FORUM FOR CIVIC INITIATIVES
(FIQ)

INDEPENDENT AUDITORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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INDEPENDENT AUDITORS' REPORT

To the Management of Forum for Civic Initiatives "FIQ"

Opinion

We have audited the financial statements of Forum for Civic Initiatives (the Organization), which comprise: the statement of financial position as at December 31, 2017, the statement of earnings and expenditures, statement of changes in fund balances for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2017, and its financial performance and its earnings and expenditures for the year then ended in accordance with generaly accepted accounting policies as set out in Note 2 to the financial statements.

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 Financial Statements* section of our report. We are independent of the Organization in accordance with the 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 and the IESBA Code. 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 the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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 the aggregate, 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.

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.

BDO Kosova L.L.C

BDO Kosova L.L.C.
April 4, 2018
Pashko Vasa Str. No.46
10 000 Pristina, Kosovo

	Notes	As at December 31, 2017 (in EUR)	As at December 31, 2016 (in EUR)
ASSETS			
Cash and cash equivalents	3	143,617	758,924
Advances and Prepayments		19,846	19,460
Other Receivables		6,309	6,308
TOTAL ASSETS		**169,772**	**784,692**
FUNDS AND LIABILITIES			
FUNDS			
Unspent Funds		167,572	782,834
TOTAL FUNDS		**167,572**	**782,834**
LIABILITIES			
Accounts Payable		2,200	1,858
TOTAL LIABILITIES		**2,200**	**1,858**
TOTAL FUNDS AND LIABILITIES		**169,772**	**784,692**

Authorized for issue by the management of Forum for Civic Initiatives on April 4, 2018.

Dajana Berisha
Executive Director

Sefë Govori
Finance Manager

The accompanying notes 1 to 8 form an integral part of these Financial Statements.

	Notes	Year ended December 31, 2017 (in EUR)	Year ended December 31, 2016 (in EUR)
FINANCING			
Donors Funding	4	388,319	605,968
TOTAL FINANCING		**388,319**	**605,968**
EXPENDITURE			
Personnel expenses		(117,826)	(83,650)
Program costs	5	(165,027)	(175,537)
Operational costs	6	(19,745)	(21,140)
Services	7	(34,812)	(9,195)
Civil Society House Project	8	(600,000)	-
Travel costs	9	(3,707)	(3,324)
TOTAL EXPENDITURE		**(941,117)**	**(292,846)**
Exchange (loss)/gain		(62,509)	16,050
Surplus of funds received over expenditures		**(615,307)**	**329,172**
Cash and bank balances at beginning of the year		758,924	429,752
Cash and bank balances at the end of the year	3	**143,617**	**758,924**

Dajana Berisha
Executive Director

Sefë Govori
Finance Manager

The accompanying notes 1 to 8 form an integral part of these Financial Statements.

	Year ended December 31, 2017 (in EUR)
As at January 1, 2016	444,423
Funds received in current period	605,968
Exchange gain	16,050
Effect of changes in assets and liabilities	9,239
Funds expensed in current period	(292,846)
As at December 31, 2016	**782,834**
As at January 1, 2017	782,834
Funds received in current period	388,319
Exchange loss	(62,509)
Effect of changes in assets and liabilities	45
Funds expensed in current period	(941,117)
As at December 31, 2017	**167,572**

The accompanying notes 1 to 8 form an integral part of these Financial Statements

1 BACKGROUND AND OPERATING POLICIES

The Forum of Civic Initiatives ("FIQ") was registered under the United Nations Interim Administration Mission in Kosovo ("UNMIK") regulations as a non-governmental organization in 2000, section 10 on the Registration and Operation of NGO in Republic of Kosovo.

FIQ works to increase citizen participation in decision-making processes and to create incentives that ensure political, economic and environmental sustainability through its grant giving program.

FIQ's current geographical orientation has been the Balkan, with main focus in Kosovo, where FIQ have over the years contributed to social and political change. FIQ has had an active role on security issues where FIQ has held and taken part in several regional conferences. This has helped FIQ to create strategic and influential partners in the region, local as international.

Major donors supporting the activities of the FIQ during the year 2017 are as follows:
Rockefeller Brothers Fund (RBF), European Union, Global Community Engagement and Resilience Fund, Mott foundation, GIZ, Global Foundation, Balkan Green Foundation, etc.

2 BASIS OF PREPARATION OF THE STATEMENT AND ACCOUNTING CONVENTIONS

2.1 Accounting convention

The Financial Statements have been prepared in accordance with generaly accepted accounting policies (mixed or modified basis of accounting which combines cash and accrual accounting principles).

2.2 Reporting currency

The Statement has been prepared in European Union Currency Unit (EUR).

2.3 Corresponding figures

In order to conform to the current year presentation, comparative figures have been restated and reclassified.

2.4 Foreign currency transactions

Foreign currency transactions are translated into reporting currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Earnings and Expenditures.

3. CASH AND CASH EQUIVALENTS

	As at December 31, 2017 (in EUR)	As at December 31, 2016 (in EUR)
Cash at bank	143,542	758,588
Cash on hand	75	336
TOTAL CASH AND BANK BALANCE	**143,617**	**758,924**

4. DONORS FUNDING

	Year ended December 31, 2017 (in EUR)	Year ended December 31, 2016 (in EUR)
Rockefeller Brothers Fund	212,826	323,671
European Union Office In Kosovo	74,162	77,841
Global Community Engagement and Resilience Fund	32,477	-
C.S. Mott Foundation	23,269	93,103
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	14,354	-
Global Foundation	13,404	13,270
Balkan Green Foundation	8,178	-
Trag Foundation	6,200	35,042
Balkan Trust for Democracy	-	13,274
National Endowment for Democracy	-	39,069
Raiffeisen Bank Kosovo J.S.C.	-	7,500
Municipality of Prishtina	-	2,000
Other	3,449	1,198
TOTAL DONORS FUNDING	**388,319**	**605,968**

5. PROGRAM COSTS

	Year ended December 31, 2017 (in EUR)	Year ended December 31, 2016 (in EUR)
Grant Giving	112,063	110,954
Support to NGOs & Institutions	12,966	33,520
Developing Philanthropy	10,689	7,433
Sustainability Development	9,187	5,234
Equipment	3,928	2,665
Advocacy	3,867	1,260
International Travel	3,764	4,465
Conferences and Round Tables	2,971	3,965
Printing and Design	2,154	2,180
Staff Development and Training	1,512	400
Annual planning	1,318	472
Per Diem and Volunteers	608	2,464
Campaign	-	525
TOTAL PROGRAM COSTS	**165,027**	**175,537**

6. OPERATING COSTS

	Year ended December 31, 2017 (in EUR)	Year ended December 31, 2016 (in EUR)
Office rent	14,402	9,890
Maintenance	2,367	2,201
Communications	1,899	1,726
Office supplies	1,077	1,283
Activity cost	-	630
Other operating costs	-	5,410
TOTAL OPERATIONS COSTS	**19,745**	**21,140**

7. SERVICES

	Year ended December 31, 2017 (in EUR)	Year ended December 31, 2016 (in EUR)
Contractual Services	30,454	-
Bank fee's	1,601	1,598
Audit	1,857	2,400
Website Maintenance	230	343
Translation	670	373
Others	-	4,481
TOTAL SERVICES COSTS	**34,812**	**9,195**

8. CIVIL SOCIETY HOUSE PROJECT

	Year ended December 31, 2017 (in EUR)	Year ended December 31, 2016 (in EUR)
Fondacioni Shtëpia e Shoqërisë Civile	600,000	-
TOTAL CIVIL SOCIETY HOUSE PROJECT	**600,000**	**-**

The expense for "Civil Society House Project in Kosovo" is a project to purchase a work space for Civil society House foundation that will serve as a hub for strengthening and promoting the relationship between grassroots, think tanks and investigative media, legal and analytical researchers contributing best to the implementation of the triangle approach.

9. TRAVEL AND CAR MAINTENANCE

	Year ended December 31, 2017 (in EUR)	Year ended December 31, 2016 (in EUR)
Travel and car maintenance	3,707	3,324
TOTAL TRAVEL AND CAR MAINTENANCE	**3,707**	**3,324**