



Koalicioni Vakati

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

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

01 January 2018 - 31 December 2018



Table of Contents:

Independent Auditors' Report	3
Statement of financial position	7
Statement of income and expenses	8
General Information	9
Notes on Financial Statements	10 - 15

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, 2018, the statement of income and expenses for the year then ended and other explanatory information on pages 7-15.

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 1,913.16 Euro as at 31 December 2018 (31 December 2017: in the amount of 3,187.72 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 2018 and whether any correction would be necessary.
- As disclosed in Note 2 of the Financial Statements, the Expenses, under the expense category "purchase of goods", the political entity stated the amount of 19,334.05 for the year ended at 31 December 2018. During our audit we have concluded that there in supporting documentation and justification for the amount of 2,775.00 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.
- As disclosed in Note 2 of the Financial Statements, under the expense category "transportation expenses", the political entity has stated the amount of 3,702.00 for the year ended at 31 December 2018. During our audit we have concluded that there in supporting documentation and justification for the amount of 523.00 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.
- As disclosed in Note 2 of the Financial Statements, under the expense category "other expenses", the political entity has stated the amount of 13,291.95 for the year ended at 31 December 2018. During our audit we have concluded that amount paid for 1,200.00 of the reported expenses is not related to the activity of the political entity and such expenses are not in accordance with the requirement of the Article 8 of 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 3 of this law.

- As disclosed in Note 2 of the Financial Statements, under the expense category “advertising, representation and conferences”, the political entity has stated the amount of 11,183.00 for the year ended at 31 December 2018. During our audit we have concluded that there is supporting documentation and justification for the amount of 1,650.00 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 VAKAT, does not have recording in the cash book for the transactions paid in cash on the amount of 24,123 Euro which have been withdrawn from the current bank account. In absence of this information and cash transactions which were not recorded nor classified in categories of reported expenses as required by 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. In absence of supporting documentation, we were unable to verify the accuracy and validity of all the cases of reported cash transactions and whether that fairly presents 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 has submitted at CEC the annual report and a copy of the bank account however, this information are not recorded nor classified into expense categories as required by Law No.03/L-174 on Financing of Political Entities, amended and supplemented by Law No.04/L-058, Article 15 Financial Reporting
- In absence of bank confirmations, we were unable to verify whether the PE maintains a single bank account as required by Law No.03/L-174 on Financing of Political Entities, amended and supplemented by Law No.04/L-058, Article 11, paragraph 3.
- 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 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. In some instances, for office supply, there were no evidence that the PE has received any offers to ensure that the purchases have been made with competitive market prices.
- 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


Muhamet Feka
Statutory Auditor
06 October 2021



Statement of Financial Position

Assets		31 December 2018	31 December 2017
Long-term assets	Notes	Amount in Euros	Amount in Euros
Property, plant and equipment	5	1,913.16	3,187.72
Intangible Assets			
Other long-term assets			
Total long-term assets		1,913.16	3,187.72
Current assets			
Accounts receivable			
Prepayments			
Cash and cash equivalents	3	132.92	
Other current assets			
Total current assets		132.92	
Total Assets		2,046.08	3,187.72
Equity			
Accumulated Fund		1,913.16	3,187.72
Surplus / (deficit) of the year			
Total Equity		1,913.16	3,187.72
Liabilities			
Long-term liabilities			
Loans payable			
Deferred revenue	5		
Total Long-term liabilities			
Current liabilities			
Accounts payable and others	8		
Loans payable			
Other current liabilities	9	132.92	
Total current liabilities		132.92	
Total Liabilities			
Total equity and liabilities		2,046.08	3,187.72

Statement of income and expenses

	Notes	Year ending on 31 st December	
		2018	2017
Income			
Income from budget		63,000.00	63,000.00
Income from membership			
Donations and cash contributions	3		
Contributions in kind / goods and services	4		
Income from campaigns			24,250.00
Income released from deferred revenues	5	1,278.56	1,278.56
Other income			
Total Income for the year		64,278.56	88,528.56
Expenses			
Wages and salaries	2	11,919.60	9,818.00
Transportation expenses	2	3,702.00	1,127.35
Advertising, representation and conferences	2	11,183.00	5,643.30
Campaign expenses	2		57,641.19
Purchase of goods	2	19,334.05	9,233.25
General expenses	2	4,847.96	3,277.07
Other expenses	2	13,291.95	1,788.40
Total expenses for the year		64,278.56	88,528.56
Surplus / (deficit) for the year		0.00	0.00

1. General Information

Name of Political Entity: Koalicioni Vakati

Acronym: VAKAT

The Coalition for 2018 consisted of: Demokratska Stranka Boshnjaka (DSB); Demokratska Stranka Vatan (DSV) & Ujedinjena Stranka Boshnjaka (USB).

Council:

Finance Representative:

Address: Shqiponja No.1 Prizren

The financial statements of the PE Koalicioni Vakati 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 Vakati on 27.09.2021 has corrected the Financial Statement submitted initially on 20.02.2019 for the year ended on 31.12.2018 and the comparative year 31.12.2017 as well as the corrections of disclosed notes as requested in the financial statements for 31.12.2018.

The Political entity maintains a main bank account in the Economic Bank.

Note 2. Expenses

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
Wages and salaries			
Net wages and salaries	10,396.80	10,269.90	
Pension contributions of the employee	567.60	520.30	47.30
Pension contributions of the employer	567.60	520.30	47.30
Personal Tax income	387.60	349.28	38.32
Other benefits			
Total	11,919.60	11,786.68	132.92
Transportation expenses			
Borrowed motorized vehicles			
Fuels	3,702.00	3,702.00	
Airplane/bus/train/taxi etc. tickets			
Car insurance and maintenance			
Any other transportation expenses			
Total transportation expenses	3,702.00	3,702.00	
Advertising, representation and conferences			
Premises			
Food	9,067.00	9,067.00	
Cultural and recreation activities			
Radio and TV advertisements			
Newsstands and newspaper advertisements	2,116.00	2,116.00	
Other advertising, representation and conferences expenses			
Total advertising, representation and conferences expenses	11,183.00	11,183.00	
Campaign Expenses			

Koalicioni Vakut

Notes on Financial Statements 01 January 2018 until 31 December 2018

Campaign expenses			
Total campaign expenses			
Purchase of goods			
Supply of office	19,334.05	19,334.05	
Small equipment			
Total purchase of goods	19,334.05	19,334.05	
General expenses			
Rent of office space	547.20	547.20	
Telephone, internet and mail	1,615.79	1,615.79	
Electricity and other utilities (water and waste)	1,406.41	1,406.41	
Depreciation expenses of long-term assets	1,278.56	////////////////////////////////////	////////////////////////////////////
Expenses related to in-kind contributions / goods and services		////////////////////////////////////	////////////////////////////////////
Total general expenses	4,847.96	3,569.40	
Other expenses			
Maintenance of office space and equipment			
Expenses not included in any other category	13,291.95	13,291.95	
Total other expenses	13,291.95	13,291.95	
Total expenses	64,278.56	62,867.08	132,92

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

	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		4,479.64	1,278.56	1,913.16
Information technology equipment					
Other Equipment					
Total Property, plant and equipment	6,392.80		4,479.64		1,913.16

Other notes

Note 6. Accounts Receivable	31 December 2018 Amount in Euros	31 December 2017 Amount in Euros
Total Accounts Receivable and Others	0.00	0.00

Note 7. Cash and cash equivalents	31 December 2018 Amount in Euros	31 December 2017 Amount in Euros
Cash in bank	132.92	
Cash in hand		
Total cash and cash equivalents	132.92	0.00

Note 8. Accounts payable and others	31 December 2018 Amount in Euros	31 December 2017 Amount in Euros
Other accounts payable		
Total accounts payable and others	0.00	0.00

Note 9. Other current liabilities	31 December 2018 Amount in Euros	31 December 2017 Amount in Euros
Liabilities for salaries and taxes	132.92	
Liabilities for rent		
Liabilities for fines and punishment		
Other current liabilities		
Total other current liabilities	132.92	

Purpose of payment	Paid to:			Date of Payment	Amount in Euro
	Natural/Legal Person	Address	ID Number		
Total payments over 5,000.00 Euro					0.00