



**FORUM**  
*of Adriatic  
and Ionian*  
**CITIES**

**FINANCIAL STATEMENT  
AT 31.12.2019  
AND  
FINAL REPORT 2019**

Ancona, April 2020

## ATTACHMENT B – FINANCIAL STATEMENT 2019

REVENUES	Consumptive 2019	EXPENSES	Consumptive 2019
<b>I. Membership Fees</b>	<b>€ 10.500,00</b>	<b>I. Operating expenses and structure functioning</b>	<b>€ 3.454,00</b>
<i>I.I Current year fees</i>	€ 8.450,00	<i>I.I Postal charges</i>	€ 18,00
<i>I.II Previous years fees</i>	€ 2.050,00	<i>I.II Phone costs</i>	€ 0,00
		<i>I.III Stationery and printing</i>	€ 0,00
<b>II. Other membership contribution</b>	<b>€ 0,00</b>	<i>I.IV Advertising</i>	€ 0,00
<i>II.I General contributions</i>	€ 0,00	<i>I.V Translations and interpreting services</i>	€ 0,00
<i>II.II Contributions from specific projects</i>	€ 0,00	<i>I.VI Representation expenses</i>	€ 0,00
		<i>I.VII Advisory services</i>	€ 2.946,00
<b>III. Contributions and financing from third parties</b>	<b>€ 23.999,00</b>	<i>I.VII.I Web page assistance services and other advisory services</i>	€ 100,00
<i>III.I General Contributions</i>	€ 1.000,00	<i>I.VII.II Accountancy and payroll services</i>	€ 2.846,00
		<i>I.VII.III Other advisory fees</i>	€ 0,00
<i>III.II Contributions from specific projects ( Region and other entities)</i>	€ 22.999,00	<i>I.VIII miscellaneous expenditures</i>	€ 490,00
		<i>I.VIII.I Software licence</i>	€ 290,00
		<i>I.VIII.II Other miscellaneous expenditures</i>	€ 200,00
	€ 0,00	<b>II. Staff costs</b>	<b>€ 0,00</b>
<b>IV. Sponsorship</b>	<b>€ 0,00</b>	<i>II.I Remunerations of the Secretariat Staff</i>	€ 0,00
<i>IV.I General contributions (liberal donations)</i>	€ 0,00	<i>II.II Mission and travel expenses</i>	€ 0,00
<b>V. Income from the provision of services</b>	<b>€ 0,00</b>	<i>II.III Reimbursement of travel and accommodation expenses</i>	€ 0,00

## FORUM OF THE ADRIATIC AND IONIAN CITIES (FAIC)

<b>VI. Other income</b>	<b>€ 16,00</b>	<i>II.IV Remunerations for ongoing contracts</i>	<b>€ 0,00</b>
<i>VI. I Interest income</i>	€ 3,00		
<i>VI. II Surplus</i>	€ 0,00		
<i>VI. III Miscellaneous recoveries and repayments</i>	€ 13,00	<b>III. Association bodies' expenditures</b>	<b>€ 654,00</b>
<b>VII. Surpluses from the previous years</b>	<b>€ 33.146,00</b>	<i>III. I Reimbursement of travel expenses and accommodation expenses</i>	€ 654,00
<i>VII. I Residual to be allocated to specific projects</i>	€ 33.146,00	<i>III. II Board of Auditors - reimbursement of expenses</i>	€ 0,00
<i>VII. II Residual destined for institutional activities</i>	€ 0,00		
		<b>IV. Promotion and institutional initiatives expenses</b>	<b>€ 59.347,00</b>
		<i>IV. I Initiatives and project costs</i>	€ 0,00
		<i>a) Promotional activities</i>	€ 0,00
		<i>b) Cooperation projects</i>	€ 0,00
		<i>c) Expenses for other projects</i>	€ 0,00
		<i>IV. II Projects funded by various entities and organisations</i>	€ 59.347,00
		<i>IV. II bis Project AI- NURECC</i>	€ 59.347,00
		<i>a) Costs financed by FAIC resources</i>	€ 0,00
		<i>b) Project Staff Costs</i>	€ 29.552,00
		<i>c) Other expenses for project implementation</i>	€ 29.794,00
		<b>V. Expenses for Asset purchases</b>	<b>€ 0,00</b>

## FORUM OF THE ADRIATIC AND IONIAN CITIES (FAIC)

		<i>V.I Sundry and various equipment</i>	€ 0,00
		<i>V.II Losses</i>	€ 0,00
		<b>VI. Other charges</b>	<b>€ 526,00</b>
		<i>VI.I Bank charges</i>	€ 446,00
		<i>VI.II Insurance charges</i>	€ 0,00
		<i>VI.III Tax and social security charges</i>	€ 80,00
<b>TOTAL REVENUES</b>	<b>€ 67.661,00</b>	<b>TOTAL EXPENSES</b>	<b>€ 63.981,00</b>
<b>OPERATING LOSSES</b>		<b>OPERATING PROFIT</b>	<b>€3.680,00</b>
<b>TOTAL BALANCE</b>	<b>€ 67.661,00</b>	<b>TOTAL BALANCE</b>	<b>€ 67.661,00</b>

## Annex I - COMPARISON BETWEEN THE PLANNED BUDGET AND BALANCE SHEET 2019

REVENUES	Planned budget 2019	Final balance 2019	EXPENSES	Planned budget 2019	Final balance 2019
<b>I. Membership Fees</b>	<b>€ 25.750,00</b>	<b>€ 10.500,00</b>	<b>I. Operating expenses and structure functioning</b>	<b>€ 4.300,00</b>	<b>€ 3.454,00</b>
<i>I.I Current year fees</i>	€ 21.250,00	€ 8.450,00	<i>I.I Postal charges</i>	€ 0,00	€ 18,00
<i>I.II Previous years fees</i>	€ 4.500,00	€ 2.050,00	<i>I.II Phone costs</i>	€ 0,00	€ 0,00
			<i>I.III Stationery and printing</i>	€ 0,00	€ 0,00
<b>II. Other membership contribution</b>	<b>€ 0,00</b>	<b>€ 0,00</b>	<i>I.IV Advertising</i>	€ 0,00	€ 0,00
<i>II.I General contributions</i>	€ 0,00	€ 0,00	<i>I.V Translations and interpreting services</i>	€ 1.000,00	€ 0,00
<i>II.II Contributions from specific projects</i>	€ 0,00	€ 0,00	<i>I.VI Representation expenses</i>	€ 0,00	€ 0,00
			<i>I.VII Advisory services</i>	€ 3.100,00	€ 2.946,00
			<i>I.VII.I Web page assistance services and other advisory services</i>	€ 1.000,00	€ 100,00
<b>III. Contributions and financing from third parties</b>	<b>€ 81.500,00</b>	<b>€ 23.999,00</b>	<i>I.VII.II Accountancy and payroll services</i>	€ 2.000,00	€ 2.846,00
<i>III.I General Contributions</i>	€ 1.000,00	€ 1.000,00	<i>I.VII.III Other advisory fees</i>	€ 100,00	€ 0,00
<i>III.II Contributions from specific projects ( Region and other entities)</i>	€ 80.500,00	€ 22.999,00	<i>I.VIII miscellaneous expenditures</i>	€ 200,00	€ 490,00
	€ 0,00	€ 0,00	<i>I.VIII.I Software licence</i>	€ 0,00	€ 290,00
			<i>I.VIII.II Other miscellaneous expenditures</i>	€ 200,00	€ 200,00
			<b>II. Staff costs</b>	<b>€ 1.500,00</b>	<b>€ 0,00</b>
<b>IV. Sponsorship</b>	<b>€ 0,00</b>	<b>€ 0,00</b>	<i>II.I Remunerations of the Secretariat Staff</i>	€ 0,00	€ 0,00
<i>IV.I General contributions (liberal donations)</i>	€ 0,00	€ 0,00	<i>II.II Mission and travel expenses</i>	€ 0,00	€ 0,00

## FORUM OF THE ADRIATIC AND IONIAN CITIES (FAIC)

			<i>II.III Reimbursement of travel and accommodation expenses</i>	€ 1.500,00	€ 0,00
<b>V. Income from the provision of services</b>	<b>€ 0,00</b>	<b>€ 0,00</b>	<i>II.IV Remunerations for ongoing contracts</i>	€ 0,00	€ 0,00
			<i>II.V Expenses for professional trainings</i>	€ 0,00	€ 0,00
<b>VI. Other income</b>	<b>€ 5,00</b>	<b>€ 16,00</b>	<i>II.VI Expenses for occasional collaborations</i>	€ 0,00	€ 0,00
<i>VI. I Interest income</i>	€ 5,00	€ 3,00	<b>III. Association bodies' expenditures</b>	<b>€ 6.000</b>	<b>€ 654,00</b>
<i>VI.II Surplus</i>	€ 0,00	€ 0,00	<i>III.I Reimbursement of travel expenses and accommodation expenses</i>	€ 1.000,00	€ 654,00
<i>VI.III Miscellaneous recoveries and repayments</i>	€ 0,00	€ 13,00	<i>III.II Board of Auditors - reimbursement of expenses</i>	€ 2.500,00	€ 0,00
<b>VII. Surpluses from the previous years</b>	<b>€ 28.080,00</b>	<b>€ 33.146,00</b>	<i>III.II Executive Board - expenses</i>	€ 500,00	€ 0,00
			<i>III.IV Members Assembly - expenses</i>	€ 1.000,00	€ 0,00
			<i>III.V Round tables -expense</i>	€ 1.000,00	€ 0,00
<i>VII.I Residual to be allocated to specific projects</i>	€ 0,00	€ 33.146,00	<b>IV. Promotion and institutional initiatives expenses</b>	<b>€ 85.660,00</b>	<b>€ 59.347,00</b>
<i>VII.II Residual destined for institutional activities</i>	€ 28.080,00	€ 0,00	<i>IV.I Initiatives and project costs</i>	€ 3.600,00	€ 0,00
			<i>a) Promotional activities</i>	€ 2.000,00	€ 0,00
			<i>b) Cooperation projects</i>	€ 600,00	€ 0,00
			<i>c) Expenses for other projects</i>	€ 1.000,00	€ 0,00

## FORUM OF THE ADRIATIC AND IONIAN CITIES (FAIC)

			<i>IV.II Projects funded by various entities and organisations</i>	€ 82.060,00	€ 59.347,00
			<i>IV.II bis Project Al-NURECC</i>	€ 82.060,00	€ 59.347,00
			<i>a) Costs financed by FAIC resources</i>	€ 1.560,00	€ 0,00
			<i>b) Project Staff Costs</i>	€ 24.400,00	€ 29.552,00
			<i>c) Other expenses for project implementation</i>	€ 56.100,00	€ 29.794,00
			<b>V. Expenses for Asset purchases</b>	<b>€ 0,00</b>	<b>€ 0,00</b>
			<i>V.I Sundry and various equipment</i>	€ 0,00	€ 0,00
			<i>V.II Losses</i>	€ 0,00	€ 0,00
			<b>VI. Other charges</b>	<b>€ 400,00</b>	<b>€ 526,00</b>
			<i>VI.I Bank charges</i>	€ 300,00	€ 446,00
			<i>VI.II Insurance charges</i>	€ 0,00	€ 0,00
			<i>VI.III Tax and social security charges</i>	€ 100,00	€ 80,00
<b>TOTAL REVENUES</b>	<b>€ 135.335,00</b>	<b>€ 67.661,00</b>	<b>TOTAL EXPENSES</b>	<b>€ 97.860,00</b>	<b>€ 63.981,00</b>
<b>OPERATING LOSSES</b>			<b>OPERATING PROFIT</b>	<b>€ 37.475,00</b>	<b>€ 3.680,00</b>
<b>TOTAL BALANCE</b>	<b>€ 135.335,00</b>	<b>€ 67.661,00</b>	<b>TOTAL BALANCE</b>	<b>€ 135.335,00</b>	<b>€ 67.661,00</b>

## Annex II – COMPARISON BETWEEN THE FINAL BALANCE 2018 AND THE FINAL BALANCE 2019

REVENUES	FINAL BALANCE 2018	FINAL BALANCE 2019	EXPENSES	FINAL BALANCE 2018	FINAL BALANCE 2019
<b>I. Membership Fees</b>	<b>€ 8.900,00</b>	<b>€ 10.500,00</b>	<b>I. Operating expenses and structure functioning</b>	<b>€ 481,00</b>	<b>€ 3.454,00</b>
<i>I.I Current year fees</i>	€ 7.050,00	€ 8.450,00	<i>I.I Postal charges</i>	€ 41,00	€ 18,00
<i>I.II Previous years fees</i>	€ 1.850,00	€ 2.050,00	<i>I.II Phone costs</i>	€ 0,00	€ 0,00
			<i>I.III Stationery and printing</i>	€ 73,00	€ 0,00
<b>II. Other membership contribution</b>	<b>€ 0,00</b>	<b>€ 0,00</b>	<i>I.IV Advertising</i>	€ 0,00	€ 0,00
<i>II.I General contributions</i>	€ 0,00	€ 0,00	<i>I.V Translations and interpreting services</i>	€ 0,00	€ 0,00
<i>II.II Contributions from specific projects</i>	€ 0,00	€ 0,00	<i>I.VI Representation expenses</i>	€ 0,00	€ 0,00
			<i>I.VII Advisory services</i>	<b>€ 127,00</b>	<b>€ 2.946,00</b>
<b>III. Contributions and financing from third parties</b>	<b>€ 34.498,00</b>	<b>€ 23.999,00</b>	<i>I.VII.I Web page assistance services and other advisory services</i>	€ 0,00	€ 100,00
<i>III.I General Contributions</i>	€ 0,00	€ 1.000,00	<i>I.VII.II Accountancy and payroll services</i>	€ 127,00	€ 2.846,00
			<i>I.VII.III Other advisory fees</i>	€ 0,00	€ 0,00
<i>III.II Contributions from specific projects ( Region and other entities)</i>	€ 34.498,00	€ 22.999,00	<i>I.VIII miscellaneous expenditures</i>	<b>€ 240,00</b>	<b>€ 490,00</b>
	€ 0,00	€ 0,00	<b>II. Staff costs</b>	<b>€ 0,00</b>	<b>€ 0,00</b>
<b>IV. Sponsorship</b>	<b>€ 0,00</b>	<b>€ 0,00</b>	<i>II.I Remunerations of the Secretariat Staff</i>	€ 0,00	€ 0,00
<i>IV.I General contributions (liberal donations)</i>	€ 0,00	€ 0,00	<i>II.II Mission and travel expenses</i>	€ 0,00	€ 0,00
<b>V. Income from the provision of services</b>			<i>II.III Reimbursement of travel and accommodation expenses</i>	€ 0,00	€ 0,00
<b>VI. Other income</b>	<b>€ 4,00</b>	<b>€ 16,00</b>	<i>II.IV Remunerations for</i>	€ 0,00	€ 0,00



## FORUM OF THE ADRIATIC AND IONIAN CITIES (FAIC)

			<i>ongoing contracts</i>		
<i>VI. I Interest income</i>	€ 4,00	€ 3,00	<i>II.V Expenses for professional trainings</i>	€ 0,00	€ 0,00
<i>VI.II Surplus</i>	€ 0,00	€ 0,00	<i>II.VI Expenses for occasional collaborations</i>	€ 0,00	€ 0,00
<i>VI.III Miscellaneous recoveries and repayments</i>	€ 0,00	€ 13,00	<b>III. Association bodies' expenditures</b>	<b>€ 332,00</b>	<b>€ 654,00</b>
<b>VII. Surpluses from the previous years</b>	<b>€ 17.625,00</b>	<b>€ 33.146,00</b>	<i>III.I Reimbursement of travel expenses and accommodation expenses</i>	€ 125,00	€ 654,00
<i>VII.I Residual to be allocated to specific projects</i>	€ 0,00	€ 33.146,00	<i>III.II Board of Auditors - reimbursement of expenses</i>	€ 207,00	€ 0,00
<i>VII.II Residual destined for institutional activities</i>	€ 17.625,00	€ 0,00	<b>IV. Promotion and institutional initiatives expenses</b>	<b>€ 24.421,00</b>	<b>€ 59.347,00</b>
			<i>IV.I Initiatives and project costs</i>	<b>€ 440,00</b>	<b>€ 0,00</b>
			<i>a) Promotional activities</i>	€ 0,00	€ 0,00
			<i>b) Cooperation projects</i>	€ 440,00	€ 0,00
			<i>IV.II Projects funded by various entities and organisations</i>	<b>€ 23.981,00</b>	<b>€ 59.347,00</b>
			<i>IV.II bis Project AI-NURECC</i>	<b>€ 23.981,00</b>	<b>€ 59.347,00</b>
			<i>a) Costs financed by FAIC resources</i>	€ 0,00	€ 0,00
			<i>b) Project Staff Costs</i>	€ 1.708,00	€ 29.552,00
			<i>c) Other expenses for project implementation</i>	€ 22.273,00	€ 29.794,00
			<b>V. Expenses for Asset purchases</b>	<b>€ 772,00</b>	<b>€ 0,00</b>

## FORUM OF THE ADRIATIC AND IONIAN CITIES (FAIC)

			<i>V.I Sundry and various equipment</i>	€ 772,00	€ 0,00
			<i>V.II Losses</i>	€ 0,00	€ 0,00
			<b>VI. Other charges</b>	<b>€ 1.875,00</b>	<b>€ 526,00</b>
			<i>VI.I Bank charges</i>	€ 264,00	€ 446,00
			<i>VI.II Insurance charges</i>	€ 0,00	€ 0,00
			<i>VI.III Tax and social security charges</i>	€ 1.611,00	€ 80,00
<b>TOTAL REVENUES</b>	<b>€ 61.027,00</b>	<b>€ 67.661,00</b>	<b>TOTAL EXPENSES</b>	<b>€ 27.881,00</b>	<b>€ 63.981,00</b>
<b>OPERATING LOSSES</b>			<b>OPERATING PROFIT</b>	<b>€ 33.146,00</b>	<b>€ 3.680,00</b>
<b>TOTAL BALANCE</b>	<b>€ 61.027,00</b>	<b>€ 67.661,00</b>	<b>TOTALE BALANCE</b>	<b>€ 61.027,00</b>	<b>€ 67.661,00</b>

**FINAL REPORT ON FINANCIAL STATEMENT 2019**

The 2019 annual financial report has been prepared by the Secretary General according to the methods established by the statute of Forum of the Adriatic and Ionian cities. Divided by analytical items and annotated with extreme precision and clarity, the 2019 annual financial report contains all the revenues and the expenditures incurred by FAIC for institutional activities, since no commercial activities are carried out by the Association. The revenues and expenditures for the current year that are indicated in the final financial statement are classified according to the scheme shown in "Attachment B". The cash flows accounting method adopted for management operations and registration recognizes revenues and expenditures at the time the physical cash is actually received or paid out. The data reported in the financial statement correspond to the results of the accounting records regularly held during the year 2019 and represent the financial result of the institutional activity carried out by the bodies of the Association. In order to provide an exhaustive information to the FAIC associates on the financial trends of the association and on their development over time as well as on the reliability of the forecasts made, there have also been processed two other Annexes forms , I and II , highlighting differences between the "2019 Financial Plan and Final Financial Balance" (Annex I) and between the "2018 Final Financial Balance and the 2019 Final Financial Balance" (Annex II) .Furthermore, the closing part of the report highlights the balance due at 31.12.2019, in order to give complete information to the associates on the financial situation of the FAIC, both on the cash / bank movements and on-commitments undertaken. Financial values are represented in EURO, rounding the relative amounts. Any rounding differences are included in tables "Revenues"- under *Other Income* and "Expenses"- under *Various liabilities* items.

**Revenues**

The revenues recorded in the 2019 financial year concern:

- the fees paid by the members, for both year 2019 and previous years, amount to **€ 10.500**.

In 2019 FAIC had 45 cities as members, a total amount of fees for the year 2019 corresponds to € 21,400; the fees not paid for 2019 amount to € 12.950;

- the second pre-financing part, financed by DG Regio for the European project AI-NURECC (established in collaboration with the

CRPM Association (Conference of Peripheral Maritime Regions), the Adriatic Ionian Euroregion together with the Fora of the Civil Society (Cities, Chambers and Universities of the AI), amount to **€ 22.999**;

- the annual contribution of **€ 1,000** from the Marche Region, following the Marche Region Europe Direct agreement for collaboration activities (communication, training and information) within the EDIC (Europe Direct Information Center);

- income from interests accrued on current account balances of **€ 3 and for recovery of expenses € 13** ;

## Expenditures

The total "**Operating expenses and structure functioning**" during 2019 amount to **€ 3.454** with an increase compared to the previous year of **€ 2.973**, basically due to cost incurred for accounting management and wages; the costs were analytically detailed in the financial statement and compared with the previous year.

Regarding the "**Staff costs**" from November 2018 till 31 December 2019 were hired, with a fixed-term and part-time term contracts, n. 2 working units employed in the realization of the AI-NURECC project and with costs charged to the project. The cost of the above described working units is uploaded under "Staff project costs".

"**Association bodies' expenditures**" amount to **€ 654** and include "*Reimbursement of travel expenses and accommodation costs*".

"**Promotion and institutional initiatives costs**" amount to **€ 59.347** and with respect to the previous financial year it has increased for € 34.926. The increase in this expense is mainly due to the costs incurred for the implementation of the AI-NURECC project.

In detail, these expenses were supported for:

### **Projects funded by various bodies and organizations: € 59.347.**

These expenses regarding the project activity and in particular:

-**Project "AI-NURECC"** The Network of Universities, Regions, Chambers of Commerce and Cities (AI-NURECC) is an initiative of the stakeholders of the whole Adriatic Ionian Region, which has decided to join forces to support the European Union's strategy for the Macro Adriatic Region Ionic (EUSAIR), whose objective is the economic and social promotion of the region, increasing its competitiveness, interconnection and arousing greater interest in tourism than in the area. The AI-NURECC initiative aims to contribute to the achievement of the EUSAIR policy objectives and to promote its Action Plan. In particular promote dialogue and solid cooperation between the various actors: Regions, Local Authorities, Universities, Chambers of Commerce, youth associations and civil society in general. The costs related to this project have been divided into three categories for a better attribution and reporting of the same:

- Costs financed by FAIC resources: these expenses regarding all the costs referable to the project and exclusively charged to the FAIC;
- Staff project costs: these voice regarding the costs of the working units employed for the realization of the project and the reimbursement of expenses to them. The total cost amounts to **€ 29.552**.
- Other expenses for project implementation: **€ € 29.794**.

This amount regarding all the costs incurred for the realization of the project such as support services for the organization of events; interpreting services; for website implementation and brochure updating and expenses for transfers and accommodation.

During 2019 no expenses were incurred for the item “**Expenses for asset purchases**”.

The voice “**Various liabilities**”: the amount declared of € 526 represents a decrease, compared to the previous year, of € 1. 349. This item includes the costs incurred for:

- Bank charges of € 446
- Taxes, duties and fines of € 80

**“Operating Losses/Profit”**

The financial statement at 31.12.2019 closes with a profit of € 3.680 that is given by the sum of the surplus from year 2018 of € 33.146 and the negative result of the 2019 Financial year of € 29.466.

	OPERATING PROFIT 2018	€ 33.146
+	TOTAL REVENUES 2019	€ 34.515
-	GENERAL EXPENSES 2019	- € 63.980
=	<b>OPERATING PROFIT 2019</b>	<b>€ 3.680</b>

To complete the information on the operating management 2019, we provide the breakdown of the cash and cash equivalents at 31.2.2019, that combined correspond to the operating surplus to be carried forward in the 2020 financial year:

Balance of ordinary bank current account at 31.12.2019	€ 2.583
Cash	€ 10
Prepaid credit card available at 31.12.2019	€ 1087
<b>Total</b>	<b>€ 3.680</b>

It is also considered useful to highlight that during 2019, several credits and debts were generated toward associates. In particular, at the end of the 2019 Financial year, the financial situation results as follows:

**CREDITS**

Credits for membership fee 2019 not paid	€ 12.950
Credits vs EU projects:	
Project Facility point	€ 17.500 (amount received in February 2020)
Project AI-NURECC	€ 34.498 (amount received in March 2020)
<b>Total active financial flow</b>	<b>€ 64.948</b>

**DEBTS**

Payables to tax authorities for withholding taxes	€ 653
Payables to social security and welfare institutions	€ 1.487
Payables to staff	€ 3.672
Payables to service providers:	€ 17.718
<b>Total passive financial flow</b>	<b>€ 23.530</b>

From an examination of the above items, it is clear that the total expected cash flow, added to the cash and cash equivalents at the end of the Financial year 2019, amounts to € 64.948 and that it can cover the passive cash flow, as at the year end date 31.12.2019, of € 23.530.