



SOCIJALDEMOKRATIJA

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

**Local Elections
03 October 2013 – 02 November 2013**



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Independent Auditors' Report

To the council of SOCIJALDEMOKRATIJA

Report on Special Purpose Financial Statement

Disclaimer of Opinion

We were engaged to audit the Campaign Financial Disclosure Report of the Political Entity “SOCIJALDEMOKRATIJA” (hereinafter referred to as “Political Entity” or “SDK” or “PE”), which comprise the statement of financial position as at November 02, 2013, and the statement of income and expenses for the period 3 October 2013 until 2 November 2013 and other explanatory information.

We do not express an opinion on the accompanying financial statements of the Political Entity “SOCIJALDEMOKRATIJA”. 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 sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of opinion

- During our auditing, we were limited on our scope of work unable to obtain the necessary supporting documentation on assets, liabilities, equity and revenues & expenses of the PE SOCIJALDEMOKRATIJA stated in the campaign financial disclosure report for 2013 and submitted to the Central Election Commission (hereinafter referred to as CEC).
- The Political Entity has not submitted to the CEC copies of invoices on reported expenditures as required by 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. In the absence of supporting documentation we were unable to verify if the reported expenses were accurate and correctly represent the activity of the PE.
- The Political Entity did not submit to the CEC the banking report for the period 3 October 2013 until 2 November 2013 as required by 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. In the absence of supporting documentation we were unable to verify whether the reported bank balance is accurate and at the same time whether the reported revenues and expenses correctly represent the activity of the PE.

- The Political Entity has not reported income from cash donations, in the absence of supporting documentation, we were unable to verify whether the PE had or had not accepted cash donations.
- The Political Entity has not reported income from contributions in kind / goods and services, in the absence of supporting documentation we were unable to verify whether the PE had or had not accepted contributions in kind / goods and services.
- The Political Entity has not reported the payments made in the amount of over 5,000.00 EUR to a single recipient, in the absence of supporting documentation we were unable to verify whether the PE made payments in the amount of over 5,000.00 EUR to a single recipient.
- In the absence of confirmations by the bank, we were unable to verify if the PE had only one bank account as required by 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 11, paragraph 3.

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

Besa Berisha
Statutory Auditor
29 November 2017

SOCIJALDEMOKRATIJA*Campaign Financial Disclosure Report**Local Elections 03 October 2013 until 2 November, 2013***Statements of financial position**

Assets		Balance at the end of the period	Balance at the start of the period
Long-term assets	Notes	Amount in Euro	Amount in Euro
Property, plant and equipment			
Intangible Assets			
Other long-term assets			
Total long-term assets		0.00	0.00
Current assets			
Accounts receivable			
Prepayments			
Cash and cash equivalents			
Other current assets			
Total current assets		0.00	0.00
Total Assets		0.00	0.00
Equity			
Accumulated Fund			
Surplus / (deficit) of the year		-19,239.33	
Total Equity		-19,239.33	
Liabilities			
Long-term liabilities			
Loans payable			
Deferred revenue			
Total Long-term liabilities			
Current liabilities			
Accounts payable			
Other current liabilities			
Total current liabilities			
Total Liabilities			
Total equity and liabilities		-19,239.33	

SOCIJALDEMOKRATIJA*Campaign Financial Disclosure Report**Local Elections 03 October 2013 until 2 November, 2013***Statement of income and expenses**

	Notes	03 October 2013 – 02 November 2013
Income		
Income from budget		
Income from membership		
Donations and cash contributions		
Contributions in kind / goods and services		
Other income		
Total Income for the period		0.00
Expenses		
Wages and salaries	2	4,470.00
Transportation expenses	2	2,861.00
Advertising, representation and conferences	2	10,976.49
Campaign expenses	2	126.76
Purchase of goods	2	805.08
General expenses	2	0.00
Other expenses	2	
Total expenses for the year		19,239.33
Surplus / (deficit) for the year		-19,239.33

SOCIJALDEMOKRATIJA

Notes on Campaign Financial Disclosure Report

Local Elections 03 October 2013 until 2 November, 2013

1. General Information

SOCIJALDEMOKRATIJA is a political entity certified by CEC with its headquarters in Prishtina.

Name: SOCIJALDEMOKRATIJA

Acronym: SDSKIM

Council:

Finance Representative: Sanja Djokic

Date of Establishment:

Address of the Political Entity: Gracanica

The financial statements of SOCIJALDEMOKRATIJA 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.

SOCIJALDEMOKRATIJA*Notes on Campaign Financial Disclosure Report**Local Elections 03 October 2013 until 2 November, 2013***Note 2: Expenses**

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
Wages and salaries			
Net wages and salaries	4,470.00	0.00	4,470.00
Payments to observers			
Pension contributions of the employee			
Pension contributions of the employer			
Personal Tax income			
Other benefits	4,470.00	0.00	4,470.00
Transportation expenses			
Borrowed motorized vehicles	0.00	0.00	0.00
Fuels	2,525.00	1,230.00	1,295.00
Airplane/bus/train/taxi etc. tickets	0.00	0.00	0.00
Car insurance and maintenance	336.00	336.00	336.00
Any other transportation expenses	0.00	0.00	0.00
Total transportation expenses	2,861.00	1,566.00	1,295.00
Advertising, representation and conferences			
Premises	1,630.00	750.00	880.00

SOCIJALDEMOKRATIJA*Notes on Campaign Financial Disclosure Report**Local Elections 03 October 2013 until 2 November, 2013*

Food	2,869.49	92.40	2,777.09
Cultural and recreation activities	0.00	0.00	0.00
Radio and TV advertisements	540.00	0.00	540.00
Newsstands and newspaper advertisements	5,287.00	3,672.00	1,615.00
Other advertising, representation and conferences expenses	650.00	350.00	300.00
Total advertising, representation and conferences expenses	10,976.49	4,864.40	6,112.09
Campaign expenses			
Campaign expenses	0.00	0.00	0.00
Total campaign expenses	126.76	0.00	126.76
Purchase of goods			
Supply of office	0.00	0.00	0.00
Small equipment	126.76	0.00	126.76
Total purchase of goods	126.76	0.00	126.76
General expenses			
Rent of office space			
Telephone, internet and mail	695.00	290.00	405.00
Electricity and other utilities (water and waste)	110.08	62.11	47.97

SOCIJALDEMOKRATIJA*Notes on Campaign Financial Disclosure Report**Local Elections 03 October 2013 until 2 November, 2013*

Depreciation expenses of long term assets			
Expenses related to in-kind contributions / goods and services		////////////////////	////////////////////
Total general expenses	805.08	352.11	452.97
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			
	19,239.33	6,782.51	12,456.82