

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT

FORUM FOR CIVIC INITIATIVES

For the year ended 31 December 2011

**Prishtine
April 2012**

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 2011 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 2011, 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 2011

	<i>Note</i>	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Income			
Income from Donations		256,821	318,303
Total Income		<u>256,821</u>	<u>318,303</u>
Expenses			
Program costs	4	156,195	222,647
Operational Costs	5	22,950	19,939
Personnel costs		60,332	54,929
Services	6	12,411	16,085
Travel expenses	7	4,933	4,703
Total Expenses		<u>256,821</u>	<u>318,303</u>
Net Surplus		<u>-</u>	<u>-</u>

Forum of Civic Initiatives
Balance Sheet
For the year ended 31 December 2011

Assets	<i>Note</i>	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Current assets			
Cash & cash equivalents	1	95,103	27,750
Advances & Prepayments	2	3,846	7,755
Other Receivables		<u>1,662</u>	
Total current assets		100,611	35,505
Noncurrent assets			
Office Equipment		<u>-</u>	<u>-</u>
Total noncurrent assets		-	-
Total Assets		<u>100,611</u>	<u>35,505</u>
Liabilities			
Short term liabilities			
Tax and Payroll Liabilities		715	986
Deferred Revenues	3	99,896	34,519
Total short term liabilities		<u>100,611</u>	<u>35,505</u>
Total Liabilities		100,611	35,505
Equity			
Opening Balance		-	-
Net surplus/deficit		<u>-</u>	<u>-</u>
Total Equity		-	-
Total Liabilities and Equity		<u>100,611</u>	<u>35,505</u>

Forum of Civic Initiatives
Cash Flow Statement
For the year ended 31 December 2011

	2011	2010
	EUR	EUR
Cash flow from operating activities		
Net surplus/(deficit) for the year	-	-
<i>Changes in operating assets and liabilities</i>		
Depreciation	-	-
(Increase)/Decrease in receivables	(1,662)	-
(Increase)/Decrease in other advances	-	-
(Increase)/Decrease in prepayments	3,909	(7,755)
Increase/(Decrease) in payroll liabilities	(271)	986
Increase/(Decrease) in other liabilities	65,377	(18,095)
Net cash flow from operating activities	67,353	(24,864)
Cash flow from investing activities		
Additions in fixed assets	-	-
Net cash flow from investing activities	-	-
Net increase/(decrease)	67,353	(24,864)
Cash and cash equivalents at the beginning of the year	27,750	52,614
Cash and cash equivalent at the end of the year	95,103	27,750

FORUM OF CIVIC INITIATIVES
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2011

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 2011 were:

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

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

For the year ended 31 December 2011

2. Statement of Significant Accounting Policies

A) General Accounting Principle

For the purposes of financial recording, Forum of Civic Initiatives uses the accrual method of accounting for reporting the receipt and disbursement of funds.

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 2011

1. Cash and cash equivalents

	2011	2010
Raiffeisen Bank - FIQ's main account	62,258	-0.5
Raiffeisen Bank - FIQ's main account in USD	-1	14,657
Raiffeisen Bank - FIQ 2008 subaccount	10,959	10,306
Raiffeisen Bank - Saferplace subaccount	21,611	2,618.64
Raiffeisen Bank - FOL 08 subaccount	-	12
Raiffeisen Bank – RBF and RBF 2	81	0
Raiffeisen Bank - Global governance	35	-2
Petty cash	160	159
Total	95,103	27,750

2. Advances and Prepayments

	2011
Prepayment for Grantee's	3,756
Prepayment for Partners	90
Total	3,846

3. Deferred revenues

Donor	2011
National Endowment for Democracy	9,131
Rockefeller Brothers Fund	60,510
Saferworld	30,255
Total	99,896

FORUM OF CIVIC INITIATIVES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

4. Program Costs **2011**

Accommodation	7,015
Advocacy	4,496
Campaign	12,399
Community Safety	14,062
Conferences and Round Tables	20,210
Grant Managing	37
International Travel	8,368
IT Improvement	591
Other activity costs	520
Printing and Design	9,708
Staff Development and Training	58
Support to NGOs & Institutions	23,609
Surveys	15,040
Per Diem and Volunteers	463
Conflict Analysis	1,984
Developing Philanthropy	8,990
Exchange Visits	17,156
Grant Giving	11,489
Total Activity Costs	156,195

5. Operational costs **2011**

Communications	3,010
Maintenance	3,422
Office Rent	8,591
Office Supplies	1,235
Other Operational Costs	6,692
Total Operations Costs	22,950

FORUM OF CIVIC INITIATIVES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

6. Services 2011

Audit	1,200
Bank fee's	1,031
Contractual Services	650
Translation	2,363
Website Maintenance	3,119
Policy Briefs	4,048
Total Services	12,411

7. Travel expenses 2011

Car maintenance and insurance	227
Fuel and Travel	3,317
Travel – Other	1,389
Total Travel	4,933

FORUM OF CIVIC INITIATIVES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

The Balkan Trust for Democracy	2011
Activity costs	10,050
Operational Costs	1,387
Personnel costs	2,685
Services	3,512
Total	17,634

Kosovo law Institute	2011
Operational Costs	1,859
Total	1,859

National Endowment for Democracy	2011
Activity costs	18,740
Operational Costs	3,410
Personnel costs	7,447
Services	1,478
Travel expenses	344
Total	31,419

FORUM OF CIVIC INITIATIVES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011
Report of expenses for each donor

Rockefeller Brothers Fund	2011
Activity costs	17,360
Developing Philanthropy	8,990
Exchange Visits	13,192
Grant Giving	11,489
Operational Costs	4,730
Personnel costs	26,069
Services	2,869
Travel expenses	1,209
Total	85,908

Saferworld	2011
Activity costs	70,427
Conflict Analysis	1,985
Exchange Visits	3,965
Operational Costs	11,563
Personnel costs	24,131
Services	4,552
Travel expenses	3,380
Total	120,001