



**Partia Demokratike e Kosovës
(PDK)**

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

**Extraordinary national elections
11 May 2017 - 11 June 2017**



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Independent Auditors' Report

To the council of Partia Demokratike të Kosovës

Report on Special Purpose Financial Statement

Qualified Opinion

We have audited the Campaign Financial Disclosure Report of the Political Entity "Partia Demokratike të Kosovës" (hereinafter referred to as "Political Entity" or "PDK" or "PE"), which comprise the statement of financial position as at June 11, 2017, the statement of income and expenses for the period 11 May 2017 until 11 June 2017 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 11 June 2017, and its income and expenses for the period from 11 May 2017 until 11 June 2017 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

- As presented in the Statement of Financial Position, the PE has not filled in the column at the beginning of the period, the lack of these information does not present accurately the state of the PE for the reporting period. These information are also not part of the explanatory notes 7, 8 and 9.
- As presented in the Statement of Financial Position the PE has

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 and the IESBA Codes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

- The political entity PDK, was the leading party of the coalition PDK-AAK-NISMA, Annual Financial Reportes to CEC were submitted individual by each member of the coalition, moreover the auditing was also done individually for each political party in the coalition. The leader of the coalition in the Campaign Financial Disclosure Report and the Annual Report has not included any information regarding any other PE members of the coalition but only of PDK, therefore we are limited to say the influence that these information would have if incorporated in the report (only a single report: Campaign Financial Disclosure Report – General Election 2017 has been submitted by the coalition to the CEC but in restatement this report also only includes financial information regarding PDK and not other members of the coalition).
- Due to lack of accounting records required by law and appropriate approval of expenses by the PE from the coalition PDK-AAK-Nisma and the payments done by members of the coalition and not through the coalition account, we were unable to apply standard and alternative procedures of auditing to verify beyond doubt the unity, existence and the accuracy of these stated expenses for the period 11 May 2017 until 11 June 2017 in Financial Reports of coalition members separately and implications that they have in presenting the accurate state of the PE and the coalition as a whole.

Emphasis of matter

We draw attention to the following findings:

- 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 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 responsibly 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 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.
- 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.



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.

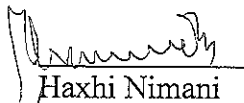
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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


Haxhi Nimani
Statutory Auditor
12 April 2019



Statement of financial position

| Assets | | Balance at the end of the period Amount in Euro | Balance at the start of the period Amount in Euro |
|-------------------------------------|-------|--|--|
| Long-term assets | Notes | | |
| Property, plant and equipment | 5 | | |
| Intangible Assets | | | |
| Other long-term assets | | | |
| Total long-term assets | | | |
| Current assets | | | |
| Accounts receivable | 6 | | |
| Prepayments | | | |
| Cash and cash equivalents | 7 | 13,744.00 | |
| Other current assets | | | |
| Total current assets | | 13,744.00 | |
| Total Assets | | 13,744.00 | |
| Equity | | | |
| Accumulated Fund | | | |
| Surplus / (deficit) of the period | | (315,381.43) | |
| Total Equity | | (315,381.43) | |
| Liabilities | | | |
| Long-term liabilities | | | |
| Loans payable | | | |
| Deferred revenue | | | |
| Total Long-term liabilities | | | |
| Current liabilities | | | |
| Accounts payable and others | 8 | 240,825.43 | |
| Loans payable | | | |
| Other current liabilities | 9 | 88,300.00 | |
| Total current liabilities | | 329,125.43 | |
| Total Liabilities | | 329,125.43 | |
| Total equity and liabilities | | 13,744.00 | |

Statement of income and expenses

| | Notes | 11 May 2017 11 June 2017 |
|---|----------|-----------------------------|
| Income | | |
| Income from budget | | |
| Income from membership | | |
| Donations and cash contributions | 3 | 15,394.00 |
| Contributions in kind / goods and services | 4 | |
| Other income | | |
| Total Income for the period | | 15,394.00 |
| Expenses | | |
| Wages and salaries | | 0.00 |
| Transportation expenses | 2 | 3,744.35 |
| Advertising, representation and conferences | 2 | 237,081.08 |
| Purchase of goods | | 0.00 |
| General expenses | 2 | 89,950.00 |
| Other expenses | | 0.00 |
| Total expenses for the period | 2 | 330,775.43 |
| Surplus / (deficit) for the period | | (315,381.43) |

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 3. Donations and Cash Contributions

| Contributors | Pranuar nga | | Date of contributions | Amount In Euro | Accepted from: | |
|-----------------------|-------------|--------------|-----------------------|-------------------|----------------|------|
| | Address | ID Number | | | Bank | Cash |
| Sardi Rrafshi | | | 5/8/2017 | 500.00 | 500.00 | |
| Mus Bafllu | | | 5/8/2017 | 300.00 | 300.00 | |
| Dijari SHPK | | | 5/16/2017 | 1,000.00 | 1,000.00 | |
| Arben Deliu | | | 6/7/2017 | 200.00 | 200.00 | |
| Safet Brahimi | | | 6/7/2017 | 200.00 | 200.00 | |
| Avni Muharremi | | | 6/7/2017 | 99.00 | 99.00 | |
| Arsim Emimi | | | 6/7/2017 | 500.00 | 500.00 | |
| Aziz Sylejmani | | | 6/7/2017 | 300.00 | 300.00 | |
| Ardiana Rama Gashi | | | 6/7/2017 | 300.00 | 300.00 | |
| Ejup Ismajli | | | 6/7/2017 | 200.00 | 200.00 | |
| Edvin Smakaj | | | 6/7/2017 | 300.00 | 300.00 | |
| Korab Canolli | | | 6/9/2017 | 1,000.00 | 1,000.00 | |
| Ridvan Emimi | | | 6/9/2017 | 500.00 | 500.00 | |
| Naim Ismajli | | | 6/9/2017 | 1,000.00 | 1,000.00 | |
| Hajredin Hyseni | | | 6/9/2017 | 1,000.00 | 1,000.00 | |
| Kadri Kastrati | | | 6/9/2017 | 1,000.00 | 1,000.00 | |
| Bashkim Ahmeti | | | 6/9/2017 | 1,000.00 | 1,000.00 | |
| Sylejman Xheillii | | | 6/9/2017 | 500.00 | 500.00 | |
| Rrahim Ejupi | | | 6/9/2017 | 500.00 | 500.00 | |

| | | | | |
|---|--|-----------|----------|------------------|
| Perparim Ramushaj | | 6/13/2017 | 995.00 | 995.00 |
| Sylë Zhifia | | 6/13/2017 | 1,000.00 | 1,000.00 |
| Rafet Lllapashtica | | 6/14/2017 | 1,000.00 | 1,000.00 |
| Muhamet Latifi | | 6/19/2017 | 1,000.00 | 1,000.00 |
| Naim Fetahu | | 6/22/2017 | 1,000.00 | 1,000.00 |
| Total donations and cash contributions | | | | 15,394.00 |

The personal number of donors are known to the auditor and CEC, but according to Law No.03/L-172 on the protection of personal data, the number does not appear in Note 3.

Note 7. Cash and cash equivalents

| | Balance at the end of the period Amount in Euro | Balance at the start of the period Amount in Euro |
|--|--|--|
| Cash in bank | 13,744.00 | |
| Cash in hand | | |
| Total cash and cash equivalents | 13,744.00 | 0.00 |

Note 8. Accounts payable and others

| | Balance at the end of the period Amount in Euro | Balance at the start of the period Amount in Euro |
|--|--|--|
| Supplier 1 | 240,825.43 | |
| Supplier 2 | | |
| Total accounts payable and others | 240,825.43 | 0.00 |

Note 9. Other current liabilities

| | Balance at the end of the period Amount in Euro | Balance at the start of the period Amount in Euro |
|--|--|--|
| Liabilities for fines and penalties | 88,300.00 | |
| | | |
| Total other current liabilities | 88,300.00 | 0.00 |

Note 2. Expenses

| Expenses | Expenses in Euro | Payment in Euro | Outstanding amount in Euro |
|---------------------------------------|-----------------------------|----------------------------|---------------------------------------|
| Wages and salaries | | | |
| Net wages and salaries | | | |
| Payments for observers | | | |
| Pension contributions of the employee | | | |
| Pension contributions of the employer | | | |
| Personal Tax income | | | |
| Other benefits | | | |
| Total | | | - |
| Transportation expenses | | | |
| Borrowed motorized vehicles | | | |
| Fuels | 3,744.35 | | 3,744.35 |
| Airplane/bus/train/taxi etc. tickets | | | |
| Car insurance and maintenance | | | |
| Any other transportation expenses | | | |
| Total transportation expenses | 3,744.35 | | 3,744.35 |

| | | | |
|---|-------------------|-------------|-------------------|
| Advertising, representation and conferences | | | |
| Premises | | | - |
| Food | 4,521.40 | | 4,521.40 |
| Cultural and recreation activities | 0.00 | | 0.00 |
| Radio and TV advertisements | 179,044.94 | | 179,044.94 |
| Newsstands and newspaper advertisements | 53,514.74 | | 53,514.74 |
| Other advertising, representation and conferences expenses | 0.00 | | 0.00 |
| Total advertising, representation and conferences expenses | 237,081.08 | 0.00 | 237,081.08 |
| Purchase of goods | | | |
| Supply of office | | | |
| Small equipment | 0.00 | - | 0.00 |
| Total purchase of goods | 0.00 | - | 0.00 |
| General expenses | | | |
| Rent of office space | | | |
| Telephone, internet and mail | 1,650.00 | 1,650.00 | |
| Electricity and other utilities (water and waste) | | | |
| Fines and Penalties | 88,300.00 | | 88,300.00 |

| | | | | |
|--|-------------------|-----------------|--|-------------------|
| Expenses related to in-kind contributions / goods and services | | | | |
| Total general expenses | 89,950.00 | 1,650.00 | | 88,300.00 |
| Other expenses | | | | |
| Maintenance of office space and equipment | | | | |
| Expenses not included in any other category | | | | |
| Total other expenses | 0.00 | 0.00 | | 0.00 |
| Total expenses | 330,775.43 | 1,650.00 | | 329,125.43 |