

Strasbourg, 24 April 2018

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<p style="text-align: center;">TREASURER ACTIVITY REPORT Year 2017</p>
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I) STATUS OF THE ASSOCIATION DURING THE COURSE OF THE EXERCISE:

The result of the activity presented to this day represents a stable situation compared to 2015. The result is an overflow in the amount of **19 326 €** as oppose to 5 353€ in 2016.

1) HIGHLIGHTS IN 2017:

The year 2017 has been extremely intense in activities in relation to the big programmes of LADDER and Choice as well as the establishment of three new Local Democracy Agencies (Kairouan, Moldavia and Mariupol). This allowed for a more performing and larger structure of the ALDA staff. Important programmes – engaging also numerous members of the association – are in the course of implementation in 2018 with activities, which started beginning 2017.

An important program for the reinforcement and the enlargement of the basis of the association has also been set up, also thanks to the Ambassadors of ALDA programme. On European level, ALDA continues with its important action as partner of the programme Europe for Citizens and in the Balkans with the regional IPA programme (Instrument for Pre-accession Assistance of the European Union) particularly on the topic of reinforcement of policies for youth on local level.

The valorisation of the Local Democracy Agencies program has been especially important in 2017 and this has also led to the position statement and the support on behalf of the Commissioner for European Neighbourhood Policy and Enlargement, Johannes Hahn, during the LDAs partners meeting of the 5th December 2017. ALDA also started the diversification of its resources thanks to the establishment of ALDA+ in February 2017, thus allowing the possibility to obtain support for the Association through offers of technical assistance and trainings. Some members of the staff, and in particular the Secretary General (who represents a consequent cost for ALDA) has taken days off work (in concordance with the

Administration Council and with respect of the balance among the team) for two technical assistances for the UNDP and a training in Algeria, thus providing new resources for ALDA.

2) PRESENTATION OF THE 2017 RESULT:

Introduction and ALDA's management method

- The presented accounts according to French law give an indication of the status of activity in the temporary period from the 1 January until the 31 December. For a dynamic activity such as ALDA's where the projects are not often in concordance with the beginning and end of the calendar years, the conventions are registered in their totality at the moment of signature and are then **taken into account on a pro rata temporis (with a monthly time break). The expenses are registered on the date of issue of the invoice.**

- The concordance between the accounting dynamic and the reality of the action is followed by our financial team thanks to an **analytic accounting program on the program Filemaker**. The revenues and expenses are recorded on it, on a daily basis. **The analytic registration is immediate and also transferred to an accounting form**, which allows the establishment of the balance sheet (which includes other non visible elements of the activity such as the taxes on the wages, the depreciation and other such operations). The accounts also take into consideration the sums "to be received", which some of them are also considered as revenues, and the sums "to be paid" which are considered as charge.

- **The General Secretary and the financial team appraise every month** the advancement of the budgets and its availability, particularly when it comes to the operational costs and the wages. The activities' budgets and budgets are followed more punctually by the project managers. All the expenses have to obtain the "proceed to payment" on behalf of the Secretary General in order to be effectuated. The treasurer signs the bank transfers, this repartition of the responsibility limits at most the possible errors. The budgets control is also followed by a daily control of the provisional treasury every 6-8 months.

The accounts hereinafter give a punctual detail drafted with the assistance of our accounting expert, the Cabinet Boos, which assesses our records for many years and who has been available for support and

advice for the growth and the good management of the Association. Here follows a brief summary of the detailed accounts.

Summary of the 2017 situation

Available products	
Service delivery (trainings and technical assistance)	27 017 €
Convention with various donors (see detail below)	3 484 586 €
Funds (financing of activities and invitations to participate to various events)	59 750 €
Membership fees	129 052 €
Other current management products (co-financing of activities by partners in particular)	661 486 €
Reversals of provisions and depreciation, transfer of expenses	33 680 €
Total of available products	4 395 570 €
Exploitation expenses	
Other purchases and external expenses	817 323 €
Taxes, charges and assimilated payments	967 €
Remuneration of staff (operational costs and projects)	548 272 €
Social charges (operational costs and projects)	140 797 €
Depreciation and amortization charge	11 892 €
Other projects expenses	2 677 310 €
Total of exploitation expenses	4 196 561 €
Current result	199 009 €
Reversal of depreciation and financial interests	2 173 €
Interests and financials costs	- 4 969 €
Result before tax	196 214 €
Exceptional expenses - on exchange rates	81 €
Exceptional costs – assurance costs for which we have requested reimbursement	- 10 983 €
(+) Report of unused resources from previous years	394 398 €
(-) Commitments to be carried out on assigned resources	- 560 383 €
Result of exploitation	19 326 €

Volunteering and in-kind services (Council of Europe, local and supporting staff)	22 813 €

I. Account of the result (detail):

A. Revenues:

The revenues are detailed as follows:

- the ancillary products produced by the association essentially correspond to "Training" services implemented on the demand of partners taking into account the reputation of the association. On 31/12/2017, the amount of the services of training delivered is of 27 017 € as opposed to 39 666 € in 2016.
- the exploitation funds are in the amount of 3 878 984 € as opposed to 4 032 244 € in 2016 (including 394 398 € of resumptions on commitment of funds awarded as opposed to 377 991 € in 2016) thus a decrease of 153 260 €. It is relevant to point out that the evaluation of products and charges of the reporting year has been carried out on a prorata temporis of the project (due to the majority of pluriannual projects), which makes the comparability of the operating grants from one year to another a little arbitrary.
- the other products are in the amount of 661 486 € as opposed to 277 377 € in 2016, thus an increase of 384 108 € resulting from the amendments and cancellations of OUT agreements for the 2017 financial year (changes in partners or expenses finally realised by the internal employed staff).
- The amortisations reversals and charges transfers amounted to 33 680 € in 2017 as opposed to 65 771 € in 2016.
- Therefore the total of the exploitation products is in the amount of 4 789 968 € in 2017 as opposed to 4 598 127 € in 2016, (including 394 398 € in reversals of funds granted as opposed to 377 991 € in 2016), thus an increase of 191 841 €.

B. Expenses:

- Other purchases and external expenses amounted to 817 323 € in 2017, as opposed to 701 190 € in 2016, thus an increase of 116 134 €.

- The taxes and charges are overall stable and amount to 967 € as opposed to 2 736 € in 2016.
- Staff costs (including social charges) amount to 689 068 € as opposed to 788 170 € in 2016, thus an overall decrease of 99 102 €. The decrease is justified in particular by various indemnities paid to employees due to departures in 2016 and by an overall decrease of the wages level in the permanent employees.
- Other expenses amount to 2 677 310 € as opposed to 2 701 434 € in 2016, thus a decrease of 24 124 € related to the decline of the OUT agreements offset by the increase in co-financings
- There remains an envelope of 560 383 € in 2017 as opposed to 394 398 € in 2016 for commitments to be made from allocated resources on 31/12/17 and corresponding to the projects listed in the legal appendix.

C. Result of the activity and accounting result of 2017:

The result of the activity of 2017 amounts to -1 K€ (before depreciation charge and provision for paid leave of French employees).

The difference between the 2017 result of the activity and the accounting result is detailed hereinafter.

Difference between the 2017 result of the activity and the accounting result	
	K€
Result of the activity of 2017	-1
Depreciation	-12
Provision for paid leave	-1
IN Conventions to be received	22
Hiring wages	11
Result of accounting 2017	19

I. Review of the active and passive balance sheet:

Grants awarded were fully recorded, as in previous years, in accordance with French accounting rules and principles.

The portion of the expenses not committed by 31/12/17 is shown on the liabilities side of the balance sheet in dedicated funds of € 560 383 as opposed to € 394 398 in 2016.

In addition, the portion of grants awarded in 2017, 2016 and 2015 (multi-year grants), which relates to subsequent years (2018 to 2020), has been recorded as deferred income of € 2 050 563 as opposed to € 3 132 505 in 2016.

Current assets amounts to € 5 015 048 in 2017, as opposed to € 6 168 717 in 2016, which shows a sharp decrease of € 1 153 669, mainly due to the decrease in prepaid expenses from € 2 132 067 in 2016 to € 947 694 in 2017 (for the record, prepaid expenses consist of the multi-year OUT agreements for the financial years from 2018 to 2020).

Debt obligations at less than one year amount to € 3 829 095 as opposed to € 4 215 410 in 2016, which shows a decrease of € 386 315.

Cash and investments are increasing up to € 1 021 478 as opposed to € 1 013 008 in 2016.

The debts amount to € 4 548 330 compared with € 5 862 748 in 2016, which shows a decrease of € 1 314 418 (including € 2 050 563 in prepaid income as opposed to € 3 132 505 in 2016 and € 2 011 691 as opposed to € 2 440 547 in 2016 in other debts (OUT agreements)).

II. 2017 volunteer benefits and 2017 provisions:

Voluntary benefits and gratuitous provisions for the fiscal year of 2017 are composed of the following elements:

- premises at the Council of Europe Avenue de l'Europe in Strasbourg, made available by the Council of Europe for a value of € 22,813.

3) ALLOCATION OF THE 2017 RESULT:

The 2017 accounting result is reflected into a surplus of € 19 326, which we propose to allocate as retained earnings.

4) EVENTS AFTER CLOSING:

Since the Association presents its balance sheet at the General Assembly of the members in May of the following year of the exercise, the first months of the current year are important to understand the development of the associative action. From the 31st of December 2017 to this date, the important events

of the accounts include the closing of the LADDER program, which is still in progress (until June 2018), the SPREAD 2 programs report and numerous programs of decentralized cooperation with the support of the European Commission. ALDA + accounts have recently been approved with a slight excess. The contribution of ALDA + to the association has already been very positive.

5) OUTLOOK 2018:

ALDA's projected budget presented to the 2018 General Assembly shows a level of activity similar to last year (2017) despite the end of the LADDER framework program, which represents a great success. The number of projects in 2018 (to this day) is numerous and highly qualified thus giving the possibility to ensure the credibility and sustainability of ALDA in various years. The program also proposes to strengthen ALDA + and important aspects of resources diversifications. It will also strengthen and animate the network of LDAs with the help of the regional coordinators. The Ambassadors program to reach a pan-European dimension will be reconfirmed. The 2018 Assembly will also vote a new Strategic Framework 2018-2021, which is embarking on a period of revision of European funds. Contacts with the European institutions and the Council of Europe are well established and allow an important synergy of action in view of the support and development of the associative mission. Coordinating the network of nearly 300 members will also be among the objectives of the association this year.

6) ECONOMIC WEIGHT OF THE LDA NETWORK (Local Democracy Agencies):

The 14 Democracy Agencies are moderately self-financed with 50% funded by ALDA programs and by partners and 50% by their own resources. The LDAs personal program in 2017 had a funding of **53.1634 Euro**, combined with the one of the Association, represents a set of activity of approximately **3.551.228,67 Euro**. The LDAs in the Balkans are beneficiaries in 2017 of a functioning contribution on the topic of Youth, which has considerably decreased the economic difficulties associated with the withdrawal of certain partners. The ALDA's "project" approach to LDAs can thus continue to consolidate and strengthen. ALDA is also working to ensure a network program for the Eastern Partnership.

Detail:

PROVISIONAL FINANCIAL PLAN LDAs in 2018									
By January 2018	Total planned Budget 2018	ALDA fund raising	ALDA %	LDA fund raising	LDA %	Partners fees	% Partners fees	Number of institutional partners	Number of project partners
LDAs in Bosnia and Herzegovina									
1. LDA Mostar	115156,46	35630	30,94	74526,46	64,72	5000	4,34	7	1
2. LDA Prijedor	120000	20000	16,66	100000	83,33	0	-	6	-
3. LDA Zavidovici	63650	24440	38,4	39210	61,93		0	7	-
LDAs in Serbia									
4. LDA CSS	-	-	-	-	0	0	0	2	5
5. LDA Subotica	106440	76000	71,4	30440	28,6	0	-	2	16
6. LDA Montenegro	116618,24	54060,24	43,36	58058	49,75	4500	3,86		
7. LDA Albania*	-	0	-	-	-	0	-	4	4
8. LDA Georgia*	100000	10000	10	85000	85	5000	5	8	-
9. LDA Kosovo	75000	60000	80	15000	20	0	0	8	-
10. LDA Armenia	56000	39000	69,64	12000	21,43	5000	8,93	6	-
11. LDA Moldova*	10000	8000	80	1000	1000	1000	10	1	-
LDA in Ukraine									
12. LDA Dnipropetrovsk	82200	32200	39,17	40000	48,66	10000	12,17	7	-
13. LDA Mariupol	35900	5000	14	20900	58,2172 7019	10000	28	4	-
14. LDA Tunisia *	25000	10000	40	5000	20	10000	40	8	-
Total	905964,7	374330,24		481134,46		50500		70	26

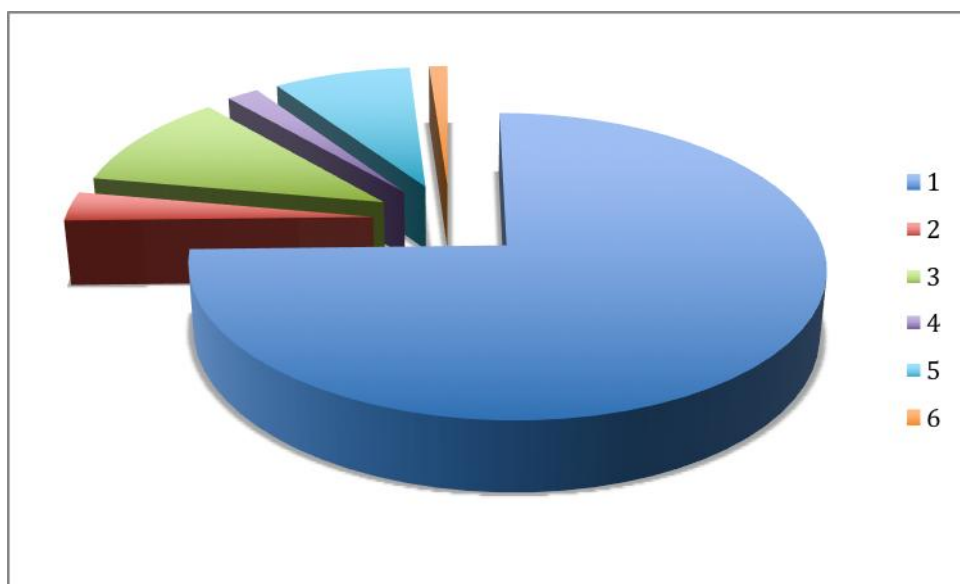
7) 2017 BUDGETARY GAPS*

Projets	Estimated budget approved by AG 2016	Reality cost accounting	Explanation of Gaps
OG 2017	200000	199.767,75	Report of 2018
Membership	136200	98950	delayed contributions
Project members*	87893	0	delayed contributions
ALDA +	41829,7		see below new projects
Cofunding activities	250000	330650	
LADDER	1083531	1.005.440,72	
Reallocation of ladder	20000	0	included in the previous sum
OG Balkans	157560	126301	Report of 2018
Upcoming project*	144411,8		see below new projects
TA expected	51000		see below new projects
Idas support from partners	50000	34500	delayed support
EaPculture_ Choice vedere questione co-finanziamento	422000	183011	Report of 2018
Horizon 2020 RECRIRE	1141000	138080	conventio agreements reported on 2018
Youthmetre	31341	21729	
PAL_ROM	13395	28303	No more activities in 2017
Activities GEIE	4000	0	
Horizon 2020 PA second year ENLARGE	23882	34714	No more activities in 2017
Urgent _ Network of Twin towns, second year	71000	44426	Report of 2018
Meaning _ Network of Twinn towns second year	14550	54167	No more activities in 2017
Codatu	10000	10000	
Co created	17000	30877	No more activities in 2017
bridges _ Ukraine	5000	14953,4	Activities 2017
NED Promotion LDAs	34534	35802	
Normandie FO SKOPJE	58300	29521	Report of 2018
BN MK 16 REST SKOPJE	3000		In ALDA Skopje Activities
IPA BALKAN 2016 REST SKOPJE	1000		In ALDA Skopje Activities
ERASMUS PLUS 2016 REST SKOPJE	1688		In ALDA Skopje Activities
EVS SKOPJE 2017	11950		In ALDA Skopje Activities
MCEO SKOPJE	5700		In ALDA Skopje Activities
UK SKOPJE	11000		In ALDA Skopje Activities
YE	1200		In ALDA Skopje Activities
IPA ALDA Skopke	120945	63863	agreements reported on 2018

DG Just - Get up	73190	32735	activities reported in 2018
<i>Consultancy Algeria/PNUD</i>	30000	42000	<i>sum deducted from the outsourcing budget at SG</i>
Income Megahub	9500	10026	
Stede	4731	4525	
SPREAD 2	149274	72902	activities reported in 2018
GMF SPREAD2	25320	2656	activities reported in 2018
CARAVAN	8500	18124	
WE NET	12000	25859	
FRANCE BALKANS 2017	9000	10751	
FONDATION RAJA	5337	4998	
NET OR NEET	15280	401	activities reported in 2018
DG Growth _ Co oplioted	35665	17740	
Divers remboursement d'activités		95462	
Soutien Fons Maillorqui pour ADL Tunisie		11136	
Agreement TECLA office		6240	
ALDE Campagne EfC		1563	
Training EPD		1459	
Grand est		2700	
WISE_EFC		11946	
Droit de l'homme		2376	
Student talent bank		80620	
Parfait _ Tunisie		70696	
Kaleidoscope_ Subotica		18986	
Colombelles _ FR		44444	
Donations		236	
Crisco _ EFC _ Etterbeck		4010	
Remboursement assurance		2000	
Interet bank		2199	
	4.602.707,5	3.083.845,87	

The differences are based on the 2017 expenses, produced by the Filemaker analytic registration. The difference between the Filemaker expenses and the exploitation results is justified in presenting the balances of OUT conventions in other products in the annual counts, whereas in the Filemaker projects following, these balances are removed from the expenses. The remaining difference corresponds mainly to the depreciation charge and the provision of paid leave.

Description of donors



1. European Commission, 74%
2. Contributions, 3%
3. Co-financing of partners, 10,6 %
4. Technical assistance, 1,9 %
5. Other donors, 8,8 %
6. LDA Partners, 1,7 %

6) VARIOUS POINTS:

No entry

Done at Strasbourg on 24 April 2018

Treasurer

Roger Lawrence