

**FORUM FOR CIVIC INITIATIVES
(FIQ)**

**INDEPENDENT AUDITORS' REPORT
AND THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,
2022**

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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, 2022, the statement of sources and uses of funds, 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, 2022, and its financial performance 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 generally accepted accounting policies as set out in Note 2 to the financial statements, 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 report, including the disclosures, and whether the financial report 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.



BDO Kosova L.L.C.

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Pristina, Kosovo

October 25, 2023



BDO Kosova L.L.C.
audit, accounting and financial advisory
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FORUM FOR CIVIC INITIATIVES (FIQ)
Statement of Financial Position
As at December 31, 2022

	Notes	As at December 31, 2022 (in EUR)	As at December 31, 2021 (in EUR)
ASSETS			
Cash and cash equivalents	3	4,007	40,645
Other Receivables		6,308	6,308
TOTAL ASSETS		10,315	46,953
FUNDS AND LIABILITIES			
FUNDS			
Unspent Funds		7,562	37,574
TOTAL FUNDS		7,562	37,574
LIABILITIES			
Accounts Payable		895	3,856
Payables to Grantees and others		1,858	5,523
TOTAL LIABILITIES		2,753	9,379
TOTAL FUNDS AND LIABILITIES		10,315	46,953

Authorized for issue by the management of Forum for Civic Initiatives on October 25, 2023.



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 Sources and Uses of Funds
For the year ended December 31, 2022

	Notes	Year ended December 31, 2022 (in EUR)	Year ended December 31, 2021 (in EUR)
FINANCING			
Donors Funding	4	33,117	100,053
TOTAL FINANCING		33,117	100,053
EXPENDITURE			
Personnel expenses		(36,528)	(75,332)
Program costs	5	(18,095)	(30,187)
Operating costs	6	(7,609)	(18,642)
Services costs	7	(6,846)	(10,192)
Travel costs		(677)	(2,958)
TOTAL EXPENDITURE		(69,755)	(137,311)
Exchange loss		-	(95)
Surplus of funds received over expenditures		(36,638)	(37,353)
Cash and bank balances at beginning of the year	3	40,645	77,998
Cash and bank balances at the end of the year	3	4,007	40,645


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 Changes in Fund Balances
For the year ended December 31, 2022

	Year ended December 31, 2022 (in EUR)
As at January 1, 2021	78,109
Funds received in current period	100,053
Exchange loss	(95)
Effect of changes in assets and liabilities	(3,182)
Funds expensed in current period	<u>(137,311)</u>
As at December 31, 2021	<u>37,574</u>
As at January 1, 2022	37,574
Funds received in current period	33,117
Exchange loss	-
Effect of changes in assets and liabilities	6,626
Funds expensed in current period	<u>(69,755)</u>
As at December 31, 2022	<u>7,562</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 well as international.

Major donors supporting the activities of the FIQ during the year 2022 are as follows: Civil Society House Foundation, EYSET, Global Initiatives and HORUS.

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 Income and expenses

Income for the period is recognized as revenue only when it relates to expenditure which are supported by donor-approved grants.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments maturing within periods of up to 12 months.

2.5 Employee benefits

Pension obligations

The Organization makes only mandatory social security contributions its employees' post-retirement plans Contributions of 5% based on gross salaries, are made to the state pension plan, Kosovo Pension Saving Trust (KPST) responsible for the payment of pensions. The Organization has no additional liability regarding this plan.

2.6 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.

2.7 Tax on Profit

As a non-governmental organization in Kosovo, Forum for Civic Initiatives is not subject to profit tax (Law No. 06 / L-105 on Corporate Income Tax, Article 7).

2.8 Trade payables and other payables

Trade payables and other payables are recognized at fair value and subsequently measured at their liquidation value.

2.9 Operating expenses

Operating expenses are recognized in profit or loss on the use of the service or on the date of their origin.

FORUM FOR CIVIC INITIATIVES (FIQ)

Notes to the Financial Statements for the year ended December 31, 2022

3 CASH AND CASH EQUIVALENTS

	As at December 31, 2022 (in EUR)	As at December 31, 2021 (in EUR)
Cash at bank	3,995	40,629
Cash on hand	12	16
TOTAL	4,007	40,645

4 DONORS FUNDING

	Year ended December 31, 2022 (in EUR)	Year ended December 31, 2021 (in EUR)
Civil Society House Foundation	13,495	-
EYSET	10,783	-
Global Initiatives	5,218	20,002
HORUS	2,196	4,125
Global Foundation	-	26,332
The Balkan Trust for Democracy	-	18,405
European Union Office in Kosovo	-	11,494
Sing Net	-	9,341
GIZ	-	6,348
GCERF	-	3,440
Others	1,425	566
TOTAL	33,117	100,053

5 PROGRAM COSTS

	Year ended December 31, 2022 (in EUR)	Year ended December 31, 2021 (in EUR)
Support to NGOs & Institutions	9,455	9,632
Conferences and Round Tables	6,688	5,185
Campaign	1,684	10,387
Developing Philanthropy	268	1,975
International Travel	-	1,006
Per Diem and Volunteers	-	876
Printing and Design	-	750
Annual planning	-	376
TOTAL	18,095	30,187

6 OPERATING COSTS

	Year ended December 31, 2022 (in EUR)	Year ended December 31, 2021 (in EUR)
Maintenance	4,880	5,679
Car maintenance	1,219	-
Communications	253	1,049
Office rent	-	10,519
Other operating costs	1,257	1,395
TOTAL	7,609	18,642

7 SERVICES COSTS

	Year ended December 31, 2022 (in EUR)	Year ended December 31, 2021 (in EUR)
External Evaluation	3,200	3,000
Audit	3,150	3,400
Bank fee's	496	918
Contractual Services	-	2,794
Translation	-	80
TOTAL	6,846	10,192

8 COMMITMENTS AND CONTINGENCIES**Capital commitments**

There are no contingencies or commitments in existence as at the balance sheet date.

9 EVENTS AFTER THE REPORTING DATE

Events after the end of the reporting year on the balance sheet which provide additional information about the Organization's position at the balance sheet date (adjusting events) are reflected in the financial statements. Events after the end of the year that has not been adjusted are disclosed in the notes when the event reflects additional material value.