

**FORUM FOR CIVIC INITIATIVES
(FIQ)**

**INDEPENDENT AUDITORS' REPORT
AND THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,
2018**

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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, 2018, 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, 2018, and its financial performance and its earnings and expenditures for the year then ended in accordance with generally 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



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Pristina, Kosovo

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March 13, 2019

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FORUM FOR CIVIC INITIATIVES (FIQ)
Statement of Financial Position
As at December 31, 2018

	Notes	As at December 31, 2018 (in EUR)	As at December 31, 2017 (in EUR)
ASSETS			
Cash and cash equivalents	3	332,277	143,617
Advances and Prepayments		16,902	19,846
Other Receivables		6,308	6,309
TOTAL ASSETS		355,487	169,772
FUNDS AND LIABILITIES			
FUNDS			
Unspent Funds		352,662	167,572
TOTAL FUNDS		352,662	167,572
LIABILITIES			
Accounts Payable		2,825	2,200
TOTAL LIABILITIES		2,825	2,200
TOTAL FUNDS AND LIABILITIES		355,487	169,772

Authorized for issue by the management of Forum for Civic Initiatives on March 13, 2019.


Dajana Berisha
Executive Director



Sefë Govori
Finance Manager

The accompanying notes 1 to 9 form an integral part of these Financial Statements.

FORUM FOR CIVIC INITIATIVES (FIQ)
Statement of earnings and expenditures
For the year ended December 31, 2018

	Notes	Year ended December 31, 2018 (in EUR)	Year ended December 31, 2017 (in EUR)
FINANCING			
Donors Funding	4	696,289	388,319
TOTAL FINANCING		696,289	388,319
EXPENDITURE			
Personnel expenses		(147,167)	(117,826)
Program costs	5	(131,879)	(165,027)
Operating costs	6	(39,678)	(19,745)
Services	7	(11,171)	(34,812)
Civil Society House Project	8	(178,579)	(600,000)
Travel and car maintenance	9	(2,534)	(3,707)
TOTAL EXPENDITURE		(511,008)	(941,117)
Exchange (loss)/gain		3,379	(62,509)
Surplus of funds received over expenditures		188,660	(615,307)
Cash and bank balances at beginning of the year		143,617	758,924
Cash and bank balances at the end of the year	3	332,277	143,617


Dajana Berisha
Executive Director


Sefë Goyori
Finance Manager

The accompanying notes 1 to 9 form an integral part of these Financial Statements.

FORUM FOR CIVIC INITIATIVES (FIQ)
Statement of changes in fund balances
For the year ended December 31, 2018

	Year ended December 31, 2017 (in EUR)
As at January 1, 2017	782,834
Funds received in current period	388,319
Exchange gain	(62,509)
Effect of changes in assets and liabilities	45
Funds expensed in current period	<u>(941,117)</u>
As at December 31, 2017	<u>167,572</u>
As at January 1, 2018	167,572
Funds received in current period	696,289
Exchange loss	3,379
Effect of changes in assets and liabilities	(3,570)
Funds expensed in current period	<u>(511,008)</u>
As at December 31, 2018	<u>352,662</u>

The accompanying notes 1 to 9 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 generally 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, 2018 (in EUR)	As at December 31, 2017 (in EUR)
Cash at bank	332,274	143,542
Cash on hand	3	75
TOTAL CASH AND BANK BALANCE	332,277	143,617

4. DONORS FUNDING

	Year ended December 31, 2018 (in EUR)	Year ended December 31, 2017 (in EUR)
Rockefeller Brothers Fund	409,266	212,826
European Union Office In Kosovo	82,397	74,162
Global Community Engagement and Resilience Fund	74,822	32,477
Trag Foundation	48,853	6,200
Balkan Green Foundation	21,108	8,178
C.S. Mott Foundation	20,345	23,269
Global Foundation	12,200	13,404
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	7,764	14,354
OSBE	5,878	-
EUCLID	4,796	-
Australian Embassy, Wien	4,587	-
Dukagjini Invest	2,000	-
Frutex	1,000	-
MNE	505	-
Other	768	3,449
TOTAL DONORS FUNDING	696,289	388,319

5. PROGRAM COSTS

	Year ended December 31, 2018 (in EUR)	Year ended December 31, 2017 (in EUR)
Grant Giving	44,108	112,063
Support to NGOs & Institutions	46,846	12,966
Developing Philanthropy	7,380	10,689
Campaign	7,183	-
Surveys	5,872	-
Conferences and Round Tables	5,328	2,971
Printing and Design	3,994	2,154
International Travel	3,790	3,764
Sustainability Development	1,551	9,187
Equipment	2,976	3,928
Annual planning	1,398	1,318
Per Diem and Volunteers	730	608
Staff Development and Training	502	1,512
Advocacy	221	3,867
TOTAL PROGRAM COSTS	131,879	165,027

6. OPERATING COSTS

	Year ended December 31, 2018 (in EUR)	Year ended December 31, 2017 (in EUR)
Office rent	15,371	14,402
Purchasing a car	15,250	-
Office supplies	3,410	1,077
Maintenance	3,362	2,367
Communications	1,171	1,899
Other operating costs	1,114	-
TOTAL OPERATIONS COSTS	39,678	19,745

7. SERVICES

	Year ended December 31, 2018 (in EUR)	Year ended December 31, 2017 (in EUR)
Contractual Services	3,702	30,454
Website Maintenance	3,626	230
Bank fee's	1,934	1,601
Audit	1,200	1,857
Translation	709	670
TOTAL SERVICES COSTS	11,171	34,812

8. CIVIL SOCIETY HOUSE PROJECT

	Year ended December 31, 2018 (in EUR)	Year ended December 31, 2017 (in EUR)
Fondacioni Shtëpia e Shoqërisë Civile	178,579	600,000
TOTAL CIVIL SOCIETY HOUSE PROJECT	178,579	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, 2018 (in EUR)	Year ended December 31, 2017 (in EUR)
Travel and car maintenance	2,534	3,707
TOTAL TRAVEL AND CAR MAINTENANCE	2,534	3,707