

**Civic association CIVIL
- Center for Freedom Skopje**

**Financial statements for the year ended 31
December 2019 in accordance with International
Standards accepted in the Republic of North
Macedonia and
Independent Auditor's Report**

May 2020, Skopje

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To:
The Management of
Civic Association CIVIL - Center for Freedom
SKOPJE

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the „Civic Association CIVIL “Skopje - (in the following text “the Association “), which comprise the Balance Sheet as of 31 December 2019, the Statement of Revenues and Expenses and Statement of Changes in Funds for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Law for Non-profit Organizations and the standards for reporting under the cash basis of accounting. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To:
The Management of
Civic Association CIVIL - Center for Freedom
SKOPJE

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's opinion

In our opinion, the financial statements of „ Civic Association CIVIL “Skopje give a true and fair view of the financial position of the Organization as of 31 December 2019, as well as the operating results and the changes in the funds for the year than ended, in accordance with the Accounting Law for Non-profit Organizations and standards for reporting under the cash basis of accounting.

Report on other requirement

The management of the Association is also responsible for preparing a financial report and a list of supporting documents to the financial report for the Civica Mobilitas program and submitting them to the Macedonian Center for International Cooperation, in accordance with the Institutional Grant Agreement.

Our work regarding financial reporting and review of financial statement supporting documents is carried out in accordance with ISA 720 and is limited to information on whether the historical financial information is presented in the financial statement in accordance with the Institutional Grant Agreement.

In our opinion, the financial report and the list of supporting documents in the financial report for the period 01.01.2019 - 31.12.2019, for the Civica Mobilitas program submitted to the Macedonian Center for International Cooperation, are in accordance with the Institutional Grant Agreement

Skopje, 29 May 2020 година

Certified Auditor
Zvonko Kocovski



Manager
Dragan Dimitrov



Друштво за ревизија БДО
BDO
ДОО Скопје

STATEMENT OF REVENUES AND EXPENSES
For the Year Ended 31 December 2019 and 2018
In MKD thousands

	Notes	2019	2018
		<u> </u>	<u> </u>
Revenues from donations	4	13.489	13.602
Other revenues	5	124	322
Transferred surplus of revenues		<u>1.855</u>	<u>1.746</u>
TOTAL REVENUES		<u>15.468</u>	<u>15.670</u>
Operating expenses	6	14.257	13.683
Capital expenses	7	<u>365</u>	<u>132</u>
TOTAL EXPENSES		<u>14.622</u>	<u>13.815</u>
Surplus of revenues over expenses		<u>846</u>	<u>1.855</u>

The accompanying notes form an integral part of these financial statements.

The accompanying financial statements were authorised for issue by the management of the Association on 26 February 2020 and were signed on its behalf by:

 President
 Xhabir Memedi Deralla

BALANCE SHEET
As of 31 December 2019 and 2018
In MKD thousands

	Notes	31 December 2019	31 December 2018
ASSETS			
NON-CURRENT ASSETS			
Intangibles	8	27	34
Property, plant and equipment	9	589	431
		616	465
CURRENT ASSETS			
Other current assets and prepayments	10	58	30
Cash and cash equivalents	11	853	1.861
		911	1.891
TOTAL ASSETS		1.527	2.356
LIABILITIES AND OPERATING FUND			
OPERATING FUND			
Operating Fund	12	616	465
Surplus of revenues over expenses		846	1.855
		1.462	2.320
CURRENT LIABILITIES			
Accounts payable			
Other short-term liabilities	13	65	36
		65	36
TOTAL LIABILITIES AND FUNDS		1.527	2.356

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN OPERATING FUND
As of 31 December 2019 and 2018
In MKD thousands

	Operating Fund	Difference between revenues and expenses	TOTAL
Balance as of 01 January 2018	529	1.746	2.275
Transferred surplus of revenues over expenses from previous year	-	(1.746)	(1.746)
Additions of fixed assets	132	-	132
Depreciation	(196)	-	(196)
Surplus of revenues over expenses	-	1.855	1.855
Balance as of 31 December 2018	465	1.855	2.320
Transferred surplus of revenues over expenses from previous year	-	(1.855)	(1.855)
Additions of fixed assets	365	-	365
Depreciation	(214)	-	(214)
Surplus of revenues over expenses	-	846	846
Balance as of 31 December 2019	616	846	1.462

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2019

All amounts are expressed in MKD thousand, unless otherwise stated

1. ESTABLISHMENT AND ACTIVITY OF THE INSTITUTION

The Civic Association CIVIL - Center for Freedom is a non-profit organization founded in 1999.

The association is registered in the Register of other legal entities, established by free association for the purpose of fulfilling its mission of social interest.

The association is located in Skopje on st. Maxim Gorky No. 31A / 1.

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Association are conducted in accordance with the Non-Profit Organization Accounting Law and the standards for reporting under the cash basis of accounting for presentation of the balance sheet items, balances of the assets, liabilities, sources of the assets, revenues and expenses, and the operating results on true, fair, confidential, complete, punctual basis.

The amounts in the statements and the notes are stated in thousands of MKD, except when otherwise indicated in the text.

3. BASIC ACCOUNTING POLICIES

The basic accounting policies used for preparation of the financial statements are listed in the following text.

3.1 Cash and cash equivalents

Cash and cash equivalents comprises of the cash on hand and the cash on giro account in the commercial banks.

Money at the cash account and at the bank accounts stated in domestic currency are presented in the general ledger at their nominal value, while the foreign exchange currency is stated according to the exchange rate of NBRM at the reporting date.

3.2 Material and non-material investments

Material and non-material investments (fixed assets) are stated at their cost value. The cost of the fixed assets comprise the purchasing price increased for the import customs, VAT, manipulative expenses and all other expenses that can be added to the cost, i.e. to the purchasing expenses. The operating fund of the Association increases for the amount of the value of fixed assets purchased.

3.3 Depreciation

Tangible and intangible assets (fixed assets) are depreciated using the straight-line method, so their cost and revaluated amount are depreciated in equal annual amounts during the estimated utilization period of the fixed assets. The amount of the current depreciation is recorded on the burden of the operating fund.

The depreciation rates, applied by the Association in 2019 are as follows: 20% for electrical devices and computer equipment и 10% for furniture. The calculation of the depreciation is performed separately for each item, and not for groups of assets.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2019

All amounts are expressed in MKD thousand, unless otherwise stated

3. BASIC ACCOUNTING POLICIES (Continued)**3.4 Recognition of the revenues and expenses**

Revenues and expenses of the non-profit organizations are recognized according to the modified accrual basis of accounting.

According to the modified accrual basis of accounting the revenues i.e. expenses are recognized in the accounting period of calculation in which they appear under criteria of measurement and availability. Revenues i.e. expenses are measurable when they can be stated by their value. Revenues i.e. expenses are available when they are realized, i.e. when they appear (paid) in the accounting period or within the period of 30 days after the accounting period, under condition to be related to the accounting period and serve for payment of the liabilities for the period (if liabilities for payment appear in the accounting period).

3.5 Amounts stated in foreign currency

The transactions in foreign currency are stated in MKD according to the Official exchange rate of NBRM at the date of transaction.

Foreign exchange assets and liabilities of the balance sheet are stated in MKD according to the official exchange rates on the balance sheet date.

The Income Statement includes the net foreign exchange gains and losses that resulted from the conversion of the amounts in foreign currency in the period when they occur.

The average (closing) exchange rates of the denar related to the foreign exchange currencies (for one unit of foreign exchange currency) as of 31 December are as follows:

	<u>2019</u>	<u>Во денари 2018</u>
EUR	61,4856	61,4950
USD	54,9518	53,6887

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2019

All amounts are expressed in MKD thousand, unless otherwise stated

4. REVENUES FROM DONATIONS

	<u>2019</u>	<u>2018</u>
Revenues from donations	13.489	13.602
Total	<u>13.489</u>	<u>13.602</u>

During 2019 the following revenues from donations were realized:

Num.	Donor	Project	2019
1	Macedonian Center for International Cooperation	Civica Mobilitas	750
2	US Embassy	CAVE	288
3	Heinrich Boll Stiftung e.V.	Green future	1.269
4	NED	Civic Lens 3.0	3.084
5	NED	Civic Lens 4.0	1.355
6	German Embassy	Citizens for free society	6.743
	Вкупно		13.489

4. OTHER REVENUES

	<u>2019</u>	<u>2018</u>
Foreign exchange gains	7	10
Revenue from sales of services	102	273
Other revenues	15	39
Total	<u>124</u>	<u>322</u>

6. OPERATING EXPENSES

	<u>2019</u>	<u>2018</u>
Materials and energy	388	353
Services	661	602
Transportation and telecommunication services	596	420
Advertising and promotion	655	548
Rents and rent of equipment and space	565	634
Bank charges	57	62
Intellectual services - contract work	10.584	10.217
Accounting services	137	139
Other expenses	614	708
Total	<u>14.257</u>	<u>13.683</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2019

All amounts are expressed in MKD thousand, unless otherwise stated

7. CAPITAL EXPENSES

	<u>2019</u>	<u>2018</u>
Purchased equipment	365	132
Total	<u>365</u>	<u>132</u>

8. INTANGIBLES

	<u>Software</u>	<u>Total</u>
Cost as of 01 January 2018	-	-
Additions	35	35
Balance as of 31 December 2018	<u>35</u>	<u>35</u>
Additions in the year	-	-
Balance as of 31 December 2019	<u>35</u>	<u>35</u>
Accumulated depreciation		
as of 1 January, 2018	-	-
Depreciation	1	1
Balance as of 31 December 2018	<u>1</u>	<u>1</u>
Depreciation	7	7
Balance as of 31 December 2019	<u>8</u>	<u>8</u>
Net book value as of:		
- 31 December 2019	<u>27</u>	<u>27</u>
- 31 December 2018	<u>34</u>	<u>34</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2019

All amounts are expressed in MKD thousand, unless otherwise stated

9. PROPERTY, PLANT AND EQUIPMENT

	Equipment	Vehicles	Total
Cost as of 01 January 2018	896	203	1.099
Additions	97	-	97
Balance as of 31 December 2018	993	203	1.196
Additions in the year	365	-	365
Balance as of 31 December 2019	1.358	203	1.561
Accumulated depreciation			
as of 1 January 2018	396	174	570
Depreciation	166	29	195
Balance as of 31 December 2018	562	203	765
Depreciation	207	-	207
Balance as of 31 December 2019	769	203	972
Net book value as of:			
- 31 December 2019	589	-	589
- 31 December 2018	431	-	431

10. OTHER CURRENT ASSETS AND PREPAYMENTS

	2019	2018
Accounts receivables	25	-
Other receivables	14	-
Prepayments	19	30
Balance at 31 December	58	30

11. CASH AND CASH EQUIVALENTS

	2019	2018
Current account	203	1.605
Cash on hand	8	-
Foreign exchange account	635	252
Other cash equivalents - business cards	7	4
Balance at 31 December	853	1.861

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2019

All amounts are expressed in MKD thousand, unless otherwise stated

12. OPERATING FUND

	<u>2019</u>	<u>2018</u>
Operating fund - equipment and vehicles	616	465
Balance at 31 December	<u>616</u>	<u>465</u>

The changes in the Operating fund are stated in the Statement of changes in the operating funds on page 5.

13. ACCOUNTS PAYABLES AND OTHER SHORT-TERM LIABILITIES

	<u>2019</u>	<u>2019</u>
Domestic accounts payable	19	30
Other liabilities	21	6
Accruals	25	-
Balance at 31 December	<u>65</u>	<u>36</u>

14. OFF-BALANCE RECORDS

As of 31 December 2019, the Association has no off-balance sheet exposure based on issued bank guarantees.

15. SUBSEQUENT EVENTS

There are no material subsequent events that would have an impact on understanding of financial statements.