



Koalicioni Vakati

**(Demokratska Stranka Boshnjaka (DSB); Demokratska Stranka Vatan (DSV) &
Ujedinjena Stranka Boshnjaka (USB).)**

**Annual Financial Statements with Independent Auditors' Report
thereon**

01 January 2019 - 31 December 2019



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Independent Auditors' Report

To the council of KOALICIONI VAKAT

Report on Special Purpose Financial Statement

Qualified Opinion

We have audited the financial statements of the Political Entity "Koalicioni Vakati" (hereinafter referred to as "Political Entity" or "VAKAT" or "PE"), which comprise the statement of financial position as at December 31, 2019, the statement of income and expenses for the year then ended and other explanatory information on pages 7-14.

In our opinion, except for the effects of the matters described in Basis for Qualified Opinion section, the financial statements present fairly, in all material respects, the financial position of the Political Entity as of 31 December 2018, and its income and expenses for the year then ended in accordance with the law No.03/L-174 on Financing of Political Entities and Law 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 disclosed in Note 5 of the Financial Statements, property plant and equipment were stated in the amount of 643.60 Euro as at 31 December 2019 (31 December 2018: in the amount of 1,913.16 Euro). The PE does not possess a detailed list of fixed assets and inventory to enable a verification of the state of assets on the reporting day. Furthermore, the PE has recognized depreciation assets as a category and not for each individual asset. Considering the nature of the notes maintained by the political entity we were unable to verify the existence, accuracy and the amount of assets presented as at 31 December 2019 and whether any correction would be necessary.
- As disclosed in Note 2 of the Financial Statements, the Expenses, under the expense category "campaign expenses", the political entity stated the amount of 19,150.00 Euro as payment for observers and commissioners. This amount has not been stated in the expenses for wages and salaries and for the same amount, the PE has not paid taxes nor contributions as requested by the laws in force.
- As disclosed in Note 2 of the Financial Statements, the Expenses, under the expense category "supply of office", the political entity stated the amount of 17,372.00 for the year ended at 31 December 2019. During our audit we have concluded that there is supporting documentation and justification for the amount of 2,725.00 Euro of the reported expenses. In absence of accounting record and supporting evidence we were unable to verify whether the reported expenses were accurate and fairly present the activity of the PE.
- The PE of the coalition VAKAT, do not have recording in the cash book for the transactions paid in cash according to the destination and activity. Given the nature of notes maintained by the political entity and in absence of supporting documentation we were unable to accurately verify whether all stated cash transactions were accurate and valid and whether they fairly present the activity of the PE VAKAT.



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 Kosovo, 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.

Emphasis of matter

Without further qualifying our opinion, we draw attention to the following findings:

- The Political Entity in absence of an application/software, has not maintained proper accounting to enable the recording of financial transactions and preparation of financial statements according to the applicable Accounting Standards in Kosovo.
- 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 PE does not have an internal regulation which would specify the operating procedures on the basis of which the PE would function and irregularities would be avoided.
- 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 requirement regarding the publication of annual financial reports and campaign financial disclosure reports as required by Law No.04/L-212 on amending and supplementing Law No.03/L-174 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 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 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 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

Besa Sahitaj Berisha
Statutory Auditor
06 October 2021

Statement of Financial Position

Assets		31 December 2019	31 December 2018
Long-term assets	Notes	Amount in Euros	Amount in Euros
Property, plant and equipment	5	643.60	1,913.16
Intangible Assets			
Other long-term assets			
Total long-term assets		643.60	1,913.16
Current assets			
Accounts receivable			0.00
Prepayments			
Cash and cash equivalents	3	0.00	0.00
Other current assets			
Total current assets			0.00
Total Assets		643.60	1,913.16
Equity			
Accumulated Fund		643.60	1,913.16
Surplus / (deficit) of the year		-12,550.00	
Total Equity		-11,906.40	1,913.16
Liabilities			
Long-term liabilities			
Loans payable			0.00
Deferred revenue	5	0.00	0.00
Total Long-term liabilities		0.00	0.00
Current liabilities			
Accounts payable and others	8	0.00	0.00
Loans payable			
Other current liabilities	9	12,550.00	0.00
Total current liabilities		0.00	0.00
Total Liabilities		12,550.00	0.00
Total equity and liabilities		643.60	1,913.16

Koalicioni Vakati*Financial Statements 01 January 2019 until 31 December 2019***Statement of income and expenses**

	Notes	Year ending on 31 st December	
		2019	2018
Income			
Income from budget		62,993.25	63,000.00
Income from membership			
Donations and cash contributions	3	0.00	0.00
Contributions in kind / goods and services	4		
Income from campaigns			
Income released from deferred revenues	5	1,278.56	1,278.56
Other income			
Total Income for the year		64,271.81	64,278.56
Expenses			
Wages and salaries	2	12,801.62	11,919.60
Transportation expenses	2	2,350.00	3,702.00
Advertising, representation and conferences	2	9,132.30	11,183.00
Campaign expenses	2	25,150.00	
Purchase of goods	2	17,372.11	19,334.05
General expenses	2	3,953.96	4,847.96
Other expenses	2	6,061.82	13,291.95
Total expenses for the year		76,821.85	64,278.56
Surplus / (deficit) for the year		-12,550.00	0.00

1. General Information

Name of Political Entity: Koalicioni Vak

Acronym: VAKAT

Council:

Finance Representative:

Address: Prizren

The financial statements of the PE Koalicioni Vak 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 main bank account in the Economic Bank.

Koalicioni Vakati*Notes on Financial Statements 01 January 2019 until 31 December 2019***Note 2. Expenses**

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
Wages and salaries			
Net wages and salaries	11,131.02	11,131.02	0.00
Pension contributions of the employee	609.60	609.60	0.00
Pension contributions of the employer	609.60	609.60	0.00
Personal Tax income	451.40	451.40	0.00
Other benefits			0.00
Total	12,801.62	12,801.62	0.00
Transportation expenses			
Borrowed motorized vehicles			
Fuels	1,485.00	1,485.00	0.00
Airplane/bus/train/taxi etc. tickets			0.00
Car insurance and maintenance			0.00
Any other transportation expenses	865.00	865.00	0.00
Total transportation expenses	2,350.00	2,350.00	0.00
Advertising, representation and conferences			
Premises			
Food	6,832.30	6,832.30	0.00
Cultural and recreation activities			0.00
Radio and TV advertisements			0.00
Newsstands and newspaper advertisements			0.00
Other advertising, representation and conferences expenses	2,300.00	2,300.00	0.00
Total advertising, representation and conferences expenses	9,132.30	9,132.30	0.00
Campaign Expenses			

Koalicioni Vakati*Notes on Financial Statements 01 January 2019 until 31 December 2019*

Campaign expenses	25,150.00	12,600.00	12,550.00
Total campaign expenses	25,150.00	12,600.00	12,550.00
Purchase of goods			
Supply of office	17,372.11	17,372.11	0.00
Small equipment			0.00
Total purchase of goods	17,372.11	17,372.11	0.00
General expenses			
Rent of office space			
Telephone, internet and mail	1,293.75	1,293.75	0.00
Electricity and other utilities (water and waste)	1,381.65	1,381.65	0.00
Depreciation expenses of long-term assets	1,278.56		0.00
Expenses related to in-kind contributions / goods and services			0.00
Total general expenses	3,953.96	2,675.40	0.00
Other expenses			
Maintenance of office space and equipment			0.00
Expenses not included in any other category	6,061.82	6,061.82	0.00
Total other expenses	6,061.82	6,061.82	0.00
Total expenses	76,821.85	62,993.29	12,550.00

Note 3: Donations and cash contributions

Accepted by				Amount	Accepted by:	
Contributors	Address	ID Number	Date of contributions	In Euros	Bank	Cash
Total donations and cash contributions				0.00	0.00	0.00

Note 4: Contributions in kind / goods and services

Description of goods/services	Paid by				Amount
	Contributor	Address	ID Number	Date of contribution	in Euro
Total contributions in kind / goods and services					0.00

Note 5: Property, plant and equipment

Koalicioni Vakati*Notes on Financial Statements 01 January 2019 until 31 December 2019*

	Balance at the beginning of the year (historical costs)	Purchases during the year	Accumulated depreciation	Depreciation during the year	Balance at the end of the year (NET value)
Land					
Buildings					
Vehicles					
Office Equipment	6,392.80		4,470.64	1,278.56	643.60
Information technology equipment					
Other Equipment					
Total Property, plant and equipment	6,392.80		4,470.64	1,278.56	643.60

Other notes

Note 6. Accounts Receivable	31 December 2019 Amount in Euros	31 December 2018 Amount in Euros
Total Accounts Receivable and Others		

Note 7. Cash and cash equivalents	31 December 2019 Amount in Euros	31 December 2018 Amount in Euros
Cash in bank		
Cash in hand		
Total cash and cash equivalents		

Koalicioni Vakrat*Notes on Financial Statements 01 January 2019 until 31 December 2019*

Note 8. Accounts payable and others	31 December 2019 Amount in Euros	31 December 2018 Amount in Euros
Other accounts payable		
Total accounts payable and others		

Note 9. Other current liabilities	31 December 2019 Amount in Euros	31 December 2018 Amount in Euros
Liabilities for salaries and taxes		
Liabilities for rent		
Liabilities for fines and punishment		
Other current liabilities		
Total other current liabilities		