



**Partia Demokratike e Kosovës
(PDK)**

**Campaign Financial Disclosure Report with Independent Auditors'
Report thereon**

**Extraordinary national elections
28 May 2014 – 06 June 2014**



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Independent Auditors' Report

To the council of **Partia Demokratike e Kosovës**

Report on Special Purpose Financial Statement

Qualified Opinion

We have audited the Campaign Financial Disclosure Report of the Political Entity “**Partia Demokratike e Kosovës**” (hereinafter referred to as “Political Entity” or “PDK” or “PE”), which comprise the statement of financial position as at June 06, 2014, the statement of income and expenses for the period 28 May 2014 until 6 June 2014 and other explanatory information.

In our opinion, except for the effects of the matters described in Basis for qualified opinion section, the campaign financial disclosure report presents fairly, in all material respects, the financial position of the Political Entity as of 6 June 2014, and its income and expenses for the period from 28 May 2014 until 6 June 2014 in accordance with the law no. 04 / L-212 on amending and supplementing the Law no. 03 / L-174 on Financing of Political Entities, amended and supplemented by Law No. 04 / L-058, Article 15 Financial Reporting.

Basis for qualified 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 Political Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Kosova, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

- As presented in Note 7 “Contributions in-kind / goods and services”, the Political Entity has stated contributions in kind from observers in the amount of 99,735.00 Euro for the year ended on 31 December 2014. During our auditing we found out that the Political Entity does not have supporting documentations, agreements, statements etc. for the received contributions.

Emphasis of matter

On our qualified opinion for the PE we draw attention to the following findings:

- The Political Entity has made payments to a single recipient on the amount of over 5,000 Euro within one day which is in violation of the Law on Preventing of

Money Laundry and Terrorism Financing, Article 26 Additional Obligation of Political Entities.

- The Political Entity for the conducted purchases did not apply any procurement procedures which would enable a more efficient, cost-effective, transparent and fair use of political entity funds
- The Political Entity has not respected the legal requirements regarding the publication of annual and campaign financial disclosure reports as required by the law no. 04 / L-212 on amending and supplementing the Law no. 03 / L-174 on Financing of Political Entities, amended and supplemented by Law No. 04 / L-058, Article 15 Financial Reporting, paragraphs 5.1 and 5.2.
- During our auditing we found out that on representation expenses, in some cases the PE does not have relevant supporting documentation except receipts of payments and purchase orders which would further support and justify the stated expenses.

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 Law No. 04/L-212 on amending and supplementing the Law no. 03/L-174 on the financing of Political Parties, amended and supplemented by law no. 04/L-058 and the law no.03/L-257 on amending and supplementing the law no.03/L-073 on General Elections in the Republic of Kosovo, 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 Political Party 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 scepticism 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 Company'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 Company'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 Company to cease to continue as a going concern.

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.

Audit & Conto sh.p.k

Qerim Qerimi
Statutory Auditor
6 December 2017

Statements of financial position

		Balance at the end of the period	Balance at the start of the period
Assets		Amount in Euro	Amount in Euro
Long-term assets	Notes		
Property, plant and equipment			
Intangible Assets			
Other long-term assets			
Total long-term assets			
Current assets			
Accounts receivable			
Prepayments			
Cash and cash equivalents	2	54,451.51	
Other current assets			
Total current assets			0.00
Total Assets			0.00
Equity			
Accumulated Fund		54,451.51	
Surplus / (deficit) of the period		(307,577.02)	0.00
Total Equity		(253,125.51)	-
Liabilities			
Long-term liabilities			
Loans payable			
Deferred revenue			
Total Long-term liabilities			
Current liabilities			
Accounts payable and others			
Other current liabilities	3	307,577.02	
Total current liabilities		307,577.02	
Total Liabilities		307,577.02	0.00
Total equity and liabilities		54,451.51	0.00

Statement of income and expenses

	Notes	28 May 2014 – 06 June 2014
Income		
Income from budget		
Income from membership		
Donations and cash contributions		
Contributions in kind / goods and services	4	99,735.00
Other income		
Total Income for the period		99,735.00
Expenses		
Wages and salaries		
Transportation expenses	5	6,192.48
Advertising, representation and conferences	5	245,484.54
Purchase of goods	5	
General expenses	5	55,900.00
Other expenses	5	99,735.00
Total expenses for the period	5	407,312.02
Surplus / (deficit) for the period		(307,577.02)

1. General Information

Name of Political Entity: Partia Demokratike e Kosovës

Acronym: PDK

Council: Kadri Veseli (Chairman)

Finance Representative:

Date of Establishment: 12.10.1999

Address:

The financial statements of the PE Partia Demokratike e Kosovës have been prepared in accordance with the requirements of Law no. 04 / L-212 on Amending and Supplementing the Law no. 03 / L-174 on Financing of Political Entities, amended and supplemented by Law No. 04 / L-058, Article 15 Financial Reporting.

According to Article 19, Paragraph 2, Item 7 of Law no.04/L-212 on amending and supplementing Law Nr. 03/L-174 on Financing of Political Entities, amended and supplemented by Law Nr. 04/L-058, the registered political entity within five (5) business days from receiving the draft auditing reports has submitted the revised financial reports and explanations regarding errors and omissions identified by the auditors.

The Political Entity maintains a single bank account in NLB bank Kosovo.

Note 2. Cash and cash equivalents

	Balance at the end of the period Amount in Euros	Balance at the start of the period Amount in Euros
Cash in bank	54,451.51	-
Cash in hand	0.00	-
Total cash and cash equivalents	54,451.51	-

Note 3. Accounts payable and others

	Balance at the end of the period Amount in Euros	Balance at the start of the period Amount in Euros
Payable to suppliers	145,749.54	
Other Accounts payable	0.00	
Total Accounts payable and others	145,749.54	0.00

Note 4. Other current liabilities

	Balance at the end of the period Amount in Euros	Balance at the start of the period Amount in Euros
Liabilities for salaries and taxes		
Liabilities for rent		
Liabilities for fines and penalties		
Other Current Liabilities	307,577.02	
Total other current liabilities	307,577.02	-

Note 5: Contributions in kind / goods and services

Description of goods/services	Accepted by			Date of Contributions	Amount in Euro
	Contributors	Address	ID number		
Observers	Observers				99,735.00
Total contributions in kind / goods and services					99,735.00

Note 6: Expenses

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
Wages and salaries			
Net wages and salaries			
Payments to observers			
Pension contributions of the employee			
Pension contributions of the employer			
Personal Tax income			
Other benefits			
Total			
Transportation expenses			
Borrowed motorized vehicles			

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Notes on Campaign Financial Disclosure Report

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Fuels	6,192.48	0.00	6,192.48
Airplane/bus/train/taxi etc. tickets			-
Car insurance and maintenance			-
Any other form of transportation			-
Total transportation expenses	6,192.48	-	6,192.48
Advertising, representation and conferences			
Premises	21,583.80	0.00	11,027.16
Food	8,215.40	0.00	4,197.25
Cultural and recreation activities	0.00	0.00	-
Radio and TV advertisements	122,925.16	0.00	65,125.14
Newsstands and newspaper advertisements	68,600.83	0.00	35,048.16
Other advertising, representation and conferences expenses	24,159.35	0.00	24,159.35
Total advertising, representation and conferences expenses	245,484.54	-	139,557.06
Purchase of goods			
Supply of office			
Small equipment			
Total purchase of goods			
General expenses			
Rent of office space			
Telephone, internet and mail			
Electricity and other utilities (water and waste)			
Fines and penalties	55,900.00	0.00	55,900.00
Expenses related to in-kind contributions / goods and	99,735.00	//////////	

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services			
Total general expenses	155,635.00		55,900.00
Other expenses			
Maintenance of office space and equipment			
Expenses not included in any other category	0.00	0.00	0.00
Total other expenses	0.00	0.00	0.00
Total expenses			
	407,312.02	-	307,577.02