



(23)19

Strasbourg, 5 May 2016

TREASURER'S ACTIVITY REPORT Year 2015
--

I) POSITION OF THE ASSOCIATION DURING THE PAST FISCAL YEAR:

The operating profit presented today shows a stable position compared to 2015. The profit amounts to a **surplus of 5 039 €** compared to 10 441 € in 2014.

1) SIGNIFICANT EVENTS 2015:

- Signing of the Re.Cri.Re project, new Horizon 2020 programme, of the European Commission Research Programme in the amount of 2 719 238,33 EUR
- Signing of the multiannual agreement for the regional youth programme, engaging all LDAs from the Balkans, with the support of the European Commission,
- Opening of the Local Democracy Agency in Dnipropetrovsk
- First year of implementation of the DEAR – LADDER programme
- First year of implementation of the programme Choice– ENPI – promotion of citizens' engagement in the cultural heritage protection
- Strengthening the service sale activity to support the Association's mandate

2) PRESENTATION OF INCOME 2015:

I. Income Statement:

A. Revenues:

The revenues are as follows:

- The additional income realised by the Association mainly corresponds to the “Training” services provided at the request of the partners given the reputation and the competences of the Association. This service was isolated in a separate account in 2014 so as to measure its follow-up. On 31/12/15, the amount of the provided training services amounts to 43 093,56 € compared to 31 535 € in 2014.
- The operating grants amount to 3 480 320 € compared to 1 657 967 € in 2014 (including 290 264 € in 2015 for assumption of obligations for awarded grants compared to 285 856 € in 2014), or an increase of 1 822 353 €. This rise stems in particular from the new LADDER and RECRIRE projects. It is worth recalling that the connection of incomes and expenses in the fiscal year is carried out prorata temporis of the project (because of the majority of the multiannual projects) which makes the comparability of the operating grants from one year to another rather arbitrary.
- Other incomes amount to 289 796 € compared to 461 790 € in 2014, that is a decrease of 171 994 € which arises mainly from the sharp increase of co-financing 2015.
- Reversal of amortisation and transfer of expenses amount to 23 639 € in 2015 compared to 30 144 € in 2014.
- Thus, the total of operating income amounts to 3 836 849 € in 2015 compared to 2 181 436 € in 2014, (including 290 264 € for adjournment of obligations to be realised compared to 285 856 € in 2014), that is an increase of 4408 €.

B. Expenditures:

- The other purchases and external expenses amounted in 2015 to 787 368 € compared to 458 012 €, that is an increase of 329 356 €.
- Taxes are globally stable and amount to 952 € in 2015 compared to 875 € in 2014.
- Staff expenses (including non-wage labour costs) amount to 660 315 € compared to 499 460 € in 2014, that is an increase of 160 856 € globally. The rise is particularly due to the increase of staff from 12 to 22 full-time equivalents. Two employees in Italy had their contracts transformed in permanent contracts, thus using the advantages foreseen by Italian institutions for the stabilisation of fixed-term contracts. All other contracts are related to the ongoing projects and do not represent per se, a long-term burden for the structure of the Association.
- The other expenses amount to 1 994 496 € compared to 911 302 € in 2014, that is an increase of 1 083 194 € particularly related to the increase of OUT agreements (in relation to the new LADDER and RECRIRE projects).
- In 2015, a budget of 377 991 € remains compared to 290 264 € in 2014 for obligations to be realised for the allocated resources on 31/12/15 and which corresponds to the listed projects in the accounting annex.

C. Operating Profit and Accounting Profit 2015 :

The operating profit in 2015 amounts to + 17 K€ (before amortisation expense and provision for paid leave for French employees).

The transition between the operating profit 2015 and the accounting profit is detailed below.

Transition operating profit 2015 to accounting profit	
	K€
Operating profit 2015	17
Amortisation expense	-7
Provision for paid leave	-5
	<hr/>
Accounting profit 2015	5

I. Review of Balance Sheet (Assets/Liabilities):

The awarded grants were recognised in their entirety, as in the previous years, in accordance with the French accounting rules and principles.

The portion of the expenses not incurred on 31/12/15 is included in the liability side of the balance sheet in funds dedicated for 377 991 € compared to 290 264 € in 2014.

Moreover, the portion of the awarded grants in 2015 and 2014 (multiannual grants) concerning future years (2016 to 2018) was recorded as deferred income of 5 583 194 € in 2015 compared to 4 182 780 € in 2014.

Current assets amount to 9 627 299 € in 2015 compared to 5 250 075 € in 2014, that is a sharp increase of 4 377 224 € originating mainly from the increase of prepaid expenses that go from 261 316 € in 2014 to 3 423 276 € in 2015 (the prepaid expenses consist of the OUT multiannual agreements pertaining to future fiscal years 2016 to 2018).

Receivables from less than a year amount to 3 685 655 € compared to 2 029 086 € in 2014, that is an increase of 1 656 569 € (due to facts previously set out).

Cash flows and investments are rising sharply and amount to 1 537 453 € compared to 758 982 € in 2014.

Liabilities amount to 9 334 708 € compared to 4 906 884 € in 2014, that is an increase of 4 427 824 € (including 5 583 195 € of deferred income in 2015 compared to 4 182 780 € in 2014 which explains one portion of the change in this item for 1 400 415 € and 3 545 299 € of other debts (OUT agreements) compared to 553 059 € in 2014, that is an upward variation of 2 992 240 €).

II. Voluntary 2015 and Made Available 2015 Services:

Voluntary services and made available free of charge are composed of the following elements for the fiscal year 2015:

- Premises of the Council of Europe, Avenue de l'Europe in Strasbourg, made available by the Council of Europe for 8 067 €
- Provision of staff by the Council of Europe for 20 000 €.

3) ALLOCATION OF PROFIT 2015:

Accounting profit 2015 manifests itself with a surplus of 5 039 €, that we propose to you to allocate to retained earnings in order to restore and consolidate capital.

4) EVENTS AFTER CLOSING:

None

5) PROSPECTS 2016:

In 2016, ALDA intends to develop its strategic plan to strengthen its action in local governance and citizen participation. While measuring the possibilities, it is proposed to strengthen the work with the members of the Association, to support the LDAs activities in the Balkans, and to complete the presence on the programmes and the LDAs in the area of the Eastern partnership and the Mediterranean.

6) ECONOMIC INFLUENCE OF THE LDAs NETWORK (Local Democracy Agencies):

The Democracy Agencies, in total 11 in 2015 and the “transformation” of the agencies in Croatia into *Operational partners*, are moderately funded independently 50% from the programmes of ALDA and the partners and 50% from their own resources. **LDAs programme, combined with that of the Association, represents a set of activity of around 4.150.000 EUR, in consolidated presentation** (based on the applications for Label by LDAs and the amounts identified by donors that they activated directly). The LDAs in the Balkans are beneficiaries in 2015 of an operating contribution on the topic of youth, which considerably limited the economic difficulties related to the withdrawal of some partners. The “project” approach that ALDA has towards LDAs could thus continue to consolidate and strengthen.

7) BUDGET VARIANCES 2015

The total budget 2015 presented to the General Assembly in 2015, which was held in Montenegro, was 4.311.235,867. **The analytical monitoring** per project carried out on the special software Filemaker – analytical programme for management of the Association of LDA – **reveals realisation in the amount of 3.660.432,46 €.** **The explanation of variances is justified immediately, mainly because of incurring expenditures – agreements for partners and activities, postponed for 2016.**

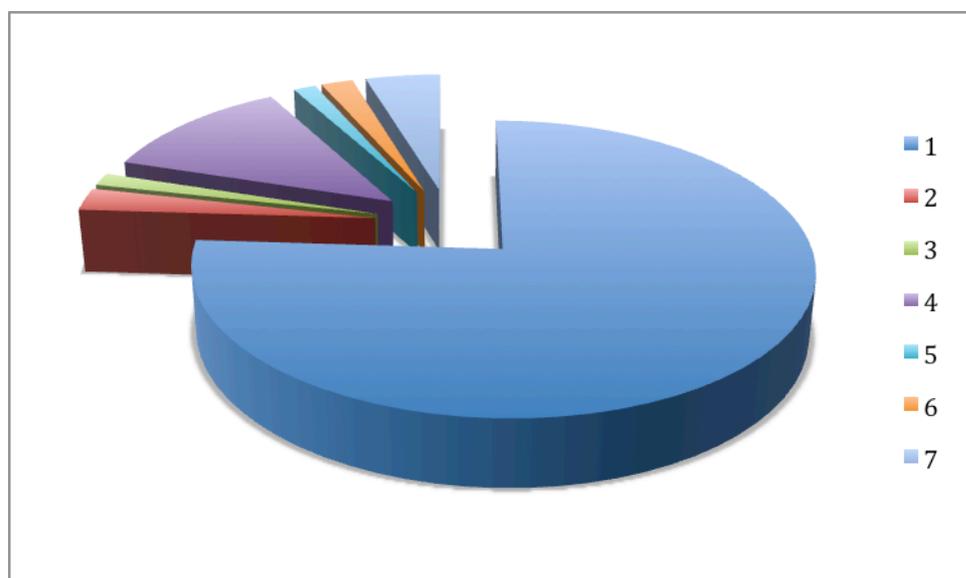
Variances

Projections 2015		Analytical results 2015	Variances	Explanation
GMF	25000	64.454,44 €	39.454,44 €	Confirmation for more resources for local projects
Tandem II	4300	57.475,40 €	53.175,40 €	Deferred activities from 2014 to 2015
OG 2015	200000	199.459,47 €	-540,53 €	
Membership	120468,697	93.111,19	-27.357,51 €	Reduction of paid contributions
Georgia Nalag	84685	49.660,53 €	-35.024,47 €	Deferred activities to 2016
Spread 2 Belarus	115000	143.327,10 €	28.327,10 €	More expenditures allocated to the management of ALDA
Decide - EfC	77000	43.053,61 €	-33.946,39 €	Deferment of expenses from one year to another
Coop leonardo	5200		-5.200,00 €	See postponed activities in "other" below
Bespat - EfC	16360	7.820,63 €	-8.539,37 €	Deferred activities to 2016
Lower Normandy	354800	301.964,43 €	-52.835,57 €	Deferred activities to 2016
		79.124,49 €	79.124,49 €	Activities and resources from previous years used this year - Normandy Macedonia
		44.684,66 €	44.684,66 €	Staff activities in Normandy
Break Down_active - EFC	19250	10.724,54 €	-8.525,46 €	Deferred activities to 2016
Technical assistance confirmed	15000		-15.000,00 €	See total amounts for technical assistance
<i>Technical assistance expected</i>	25000	53.859,41 €	28.859,41 €	Global technical assistance
co-funding activities	200000	169.621,29	-30.378,71 €	Deferred activities to 2016
Co-funding Montenegro	10000	-	-10.000 €	Local support included in the total amount of co-funding
Ladder	1335400	908.067,84 €	-427.332,16 €	Deferred activities to 2016
IPA OG Balkans	180642	163.637,73 €	-17.004,27 €	settlement to partners in 2016
<i>Lottery 2015</i>	15000		-15.000,00 €	No profit from the activity. All

			.	prices were covered by the projects.
<i>Upcoming active citizenship and programmes</i>	15000		-15.000,00 €	See detailed list of projects below
<i>Projects waiting lists</i>	73956		-73.956,00 €	
Ldas support partners	20000	51.502	31.502,00 €	More support to the expected amounts
Paths Project - efc	11300	10.788,66 €	-511,34 €	-
EaPculture – ENPI	440000	172.893,59 €	-267.106,41 €	Deferred activities to 2016
Horizons 2020 - Recrire	931872	843.559,29 €	-88.312,71 €	Deferred activities to 2016
Caravan	4000	8.540,25 €	4.540,25 €	Activities already ongoing in 2015
MInority Right Group	3000	3.855,70 €	855,70 €	-
FRBK	5002,17	127,10 €	-4.875,07 €	Lack of activities
Congress CoE	4000	3.606,72 €	-393,28 €	-
		5.296,25 €	5.296,25 €	Wosocoop
		5.934,22 €	5.934,22 €	Pasc Tunisie
		9.347,91 €	9.347,91 €	Cappadocia expertise – Turkey
		38.415,76 €	38.415,76 €	We-Net Europe for Citizens
		32.245,09 €	32.245,09 €	Residual activities – IPA Montenegro
		27.520,28 €	27.520,28 €	Project EYES – Europe for Citizens
		9.872,41 €	9.872,41 €	Tavola Valdese – activities in Azerbaijan
		7.670,00 €	7.670,00 €	Ensemble- Monfalcone. Project in Algeria
		22.621,95 €	22.621,95 €	Charm, project Europe for Citizens
		16.587,52 €	16.587,52 €	Various co-funding for our participation in diverse

				activities
	4.311.235, 8	3.660.432,46 €	-650.803,41	

Presentation of Funding and Resources for 2015.



1. European Commission, 75 %
2. Contributions, 2,54 %
3. Technical assistance, 1,43 %
4. Projects membres ALDA, 12,05 %
5. Partners support LDAs, 1,38 %
6. Other, 1,98 %
7. Cofinancing, 4,63%

6) VARIOUS ISSUES:

None.

In Strasbourg, 4 May 2016,

Treasurer

Roger Lawrence