



# **KOALICIONI VAKAT**

**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 Koalicioni Vakati

## Report on Special Purpose Financial Statement

### Qualified Opinion

We have audited the Campaign Financial Disclosure Report of the Political Entity "Koalicionit Vakati" (hereinafter referred to as "Political Entity" or "VAKAT" 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

- The political entity has received donation in cash on the amount of 7,525.00 Euro which is in violation of the requirements of 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, Article 4 Financial and Material Sources, Paragraph 4 which allows any political entity to only receive donations through the bank account. The same information the PE has disclosed in Note 3. Cash donations and contributions in a less amount 2,200.00 Euro.
- In the Statement of Financial Position the PE has stated property, plant and equipment on the amount of 4,466.20 Euro but in Note 5. Property Plant and Equipment the same value is not disclosed whilst the value is presented as zero.
- The PE has not filled in the Statement of Financial Position for the beginning of the period.

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**

We draw attention to the following findings:

- 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 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.
- As presented in Note 3, Donation and Cash Contributions the PE has occasionally received donation exceeding the amount of 1000 Euro from physical persons and legal entities which is in violation of Law No.03/L-174, on financing of Political Entities.

### **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.

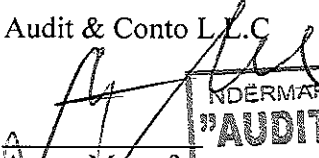
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

  
Agron Mustafa  
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	4,466.20	
Intangible Assets			
Other long-term assets			
<b>Total long-term assets</b>		<b>4,466.20</b>	
<b>Current assets</b>			
Accounts receivable	6		
Prepayments			
Cash and cash equivalents	7	335.35	
Other current assets		0.00	
<b>Total current assets</b>			
<b>Total Assets</b>		<b>4.801.55</b>	
<b>Equity</b>			
Accumulated Fund		335.35	
Surplus / (deficit) of the period		(7,475.00)	
<b>Total Equity</b>		<b>335.35</b>	
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Loans payable			
Deferred revenue		4,466.20	
<b>Total Long-term liabilities</b>		<b>4,466.20</b>	
<b>Current liabilities</b>			
Accounts payable and others	8	0.00	
Loans payable			
Other current liabilities	9	7,475.00	0.00
<b>Total current liabilities</b>		<b>7,475.00</b>	<b>0.00</b>
<b>Total Liabilities</b>		<b>4,466.20</b>	<b>0.00</b>
<b>Total equity and liabilities</b>		<b>4,801.55</b>	<b>0.00</b>

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**Statement of income and expenses**

	Notes	11 May 2017 11 June 2017
<b>Income</b>		
Income from budget		5,956.90
Income from membership		0
Donations and cash contributions	3	7,525.00
Contributions in kind / goods and services	4	
Other income		
<b>Total Income for the period</b>		<b>13,481.90</b>
<b>Expenses</b>		
Wages and salaries	2	16,245.70
Transportation expenses	2	522.00
Advertising, representation and conferences	2	4,189.20
Purchase of goods	2	-
General expenses	2	-
Other expenses	2	-
<b>Total expenses for the period</b>		<b>20,956.90</b>
<b>Surplus / (deficit) for the period</b>		<b>(7,475.00)</b>

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*Notes on Campaign Financial Disclosure Report*

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## **1. General Information**

Name of Political Entity: Koalicioni Vakati

Acronym: VAKAT

Council:

Finance Representative:

Date of Establishment:

Address: Prizren

The financial statements of the 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 maintains a single bank account on BE bank Kosovo.



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**Note 3: Donations and cash contributions**

Accepted by			Date of contributions	Amount in Euro	Accepted from	
Contributors	Address	ID Number			Bank	Cash
DŽEZAIR MURATI	PRIZREN		30.05.2017	1,350.00		1,350.00
LULZIM BYTYQI	PRIZREN		30.05.2017	1,325.00		1,325.00
BEKIR MURATI	S.PLANJANE		30.05.2017	1,325.00		1,325.00
MELIMAN DEMIRI	S.POUSKO		30.05.2017	1,325.00		1,325.00
<b>Total donations and cash contributions</b>				<b>5,325.00</b>		<b>5,325.00</b>

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	Balance at the start of the period
Cash in bank	335.35	
Cash in hand		
<b>Total cash and cash equivalents</b>	<b>335.35</b>	<b>-</b>

**Note 9. Other current liabilities**

	Balance at the end of the period	Balance at the start of the period
Liabilities for salaries and taxes		
Liabilities for rent		
Liabilities for fines and penalties		
Current Liabilities	7,475.00	7,475.00
<b>Total Other Current Liabilities</b>	<b>7,475.00</b>	<b>7,475.00</b>

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Note 2. Expenses

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
<b>Wages and salaries</b>			
Net wages and salaries	1,131.31	1,131.31	0
Pension contributions of the employee	61.70	61.70	0
Pension contributions of the employer	61.70	61.70	0
Personal Tax income	40.99	40.99	0
Other benefits	14,950.00	7,475.00	7,475.00
<b>Total</b>	<b>20,673.20</b>	<b>20,673.20</b>	<b>0.00</b>
<b>Transportation expenses</b>			
Borrowed motorized vehicles	-	-	0
Fuels	522.00	522.00	0
Airplane/bus/train/taxi etc. tickets			0
Car insurance and maintenance			0
Any other transportation expenses			0

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<b>Total transportation expenses</b>		<b>522.00</b>	<b>522.00</b>	<b>0</b>
<b>Advertising, representation and conferences</b>				
Premises		-	-	0
Food		342.00	342.00	0
Cultural and recreation activities		150.00	150.00	0
Radio and TV advertisements		-	-	0
Newsstands and newspaper advertisements		50.00	50.00	0
Other advertising, representation and conferences expenses		3,647.20	3,647.20	0
<b>Total advertising, representation and conferences expenses</b>		<b>4,189.20</b>	<b>4,189.20</b>	<b>0</b>
<b>Purchase of goods</b>				
Supply of office		0	0.00	0
Small equipment				0
<b>Total purchase of goods</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>General expenses</b>				

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Rent of office space				0.00
Telephone, internet and mail				0
Electricity and other utilities (water and waste)	0		0	0
Fines and Penalties	0		0	0
Depreciation expenses of long-term assets		////////////////////		
Expenses related to in-kind contributions / goods and services		////////////////////		
<b>Total general expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>
<b>Other expenses</b>				
Maintenance of office space and equipment				0.00
Expenses not included in any other category	0.00		0.00	0.00
<b>Total other expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total expenses</b>	<b>20,956.90</b>	<b>13,481.90</b>	<b>7,475.00</b>	<b>7,475.00</b>