ORCA

organizata për rritjen e cilësisë në arsim

Independent Auditor's Report and Individual Financial Statements

for the year ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Management of ORCA

Opinion

We have audited the accompanying financial statements of ORCA, which comprise the statement of financial position as at December 31, 2023 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 ORCA as of December 31, 2023, results of its operation and the cash flow for the year then ended in conformity with actual laws.

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 statement's 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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
Pristina, Kosovo
11 April, 2024

Organizata Për Rritjen e Cilësisë në Arsim
Statement of financial position
As at 31 December 2023

(All amounts are presented in EUR)

ASSETS	Note	31 December 2023	31 December 2022
Current assets:			
Cash and cash equivalents	3	160,454	26,666
Accounts receivable	4	-	11,259
Total current assets		**160,454**	**37,924**
TOTAL ASSETS		**160,454**	**37,924**
FUND BALANCE AND LIABILITIES			
Fund Balance			
Accumulated surplus		-	-
Surplus/(Deficit) for the year		-	-
Total Fund Balance		-	-
Current liabilities:			
Accrued liabilities	5	-	2,463
Deferred revenues	6	160,454	35,462
Total current liabilities		**160,454**	**37,924**
TOTAL FUND BALANCE AND LIABILITIES		**160,454**	**37,924**

The financial statements prepared and approved were signed on April 11, 2024 by:

Rron Gjinovci
Executive Director

Fellona Feta
Finance Manager

The accompanying notes from 1 to 14 form an integral part of these financial statements

Organizata Për Rritjen e Cilësisë në Arsim
Statement of profit or loss
For the year ended 31 December 2023

(All amounts are presented in EUR)

	Note	31 December 2023	31 December 2022
Income			
Income	7	244,315	193,770
Total incomes		**244,315**	**193,770**
Expenses			
Program expenses	8	67,651	68,082
Administrative expenses	9	32,717	3,733
Salary expenses	10	113,617	107,262
Equipment expenses	11	5,249	1,200
Other expenses	12	25,082	13,492
Total expenses		**244,315**	**193,770**
Net (deficit)/surplus for the year		-	-

The accompanying notes from 1 to 14 form an integral part of these financial statements

Organizata Për Rritjen e Cilësisë në Arsim
Statement of changes in funds balance
For the year ended 31 December 2023

(All amounts are presented in EUR)

Statement of Surplus/Deficit of Funds	Accumulated Surplus/Deficit	Total
Balance at 01 January, 2022	-	-
Surplus for the year	-	
Balance as at 31 December, 2022	-	-
Balance at 01 January, 2023	-	-
Surplus for the year	-	
Balance as at 31 December, 2023	-	-

The accompanying notes from 1 to 14 form an integral part of these financial statements

Organizata Për Rritjen e Cilësisë në Arsim
Statement of cash flow
For the year ended 31 December 2023

(All amounts are presented in EUR)

	31 December 2023	31 December 2022
Cash flows from operating activities:		
Net surplus(deficit)for the year:	-	-
Adjustments for:		
Depreciation		
Financial charges		
Change in payables	122,529	(22,051)
Change in receivable	11,259	(11,259)
Net cash flow generated from/(used in) operating activities	**133,788**	**(33,310)**
Net increase in cash and cash equivalents	**133,788**	**(33,310)**
Cash and cash equivalents at 1 January	26,666	59,976
Cash and cash equivalents at 31 December	**160,454**	**26,666**

The accompanying notes from 1 to 14 form an integral part of these financial statements

1. GENERAL INFORMATION

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 ACCOUNTING POLICIES

2.1.Basis of preparation

2.1.1. Statement of compliance
The financial statements have been prepared on the basis of cash-based accounting for revenues and expenses. The basis of measurement is described in more detail in the accounting policies presented below.

2.1.2.Basis of measurement
The financial statements for the organization are prepared on a historical cost basis. Historical cost is generally based on the fair value of the value given in exchange for the goods and services.

2.1.3.Functional and presentation currency
The functional currency of the organization as well as the presentation of the financial statements is the Euro ("EUR"), which is the main currency in the Republic of Kosovo since January 1, 2002.

2.1.4. The Use of estimate and judgements
The preparation of Financial Statements in conformity with actual laws requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

2.1.5. Going concern
The Statement of financial position and Statement of Comprehensive Income have been prepared on a going concern basis, which assumes the organization will be able to realize its assets and discharge its liabilities in the normal course activity.

2.2. Significant accounting policies

2.2.1 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and other highly liquid short-term investments with original maturities of three months or less..

Foreign currency transactions
Foreign currency transactions are transactions undertaken by the Organization in a currency other than in its functional currency. Foreign currency transactions are translated into the functional currency at the foreign exchange rate ruling at the date of the transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

2.2.2 Accounts receivable

Accounts receivables
Accounts receivable are initially recognized at fair value and are subsequently carried at cost less provisions, if any. A provision is recognized when there is objective evidence that the organization will not be able to collect all amounts due according to the initial terms of the receivables.

Accounts receivables denominated in foreign currency are presented in Euro currency using the exchange rate at the reporting date. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If this is the case, an impairment loss (impairment) is recognized immediately in the statement of comprehensive income.

2.2.3 Accounts payable and accruals

Accounts payable are measured at cost, which is the fair value of the amount to be paid in the future for the goods and services received. Accounts payable are obligations based on normal credit terms and do not bear interest. Accounts payables denominated in foreign currency are presented in Euro currency using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

2.2.4 Income

Revenues are recognized as income in the period when they are paid. At the end of the year, the excess amount of income over expenses is treated as a balance carried over to the next period.

2.2.5 Grants

Government grants are recognized in profit or loss on a systematic basis throughout the period in which the Organization recognizes as expenses the corresponding costs for which the grants are intended for compensation. Specifically, Government grants, for which the primary condition is that the Organization must acquire, construct or recognize non-current assets as deferred income in the statement of financial position and be transferred to profit or loss on a systematic basis and rational throughout the useful life of the relevant asset.

Grants are recognized only when there is reasonable assurance that:

- The organization will fulfill all the conditions attached to them; AND
- Grants will be accepted

Operating grants are recognized as income over the period necessary to relate them to the costs, for which they are intended to be compensated, on a systematic basis. Grants marked for the acquisition of assets are deferred and recognized as income over the period of use of the respective asset.

2.2.6 Expenses

The incurred expenses are recognized in the corresponding period on a cash basis.

2.2.7 Provisions and unexpected (contingent) liabilities

Contingent liabilities have not been recognized in the financial statements. They are disclosed only if the possibility of the flow of resources involving economic benefits is remote. The contingent asset is not recognized in the financial statements but is disclosed when the flow of economic benefits is possible.

(All amounts are presented in EUR)

3.CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash at bank	160,285	26,656
Cash on hand	168	10
Total cash and cash equivalents	**160,454**	**26,666**

4. ACCOUNTS RECEIVABLE

	31 December 2023	31 December 2022
Receivable - QAINT	-	1,117
Receivable - HEI 2025	-	10,142
Total receivables	**-**	**11,259**

5.ACCRUED LIABILITIES

	31 December 2023	31 December 2022
Payables to suppliers	-	2,463
Total accrued liabilities	**-**	**2,463**

6. DEFERRED REVENUE

	Deferred revenue for 2023	Income received during 2023	Expenses during 2023	Deferred revenue for 2024
Austrian development Agency - HEI2025	0	283,495	149,383	134,112
NED:NED 2023 0372	-	36,590	15,786	20,804
QAINT	306	2,559	827	2,038
KCSF EJA-GI-03	7,069	38,217	43,748	1,538
NED 2021/11439	1,087	-	-	1,087
NED 2020-0520	401	-	-	401
NED 2022/0319	21,454	8,382	29,498	338
Other		64	-	64
KFOS G02/19	48	-	-	48
KITU 1				
KFOS H17/20				
KFOS H03 / 20	20	-	-	20
KFOS H11/21	2	-	-	2
KFOS COSEMN	2	-	-	2
KFOS H16/21	5,073	-	5,073	-
KFOS SCEP H10/21	-	-	-	-
KITU 2KFOS H09 / 21	-	-	-	-
Total deferred revenues	**35,462**	**369,307**	**244,315**	**160,454**

7. INCOME

	31 December 2023	31 December 2022
Incomes from Austrian development Agency - HEI 2025	149,383	-
Incomes from NED	45,284	46,977
Incomes from KCSF	43,748	38,217
Incomes from KFOS	5,073	27,125
Incomes from Austrian development Agency - QAINT	827	46,228
Deferred revenues for the year	-	35,223
Total income	**244,315**	**193,770**

(All amounts are presented in EUR)

8. PROGRAM EXPENSES

	31 December 2023	31 December 2022
Austrian Development Agency: HEI 2025	44,887	-
Kosovar Civil Society Foundation - KCSF EJA-GI-03	13,612	4,867
National Endowment for Democracy NED 2022/0319	5,748	-
Kosova Foundation for Open Society - KFOS SCEP H16/21	3,403	2,303
Austrian development Agency - QAINT	-	31,992
National Endowment for Democracy NED 2020-0520	-	14,920
Kosova Foundation for Open Society - KFOS COSEMN	-	6,957
Kosova Foundation for Open Society - KFOS SCEP H11/21	-	3,821
National Endowment for Democracy NED 2021/11439	-	1,827
Kosova Foundation for Open Society - SCEP	-	1,308
Kosova Foundation for Open Society - KITU 1	-	80
Kosova Foundation for Open Society - KITU 2	-	7
Total program expenses	**67,651**	**68,082**

9. ADMINISTRATIVE EXPENSES

	31 December 2023	31 December 2022
National Endowment for Democracy NED 2022-0319	12,135	-
Kosovar Civil Society Foundation - KCSF EJA-GI-03	12,075	1,988
Austrian development Agency - HEI 2025	6,695	-
National Endowment for Democracy NED 2023-0372	1,812	-
Kosova Foundation for Open Society - KFOS COSEMN	-	436
Kosova Foundation for Open Society - KFOS H17/20 (Kitu 1)	-	300
Kosova Foundation for Open Society - KFOS SCEP H10/21	-	64
Kosova Foundation for Open Society - KFOS H11/21	-	45
National Endowment for Democracy NED 3 NED 2020-0520	-	29
Bank Charge	-	872
Total administrative expenses	**32,717**	**3,733**

(All amounts are presented in EUR)

10. SALARY EXPENSES

	31 December 2023	31 December 2022
Austrian development Agency - HEI 2025	74,848	-
Kosovar Civil Society Foundation - KCSF EJA-GI-03	16,200	16,654
National Endowment for Democracy NED 2023-0372	13,840	-
National Endowment for Democracy NED 2022-0319	8,360	-
Kosova Foundation for Open Society - KFOS H16/21	368	2,450
Austrian development Agency - QAINT	-	42,521
National Endowment for Democracy NED 3	-	14,685
Kosova Foundation for Open Society - KFOS HEI 2025	-	10,100
National Endowment for Democracy NED 2020-0520	-	8,324
Kosova Foundation for Open Society - KFOS SCEP	-	8,216
Kosova Foundation for Open Society - KFOS H11/21	-	3,600
Kosova Foundation for Open Society - KFOS COSEMN	-	712
Total salary expenses	**113,617**	**107,262**

11. EQUIPMENT EXPENSES

	31 December 2023	31 December 2022
Austrian development Agency - HEI 2025	2,366	-
National Endowment for Democracy NED 2022-0319	1,690	-
Kosovar Civil Society Foundation - KCSF EJA-GI-03	1,193	-
Austrian development Agency - QAINT	-	1,200
Total equipment expenses	**5,249**	**1,200**

12. OTHER EXPENSES

	31 December 2023	31 December 2022
Austrian development Agency - HEI 2025	20,587	-
National Endowment for Democracy NED 2022-0319	1,565	-
Kosova Foundation for Open Society - KFOS H16/21	1,301	-
Austrian development Agency - QAINT	827	13,492
Kosovar Civil Society Foundation - KCSF EJA-GI-03	668	-
National Endowment for Democracy NED 2023-0372	134	-
Total other expenses	**25,082**	**13,492**

(All amounts are presented in EUR)

13 CONTINGENCIES AND COMMITMENTS

13.1. Legal issues

For the year ended December 31, 2023, the organization does not have any contingent liabilities that require disclosure in its financial statements.

14 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting date that would require either adjustments or additional disclosures in the financial statements