kosovo.

2.7 Financial costs

Financial costs include bank charges, charged for banking transactions and the cost charged for the guarantee received as well as interest expense on borrowings.

2.8 Employee benefits

The Organization, in the normal course of business, makes payments to the State budget of on behalf of its employees. The majority of the Organiztion's employees are members of the State pension plan. All such contributions to the mandatory government pension schemes are expensed when incurred. The Organization does not operate any other pension scheme or postretirement benefit plan and, consequently, has no obligation in respect of pensions.

In addition, the Organization has no material obligations to provide further benefits to current and former employees.

3. CASH AND CASH EQUIVALENTS

	31 December 2021 (in EUR)	31 December 2020 (in EUR)
Cash at bank	59,976	55,892
Total cash and cash equivalents	**59,976**	**55,892**

4. TRADE PAYABLE

	31 December 2021 (in EUR)	31 December 2020 (in EUR)
Payables to suppliers	307	2,330
Total accrued liabilities	**307**	**2,330**

5. DEFERRED REVENUES

The table below shows the calculation of deferred revenues for 2021, while for 2020 we did not have comparative data on deferred revenues.

	Cash Income (in EUR)	Expenses (in EUR)	Return to donor (in EUR)	Deferred revenue (in EUR)
KFOS G02/19	8,937	8,889	-	48
NED 2020-0520	41,424	39,355	1,667	401
QAINT	250,099	221,132	-	28,967
KFOS COSEMN	21,580	13,473	-	8,107
KITU 1 KFOS H17/20 KFOS H03 / 20	10,000	9,570	-	430
KCSF EJA-GI-03	38,217	33,777	-	4,440
KITU 2 KFOS H09 / 21	9,520	9,513	-	7
NED 2021/11439	33,360	16,160	-	17,201
KFOS SCEP H10/21	9,625	9,557	-	68
Total deferred revenues	**422,762**	**361,425**	**1,667**	**59,669**

6. INCOMES

	31 December 2021 (in EUR)	31 December 2020 (in EUR)
Incomes from Austrian development Agency - QAINT	107,185	71,457
Incomes from KCSF	38,217	-
Incomes from KFOS	29,145	21,580
Incomes from NED	39,880	34,905
Deferred revenues for the year	(3,988)	(12,148)
Total incomes	**210,438**	**115,794**

7. PROGRAM EXPENSES

	31 December 2021 (in EUR)	31 December 2020 (in EUR)
Austrian development Agency - QAINT	52,816	25,998
National Endowment for Democracy NED 2020-0520	13,284	4,673
Kosovar Civil Society Foundation - KCSF EJA-GI-03	4,034	-
National Endowment for Democracy NED 2021/11439	2,034	-
Kosova Foundation for Open Society - KFOS COSEMN	1,258	42
Kosova Foundation for Open Society - KFOS GA02/19	350	-
Kosova Foundation for Open Society - KFOS SCEP H10/21	277	-
Kosova Foundation for Open Society - KFOS H03/19	-	4,539
Kosova Foundation for Open Society - KFOS H10/19	-	4,676
Total program expenses	**74,052**	**39,928**

8. ADMINISTRATIVE EXPENSES

	31 December 2021 (in EUR)	31 December 2020 (in EUR)
Kosovar Civil Society Foundation - KCSF EJA-GI-03	12,543	-
Austrian development Agency - QAINT	5,271	5,726
Kosova Foundation for Open Society - KFOS SCEP H10/21	2,355	-
Kosova Foundation for Open Society - KFOS COSEMN 11/20	1,549	
Kosova Foundation for Open Society - KFOS H09 / 21 (Kitu 2)	1,113	-
National Endowment for Democracy NED 2021/11439	994	-
Kosova Foundation for Open Society - KFOS H17/20 (Kitu 1)	405	-
National Endowment for Democracy NED 2020-0520	273	556
Kosova Foundation for Open Society - KFOS COSEMN	-	124
Kosova Foundation for Open Society - KFOS H03/19	-	965
Kosova Foundation for Open Society - KFOS H10/19	-	922
Kosova Foundation for Open Society - KFOS GA02/19	-	19
Total administrative expenses	**24,502**	**8,311**

9. STAFF SALARIES AND BENEFITS

	31 December 2021 (in EUR)	31 December 2020 (in EUR)
Austrian development Agency - QAINT	25,318	33,120
Kosovar Civil Society Foundation - KCSF EJA-GI-03	16,200	-
National Endowment for Democracy NED 2021/11439	13,132	-
Kosova Foundation for Open Society - KFOS H09 / 21 (Kitu 2)	8,400	-
National Endowment for Democracy NED 2020-0520	8,136	11,684
Kosova Foundation for Open Society - KFOS H17/20 (Kitu 1)	7,740	-
Kosova Foundation for Open Society - KFOS SCEP H10/21	6,300	-
Kosova Foundation for Open Society - KFOS COSEMN	5,250	5,250
Kosova Foundation for Open Society - KFOS H10/19	-	4,260
Kosova Foundation for Open Society - KFOS GA02/19	-	8,520
Total salary expenses	**90,476**	**62,834**

10. EQUIPMENT EXPENSES

	31 December 2021 (in EUR)	31 December 2020 (in EUR)
Austrian development Agency - QAINT	3,441	1,467
Kosova Foundation for Open Society - KFOS H17/20 (Kitu 1)	1,425	-
Kosovar Civil Society Foundation - KCSF EJA-GI-03	1,000	-
National Endowment for Democracy NED 2020-0520	749	-
Kosova Foundation for Open Society - KFOS SCEP H10/21	625	-
Total equipment expenses	**7,240**	**1,467**

11. OTHER EXPENSES

	31 December 2021 (in EUR)	31 December 2020 (in EUR)
Austrian development Agency - QAINT	14,168	3,253
Total other expenses	**14,168**	**3,253**

12. SUBSEQUENT EVENTS

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

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