

**FORUM FOR CIVIC INITIATIVES
(FIQ)**

**INDEPENDENT AUDITORS'
REPORT AND THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED
DECEMBER 31, 2021**

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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, 2021, 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, 2021, 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

May 6, 2022



BDO Kosova L.L.C.
audit, accounting and financial advisory
Prishtina, Kosovo

FORUM FOR CIVIC INITIATIVES (FIQ)
Statement of Financial Position
As at December 31, 2021

	Notes	As at December 31, 2021 (in EUR)	As at December 31, 2020 Restated (in EUR)
ASSETS			
Cash and cash equivalents	3	40,645	77,998
Advances and Prepayments		-	1,269
Other Receivables		6,308	6,308
TOTAL ASSETS		46,953	85,575
FUNDS AND LIABILITIES			
FUNDS			
Unspent Funds		37,574	78,109
TOTAL FUNDS		37,574	78,109
LIABILITIES			
Accounts Payable		3,856	1,813
Payables to Grantees and others		5,523	5,653
TOTAL LIABILITIES		9,379	7,466
TOTAL FUNDS AND LIABILITIES		46,953	85,575

Authorized for issue by the management of Forum for Civic Initiatives on May 6, 2022.


Dajana Berisha
Executive Director


Sere 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, 2021

	Notes	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 Restated (in EUR)
FINANCING			
Donors Funding	4	100,053	123,886
TOTAL FINANCING		<u>100,053</u>	<u>123,886</u>
EXPENDITURE			
Personnel expenses		(75,332)	(122,145)
Program costs	5	(30,187)	(148,475)
Operating costs	6	(18,642)	(26,581)
Services costs	7	(10,192)	(12,379)
Travel costs		(2,958)	(4,596)
TOTAL EXPENDITURE		<u>(137,311)</u>	<u>(314,176)</u>
Exchange loss		(95)	(3,855)
Surplus of funds received over expenditures		<u>(37,353)</u>	<u>(194,145)</u>
Cash and bank balances at beginning of the year	3	77,998	272,143
Cash and bank balances at the end of the year	3	<u>40,645</u>	<u>77,998</u>


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, 2021

	Year ended December 31, 2021 (in EUR)
As at January 1, 2020 - Restated	306,515
Funds received in current period	123,886
Exchange gain/loss	(3,855)
Effect of changes in assets and liabilities	(34,261)
Funds expensed in current period	<u>(314,176)</u>
As at December 31, 2020 - Restated	<u>78,109</u>
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>

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 2021 are as follows: Global Foundation, Global Initiatives, The Balkan Trust for Democracy, European Union Office in Kosovo, Sign Net, GIZ, HOURS, GCERF, ICEDA and European Bank for Reconstruction and Development.

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, 2021

3 CASH AND CASH EQUIVALENTS

	As at December 31, 2021 (in EUR)	As at December 31, 2020 (in EUR)
Cash at bank	40,629	77,996
Cash on hand	16	2
TOTAL	40,645	77,998

4 DONORS FUNDING

	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 (in EUR)
Global Foundation	26,332	16,705
Global Initiatives	20,002	-
The Balkan Trust for Democracy	18,405	-
European Union Office in Kosovo	11,494	13,002
Sing Net	9,341	18,682
GIZ	6,348	-
HORUS	4,125	-
GCERF	3,440	54,600
Others	566	-
ICEDA	-	10,497
European Bank for Reconstruction and Development	-	10,400
TOTAL	100,053	123,886

5 PROGRAM COSTS

	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 Restated (in EUR)
Campaign	10,387	157
Support to NGOs & Institutions	9,632	21,811
Conferences and Round Tables	5,185	13,773
Developing Philanthropy	1,975	1,079
International Travel	1,006	3,915
Per Diem and Volunteers	876	210
Printing and Design	750	237
Annual planning	376	515
Surveys	-	5,541
IT Improvement	-	3,298
Staff Development and Training	-	484
Grant Giving	-	97,455
TOTAL	30,187	148,475

6 OPERATING COSTS

	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 (in EUR)
Office rent	10,519	16,926
Maintenance	5,679	4,000
Other operating costs	1,395	1,160
Communications	1,049	809
Office supplies	-	3,686
TOTAL	18,642	26,581

7 SERVICES COSTS

	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 (in EUR)
Audit	3,400	1,400
External Evaluation	3,000	-
Contractual Services	2,794	9,302
Bank fee's	918	1,089
Translation	80	226
Policy Briefs	-	362
TOTAL	10,192	12,379

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.