



# **Aleanca për Ardhmërinë e Kosovës**

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

**Local Elections  
24 July 2017 – 17 December 2017**



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# Independent Auditors' Report

To the council of Aleanca për Ardhmërinë e Kosovës.

## Report on Special Purpose Financial Statement

### Disclaimer of Opinion

We were engaged to audit the financial statements of the Political Entity “**Aleanca për Ardhmërinë e Kosovës - AAK**” (hereinafter referred to as “Political Entity” or “AAK” or “PE”), which comprise the statement of financial position as at December 17, 2017, the statement of income and expenses for the year period 24 July 2017 until 17 December 2017 and other explanatory information.

We do not express an opinion on the accompanying financial statements of the Political Entity “**Aleanca për Ardhmërinë e Kosovës - AAK**”. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain appropriate audit evidence sufficient to provide a basis for an audit opinion on these financial statements.

### Basis for Disclaimer of Opinion

- As presented in Note 2 of the attached financial statements, the PE has stated expenses on the amount of 252,112.00 Euro for the year period 24 July 2017 until 17 December 2017. During our audit we were provided with supporting documentation only for the amount of 50,100.00 Euro which was used for payments, while the amount 202,012.00 Euro as receipts and outstanding debt we were not provided with any evidence. In absence of supporting documentation we were unable to verify the accuracy of the stated expenses on the amount of 202,012.00 Euro.
- The PE, in the Statement of Income and Expenses for the campaigns (Local Elections) has stated expenses in salaries and compensation (for observers) in the amount of 47,000.00 Euro (28,600.00 paid), in absence of a list of signatures for the individuals that received the funds we were unable to verify whether the expense occurred.
- Moreover, the stated liabilities for observes in the amount of 18,400.00 have not been added to the total of the outstanding amount from the local election campaign in Note 2 (this is a technical error only in Note 2, while in the Statement of Financial Position the liabilities have been expressed correctly 202,012.00 Euro.



- There is a discrepancy in the reported dates, Statement of Financial Position of the PE has the date 22 October 2017 while the Campaign Financial Disclosure Report of the PE includes the period from 24 July 2017 until 17 December 2017.
- In the category of expenses “Advertising, representation and conferences” the PE has stated expenses in the amount of 172,605.00 Euro. In absence of supporting documentation such as receipts, payment slips and confirmations from third parties we were unable to verify whether the expense on the amount of 151,105.00 Euro has occurred (it remains as a liability in the Statement of Financial Position as at 31.12.2017).
- The PE in the Statement of Income and Expenses for the campaign (Local Elections) has stated fines and penalties in the amount of 17,400.00 Euro (Liabilities), in the absence of evidence such as decisions from ECAP, Courts, TAK etc. or payment slips we were unable to verify whether the expense has occurred.
- As stated in Note 2 in the category ‘other expenses’ the PE has stated expenses in the amount of 15,107.00 Euro (Liabilities), in the absence of supporting documentation we were unable to verify whether the expense has occurred.
- The PE during 2017 has maintained a bank account at Raiffesisen Bank and 27 sub-accounts within it, which is a violation of the legal requirements of Law No.04/L-2012 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 3, which obliges PE to have only one bank account. For these sub-accounts the PE has provided information regarding 16 sub-accounts in which there was no activity of which some were closed during 2017 and some during 2018, while 11 sub-accounts were not presented and we were unable to ascertain whether there was any financial activity as or whether they are still active.

### **Emphasis of matter**

We draw attention to the following findings:

- The Political Entity has not disclosed notes on the purchases made on the amount of over 5,000.00 to a single recipient during one day as required by Law Nr. 04/L-212 on amending and supplementing the Law Nr. 03/L-174 on Financing of Political Entities, amended and supplemented by Law Nr. 04/L-058, Article 15, Financial Reporting. There are two transactions in violation of the above law.





- The Political Entity has not maintained proper accounting to enable the recording of financial transactions and the preparation of financial statements according to the applicable accounting standards in Kosovo.
- The Political Entity has not defined in its Statute the possibility of exercising internal financial control and the right for its members to be informed of all revenues and expenses of political entities as well as the responsibility of relevant body for financial transaction 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 17 Internal Control.
- The Political Entity has not respected the legal requirements regarding the publication of annual financial report and campaign financial disclosure report as required by Law No.04/L-212 on amending and supplementing Law No.03/L0174 on Financing of Political Entities, amended and supplemented by Law No.04/L-058, Article 15 Financial Reporting, Paragraph 5.1 and 5.2.

### **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 L.L.C

  
Elmije Osmani Shatri  
Statutory Auditor  
12 April 2019





**Statement of financial position**

<b>Assets</b>		<b>Balance at the end of the period Amount in Euro</b>	<b>Balance at the start of the period Amount in Euro</b>
<b>Long-term assets</b>	Notes		
Property, plant and equipment	5		
Intangible Assets			
Other long-term assets			
<b>Total long-term assets</b>		<b>0.00</b>	<b>0.00</b>
<b>Current assets</b>			
Accounts receivable	6	0	0
Prepayments			
Cash and cash equivalents	7	613.67	34.75
Other current assets			
<b>Total current assets</b>		<b>613.67</b>	<b>34.75</b>
<b>Total Assets</b>		<b>613.67</b>	<b>34.75</b>
<b>Equity</b>			
Accumulated Fund			34.75
Surplus / (deficit) of the period		-201,398.33	
<b>Total Equity</b>		<b>-201,398.33</b>	<b>34.75</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Loans payable			
Deferred revenue			
<b>Total Long-term liabilities</b>		<b>0.00</b>	<b>0.00</b>
<b>Current liabilities</b>			
Accounts payable and others	8		
Loans payable			
Other current liabilities	9	202,012.00	
<b>Total current liabilities</b>		<b>202,012.00</b>	<b>0.00</b>
<b>Total Liabilities</b>		<b>202,012.00</b>	<b>0.00</b>
<b>Total equity and liabilities</b>		<b>613.67</b>	<b>34.75</b>

## Statement of income and expenses

	Notes	24 July 2017 – 17 December 2017
<b>Income</b>		
Income from budget		
Income from membership		
Donations and cash contributions	3	50,713.67
Contributions in kind / goods and services	4	
Other income		
<b>Total Income for the period</b>		<b>50,713.67</b>
<b>Expenses</b>		
Wages and salaries	2	47,000.00
Transportation expenses	2	
Advertising, representation and conferences	2	172,605.00
Purchase of goods	2	
General expenses	2	17,400.00
Other expenses	2	15,107.00
<b>Total expenses for the period</b>		<b>252,112.00</b>
<b>Surplus / (deficit) for the period</b>		<b>(201,398.33)</b>



## **1. Informata te përgjithshme**

Name of Political Entity: Aleanca për Ardhmërinë e Kosovës

Acronym: AAK

Council: Ramush Haradinaj (Chairman)

Finance Representative: Lulzim Leci

Date of Establishment:

Address: Bulevardi i Dëshmorëve Nr. 49 Prishtinë

The financial statements of the PE Aleanca për Ardhmërinë 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 RBKO Bank Kosovo.

**Note 7. Cash and cash equivalents**

	<b>Balance at the end of the period Amount in Euros</b>	<b>Balance at the start of the period Amount in Euros</b>
Cash in bank	613.67	34.75
Cash in hand		
<b>Total cash and cash equivalents</b>	<b>613.67</b>	<b>34.75</b>

**Note 9. Other current liabilities**

	<b>Balance at the end of the period Amount in Euros</b>	<b>Balance at the start of the period Amount in Euros</b>
Liabilities for salaries and taxes	18,400.00	
Liabilities for rent		
Liabilities for fines and penalties	17,400.00	
Other current liabilities	166,212.00	
<b>Total other current liabilities</b>	<b>202,012.00</b>	<b>0.00</b>

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*Notes on Campaign Financial Disclosure Report*  
 Local Elections 24 July 2017 until 17 December 2017

**Note 2: Expenses**

<b>Expenses</b>	<b>Expenses in Euro</b>	<b>Payment in Euro</b>	<b>Outstanding amount in Euro</b>
<b>Wages and salaries</b>			
Net wages and salaries	47,000.00	28,600.00	18,400.00
Pension contributions of the employee			0.00
Pension contributions of the employer			0.00
Personal Tax income			0.00
Other benefits			0.00
<b>Total</b>	<b>47,000.00</b>	<b>28,600.00</b>	<b>18,400.00</b>
<b>Transportation expenses</b>			
Borrowed motorized vehicles			0
Fuels			0
Airplane/bus/train/taxi etc. tickets			0
Car insurance and maintenance			0
Any other transportation expenses			0
<b>Total transportation expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Advertising, representation and conferences</b>			



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Premises				0.00
Food				0.00
Cultural and recreation activities				0.00
Radio and TV advertisements	78,000.00	1,500.00		76,500.00
Newsstands and newspaper advertisements	62,000.00	20,000.00		42,000.00
Other advertising, representation and conferences expenses	32,605.00			32,605.00
<b>Total advertising, representation and conferences expenses</b>	<b>172,605.00</b>	<b>21,500.00</b>		<b>151,105.00</b>
<b>Purchase of goods</b>				
Supply of office				0
Small equipment				0
<b>Total purchase of goods</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>
<b>General expenses</b>				
Rent of office space				0.00
Telephone, internet and mail				0.00
Electricity and other utilities (water and waste)				0.00
Fines and Penalties	17,400.00			17,400.00

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Expenses related to in-kind contributions / goods and services				
<b>Total general expenses</b>		<b>17,400.00</b>	<b>0.00</b>	<b>17,400.00</b>
<b>Other expenses</b>				
Maintenance of office space and equipment		0	0	0
Expenses not included in any other category		15,107.00		15,107.00
<b>Total other expenses</b>		<b>15,107.00</b>	<b>0.00</b>	<b>15,107.00</b>
<b>Total expenses</b>		<b>252,112.00</b>	<b>50,100.00</b>	<b>183,612.00</b>

**Note 10: Payments exceeding 5,000.00 Euro**

Description	Paid to:			Amount	Description	Paid to:	
	Natural/Legal Person	Address	ID Number			Purpose of payment	Natural/Legal Person
Purpose of payment							
Payment for marketing services	Selmans Network	Prishtina			19.10.2017		10,000.00
Payment for stage and sound	Almiri AS	Gjakova			19.10.2017		10,000.00
<b>Total payments over 5,000.00 Euro</b>							<b>20,000.00</b>