

**FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT**

**FORUM FOR CIVIC INITIATIVES**

For the year ended 31 December 2010

**Pristine  
April 2011**

## **Independent Auditors' Opinion**

### **To the management of Forum of Civic Initiatives**

We have audited financial statements, revenue and budget expenses of Forum of Civic Initiatives in Prishtine, Kosovo for the year ended 31 December 2010 expressed in EUR. These financial statements and supplementary financial data are the responsibility of the organization's management. Our responsibility is to express an opinion on the aforementioned financial information based on our audit.

We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the reporting forms are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the reporting forms. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the proper accounting and reporting of the data on the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial information present fairly, in all material respects, the financial position Forum of Civic Initiatives for the year ended 31 December 2010, and the results of operations in accordance with contractual agreements signed with donors and relevant laws of Kosovo.

Lulzim Zeka  
Statutory Auditor

BU & Partners  
Prishtina



**Forum of Civic Initiatives**

**Income Statement**

For the year ended 31 December 2010

	<i>Note</i>	<u><i>December 31, 2010</i></u>	<u><i>December 31, 2009</i></u>
<b>Income</b>			
Income from Donations	4	318,303	271,698
<b>Total Income</b>		<u><b>318,303</b></u>	<u><b>271,698</b></u>
<b>Expenses</b>			
Activity costs	5	126,036	194,195
Developing Philanthropy		15,259	-
Grant Giving		81,352	-
Operational Costs	6	19,938	77,503
Personnel costs		54,929	-
Services	7	16,085	-
Travel expenses	8	4,703	-
<b>Total Expenses</b>		<u><b>318,303</b></u>	<u><b>271,698</b></u>
<b>Net Surplus</b>		<u><b>-</b></u>	<u><b>-</b></u>

**Forum of Civic Initiatives**  
**Balance Sheet**  
For the year ended 31 December 2010

<b>Assets</b>	<i>Note</i>	<u>December 31, 2010</u>	<u>December 31, 2009</u>
<b>Current assets</b>			
Cash & cash equivalents	1	27,750	52,614
Advances & Prepayments	2	<u>7,755</u>	<u>-</u>
<b>Total current assets</b>		<b>35,505</b>	<b>52,614</b>
<b>Noncurrent assets</b>			
Office Equipment		<u>-</u>	<u>-</u>
<b>Total noncurrent assets</b>		<u>-</u>	<u>-</u>
<b>Total Assets</b>		<u><b>35,505</b></u>	<u><b>52,614</b></u>
<b>Liabilities</b>			
<b>Short term liabilities</b>			
Tax and Payroll Liabilities	3	986	-
Deferred Revenues	4	<u>34,519</u>	<u>52,614</u>
<b>Total short term liabilities</b>		<b>35,505</b>	<b>52,614</b>
<b>Total Liabilities</b>		<u><b>35,505</b></u>	<u><b>52,614</b></u>
<b>Equity</b>			
Opening Balance		-	-
Net surplus/deficit		<u>-</u>	<u>-</u>
<b>Total Equity</b>		<u>-</u>	<u>-</u>
<b>Total Liabilities and Equity</b>		<u><b>35,505</b></u>	<u><b>52,614</b></u>

**Forum of Civic Initiatives**  
**Cash Flow Statement**  
For the year ended 31 December 2010

	<b>2010</b>	<b>2009</b>
	EUR	EUR
<b>Cash flow from operating activities</b>		
Net surplus/(deficit) for the year	-	-
<i>Changes in operating assets and liabilities</i>		
Depreciation	-	-
(Increase)/Decrease in receivables	-	-
(Increase)/Decrease in other advances	-	-
(Increase)/Decrease in prepayments	(7,755)	-
Increase/(Decrease) in payroll liabilities	986	-
Increase/(Decrease) in other liabilities	(18,095)	(27,905)
	<hr/>	<hr/>
<b>Net cash flow from operating activities</b>	<b>(24,864)</b>	<b>(27,905)</b>
<b>Cash flow from investing activities</b>		
Additions in fixed assets	-	-
	<hr/>	<hr/>
<b>Net cash flow from investing activities</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<b>Net increase/(decrease)</b>	<b>(24,864)</b>	<b>(27,905)</b>
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Cash and cash equivalents at the beginning of the year	52,614	80,519
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<b>Cash and cash equivalent at the end of the year</b>	<b>27,750</b>	<b>52,614</b>
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**FORUM OF CIVIC INITIATIVES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2010

**1. Introduction**

Forum of Civic Initiatives is registered as a non-governmental and non-profit Organization under the Law No. 03/L-134 on Freedom of Associations in Non-Governmental Organizations, number 5100565-1 with head office in Prishtina.

The Forum for Civic Initiatives (FIQ) is a non-governmental organization with a focus on the rule of law that works to increase citizen participation in decision-making processes for peaceful and developed Balkan region. FIQ was created in 2000 to address a variety of urgent needs in post-conflict Kosovo. Since then, FIQ has evolved into an organization with a focus on Rule of Law and transparency and accountability of the government and strengthening the capacity of the Civil Society through debates, training and grant making support.

Forum of Civic Initiatives' donors for the year 2010 were:

- National Endowment for Democracy
- The Balkan Trust for Democracy
- Rockefeller Brothers Fund
- Saferworld
- Foundation for Democratic Initiatives

**FORUM OF CIVIC INITIATIVES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2010

***2. Statement of Significant Accounting Policies***

**A) General Accounting Principle**

For the purposes of financial recording, Forum of Civic Initiatives uses the combined accrual and cash method of accounting for reporting the receipt and disbursement of funds. Under this method of reporting of financial transactions, Forum of Civic Initiatives records most of its transactions on a cash basis of accounting.

The financial statements have been prepared in accordance with the Kosovo Accounting Standards under historical cost convention as modified by the revaluation of financial assets and liabilities.

## **B) Summary of Accounting Policies**

### **Reporting Currency**

The Forum of Civic Initiatives accounting records are maintained in EURO and all financial statements are prepared and presented in EURO

### **Deferred Revenues**

Deferred Revenues are that revenues/donation for which the cash has been collected by the organization, but have not been yet spent. Consequently this liability occurs when Forum of Civic Initiatives payment in advance for a project to be implemented in future.

### **Taxation**

Forum of Civic Initiatives is a NGO whose received donations in the reporting year have been implemented into humanitarian purposes. According to law Nr. 03/L-162 on Corporate Income Tax, NGO's whose total income was used for their public benefit purposes are tax exempted.

### **Cash and cash equivalents**

Cash and cash equivalents comprise of cash in hand and bank balances.

**FORUM OF CIVIC INITIATIVES  
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2010

**1. Cash and cash equivalents**

	<b>2010</b>	<b>2009</b>
Raiffeisen Bank - FIQ's main account	-0.5	1,916
Raiffeisen Bank - FIQ's main account in USD	14,657	43,826
Raiffeisen Bank - FIQ 2008 subaccount	10,306	3897
Raiffeisen Bank - Saferplace subaccount	2,618.64	2,226
Raiffeisen Bank - FOL 08 subaccount	12	43
Raiffeisen Bank - RBF	0	-
Raiffeisen Bank - Global governance	-2	-
Petty cash	159	706
<b>Total</b>	<b>27,750</b>	<b>52,614</b>

**2. Advances and Prepayments**

	<b>2010</b>
Prepayment for Grantee's	5,755
Prepayment for rent	2,000
<b>Total</b>	<b>7,755</b>

**3. Donations/Deferred revenues**

<b>Donor</b>	<b>Deferred revenues from 2009</b>	<b>Transferred in 2010</b>	<b>Expenses 2010</b>	<b>Deferred revenues for the next period</b>
The Balkan Trust for Democracy	(2,393)	16,283	13,856	35
Foundation for Democratic Initiative	1,500	-	1,500	-
National Endowment for Democracy	4,484	35,841	29,825	10,501
Rockefeller Brothers Fund	55,476	167,513	169,520	53,468
Saferworld	(6,453)	80570	103603	(29,486)
<b>Total</b>	<b>52,614</b>	<b>300,207</b>	<b>318,303</b>	<b>34,519</b>



**FORUM OF CIVIC INITIATIVES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2010

**4. Tax and payroll liabilities**

	<b>2010</b>
Pension payable	429
Tax on salaries payable	265
Tax on rent payable	99
Other payables	193
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<b>Total</b>	<b>986</b>

**5. Activity Costs**

	<b>2010</b>
Advertisement	6,994
Campaign	3,712
Community Safety	4,540
Conferences and Round Tables	6,259
Grant Managing	401
International Travel	2,792
IT Improvement	1,227
Launch	1,389
Other activity costs	400
Printing and Design	31,790
Staff Development and Training	7,257
Support to NGOs & Institutions	42,443
Surveys	2,479
Per Diem and Volunteers	8,400
Policy Briefs	5,953
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<b>Total Activity Costs</b>	<b>126,036</b>

**FORUM OF CIVIC INITIATIVES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2010

**6. Operational costs**

	<b>2010</b>
Central Heating	691
Communications	2,870
Maintenance	2,855
Office Rent	11,288
Office Supplies	2,233
<b>Total Operations Costs</b>	<b>19,938</b>

**7. Services**

	<b>2010</b>
Audit	1,500
Bank fee's	1,119
Contractual Services	4,566
Translation	6,953
Website Maintenance	1,947
<b>Total Services</b>	<b>16,085</b>

**8. Travel expenses**

	<b>2010</b>
Car maintenance and insurance	461
Fuel and Travel	4,242
<b>Total Travel</b>	<b>4,703</b>

**FORUM OF CIVIC INITIATIVES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2010  
Report of expenses for each donor

<b>The Balkan Trust for Democracy</b>	<b>2010</b>
Activity costs	8,472
Operational Costs	1,249
Personnel costs	2,331
Services	1,727
Travel expenses	77
<b>Total</b>	<b>13,856</b>

<b>Foundation for Democratic Initiative</b>	<b>2010</b>
Services	1,500
<b>Total</b>	<b>1,500</b>

<b>National Endowment for Democracy</b>	<b>2010</b>
Activity costs	17,553
Operational Costs	2,805
Personnel costs	5,324
Services	3,995
Travel expenses	148
<b>Total</b>	<b>29,825</b>

**FORUM OF CIVIC INITIATIVES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2010  
Report of expenses for each donor

<b>Rockefeller Brothers Fund</b>	<b>2010</b>
Activity costs	49,264
Developing Philanthropy	15,259
Grant Giving	81,352
Operational Costs	3,839
Personnel costs	13,932
Services	3,262
Travel expenses	2,611
<b>Total</b>	<b>169,520</b>

<b>Saferworld</b>	<b>2010</b>
Activity costs	44,793
Operational Costs	12,045
Personnel costs	33,342
Services	11,555
Travel expenses	1,868
<b>Total</b>	<b>103,603</b>