

**FORUM FOR CIVIC INITIATIVES
(FIQ)**

**INDEPENDENT AUDITORS' REPORT AND THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013**

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF EARNINGS AND EXPENDITURE	3
STATEMENT OF CHANGES IN FUNDS	4
NOTES TO THE FINANCIAL STATEMENTS	5-8

INDEPENDENT AUDITORS' REPORT

To the Management of Forum for Civic Initiatives

We have audited the accompanying financial statement and a summary of significant accounting policies and other explanatory notes of the Forum for Civic Initiatives ("FIQ"), for the year ended December 31, 2013. Financial statements for the year ended 31 December 2012 have been audited by another auditor their report is dated March 2013 and they have expressed unqualified opinion on those financial statements.

Management's Responsibility for the Statement

Management of FIQ is responsible for the preparation and fair presentation of the Statement in accordance with generally accepted accounting policies as set out in Note 2 to the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Statement.

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

Opinion

In our opinion, the Financial Statements presents fairly, in all material respects, give a true and fair view of the financial position as at December 31, 2013, and the performance of its operations for the year ended December 31, 2013 in accordance with generally accepted accounting policies as set out in Note 2 to the financial statements.

BDO KOSOVA L.L.C.

BDO Kosova L.L.C.
Prishtina, Kosova
January 27, 2014

FORUM FOR CIVIC INITIATIVES (FIQ)
Statement of Financial Position
As at December 31, 2013

	Notes	As at December 31, 2013 (in EUR)	As at December 31, 2012 (in EUR)
ASSETS			
Cash and cash equivalents	3	189,486	104,480
Advances and Prepayments		5,330	4,793
Receivables from donors		-	1,150
Other Receivables		16	955
TOTAL ASSETS		194,832	111,378
FUNDS AND LIABILITIES			
FUNDS			
Unspent Funds		193,659	109,540
TOTAL FUNDS		193,659	109,540
LIABILITIES			
Accounts Payable		1,173	1,838
TOTAL LIABILITIES		1,173	1,838
TOTAL FUNDS AND LIABILITIES		194,832	111,378

Authorized for issue by the management of Forum for Civic Initiatives on January 26, 2014.


Dajana Berisha
Executive Director


Sefë Govori
Finance Manager

The accompanying notes 1 to 8 form an integral part of these Financial Statements.

FORUM FOR CIVIC INITIATIVES (FIQ)
 Statement of earnings and expenditures
 For the year ended December 31, 2013

	Notes	Year ended December 31, 2013 (in EUR)	Year ended December 31, 2012 (in EUR)
FINANCING			
Donors Funding	4	339,977	238,290
TOTAL FINANCING		339,977	238,290
EXPENDITURE			
Personnel expenses		72,422	57,976
Program costs	5	147,530	133,349
Operational costs	6	14,949	14,879
Services	7	16,676	18,565
Travel costs	8	3,394	4,144
TOTAL EXPENDITURE		254,971	228,913
Surplus of funds received over expenditures		85,006	9,377
Cash and bank balances at beginning of the year		104,480	95,103
Cash and bank balances at the end of the year		189,486	104,480


 Dajana Berisha
 Executive Director


 Sefë Govori
 Finance Manager

The accompanying notes 1 to 8 form an integral part of these Financial Statements.

FORUM FOR CIVIC INITIATIVES (FIQ)
Statement of changes in funds
For the year ended December 31, 2013

	(in EUR)	(in EUR)
As at January 1, 2012	109,540	99,896
Funds received in current period	339,977	238,290
Effect of changes in assets and liabilities	(887)	267
Funds expensed in current period	<u>(254,971)</u>	<u>(228,913)</u>
As at December 31, 2013	<u>193,659</u>	<u>109,540</u>

The accompanying notes 1 to 8 form an integral part of these Financial Statements

1. BACKGROUND AND OPERATING POLICIES

The Forum of Civic Initiatives (“FIQ”) was registered under the United Nations Interim Administration Mission in Kosovo (“UNMIK”) regulations as a non-governmental organization in 2000, section 10 on the Registration and Operation of NGO in Republic of Kosovo.

FIQ works to increase citizen participation in decision-making processes and to create incentives that ensure political, economic and environmental sustainability through its grant giving program.

FIQ’s current geographical orientation has been the Balkan, with main focus in Kosovo, where FIQ have over the years contributed to social and political change. FIQ has had an active role on security issues where FIQ has held and taken part in several regional conferences. This has helped FIQ to create strategic and influential partners in the region, local as international.

Major donors supporting the activities of the FIQ during the year 2013 are as follows:

a. Rockefeller Brothers Fund

- During June 2012, FIQ signed two agreements with Rockefeller Brothers Fund (RBF). The first agreement is designated as a contribution for general support, in amount of 175,000 USD, and the second is designated as a contribution for capacity building and engagement with institutions of global governance, in amount of 25,000 USD.
- Meanwhile, FIQ signed another three agreements with Rockefeller Brothers Fund (RBF) during October, November and December 2013.

The first agreement is designated as a contribution for the project objective: “to support citizen engagement in creating and monitoring local decision-making processes through increasing civic participation in environmental protection and advancement issues”. It’s approved in amount of 100,000 USD and the end of the project is October 2014

The second agreement is designated as a contribution for the project objective: ”to ensure the long-term sustainability and independence of civil society in Kosovo” It’s approved in amount of 120,000 USD and the end of the project is November 2014.

The third agreement is designated as a contribution for the project objective: “to support small scale, local sustainable development in Kosovo”. It’s approved in amount of 11,000 USD and the end of the project is December 2014.

b. National Endowment for Democracy

During November 2012, FIQ signed an agreement with National Endowment for Democracy (NED) for the project: “Promoting improved security services and practices at the local level”, in amount of 45,000 USD. The project commenced on November 01, 2012 and was estimated to be completed in October 31, 2013.

1. BACKGROUND AND OPERATING POLICIES (CONTINUED)

c. Balkan Trust for Democracy

During January 2013, FIQ signed an agreement with Balkan Trust for Democracy (BTD) for the project: “Increasing democratic oversight and transparency through civil society participation”, in amount of 22,000 USD. The project commenced on January 15, 2013, and was estimated to be completed in June 15, 2013.

d. Trag Foundation

During September FIQ signed a grant agreement with Trag Foundation from which agreement FIQ received an amount of 17,594.6 EUR. The purpose of this Agreement is for the implementation of the action “SIGN for Sustainability” (the “Action”) funded by the European Commission within the Civil Society Facility, Partnership Programme for Civil Society Organisations (CSOs) - Support to regional thematic networks.

2. BASIS OF PREPARATION OF THE STATEMENT AND ACCOUNTING CONVENTIONS

2.1. Accounting convention

The Financial Statements have been prepared in accordance with generally accepted accounting policies (mixed or modified basis of accounting which combines cash and accrual accounting principles).

2.2. Reporting currency

The Statement has been prepared in European Union Currency Unit (EUR).

2.3. Corresponding figures

In order to conform to the current year presentation, comparative figures have been restated and reclassified.

2.4. Foreign currency transactions

Foreign currency transactions are translated into reporting currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Earnings and Expenditures.

3. CASH AND CASH EQUIVALENTS

	As at December 31, 2013 (in EUR)	As at December 31, 2012 (in EUR)
Cash at bank	188,889	104,218
Cash on hand	597	262
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TOTAL CASH AND BANK BALANCE	189,486	104,480
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The amount of cash in US Dollars at the year end is 119,640 and is converted using the exchange rate of 1 Euro = 0.725058 USD

FORUM FOR CIVIC INITIATIVES (FIQ)
Notes to the financial statement
For the year ended December 31, 2013

4. DONORS FUNDING

	Year ended December 31, 2013 (in EUR)	Year ended December 31, 2012 (in EUR)
Rockefeller Brothers Fund	167,553	155,004
SHM Productions Ltd.	56,449	7,136
SaferWorld	56,374	35,879
National Endowment for Democracy	19,194	38,849
Trag Foundation	17,595	-
Balkan Trust for Democracy	16,663	-
Deutsche Gesellschaft fur International	2,500	-
Raiffeisen Bank Kosovo J.S.C.	2,500	-
Other	1,149	1,422
	<u>339,977</u>	<u>238,290</u>
TOTAL DONORS FUNDING	<u>339,977</u>	<u>238,290</u>

5. PROGRAM COSTS

	Year ended December 31, 2013 (in EUR)	Year ended December 31, 2012 (in EUR)
Grant Giving	81,772	65,371
Support to NGOs & Institutions	12,571	8,084
Developing Philanthropy	9,540	11,716
Conferences and Round Tables	8,940	7,918
International Travel	7,511	486
Marketing and PR	7,493	745
Printing and Design	6,466	2,606
Staff Development and Training	3,290	413
Advocacy	3,095	1,116
Per Diem and Volunteers	2,984	4,850
Exchange Visits	2,103	2,466
Accommodation	725	-
Equipment hire	400	-
Annual planning	341	-
Campaign	179	12,582
IT Improvement	120	1,672
Community Safety	-	12,302
Surveys	-	1,012
Other activity costs	-	10
	<u>147,530</u>	<u>133,349</u>
TOTAL PROGRAM COSTS	<u>147,530</u>	<u>133,349</u>

6. OPERATING COSTS

	Year ended December 31, 2013 (in EUR)	Year ended December 31, 2012 (in EUR)
Office Rent	8,522	7,982
Communications	2,195	1,920
Office Supplies	2,067	792
Maintenance	1,829	2,382
Other Operational Costs	336	1,802
TOTAL OPERATIONS COSTS	14,949	14,878

7. SERVICES

	Year ended December 31, 2013 (in EUR)	Year ended December 31, 2012 (in EUR)
Policy Briefs	7,380	8,916
Translation	4,083	7,055
Contractual Services	1,224	-
Audit	1,200	1,202
Bank fee's	1,123	975
Website Maintenance	514	418
Other services cost	1,152	-
TOTAL SERVICES COSTS	16,676	18,566

8. TRAVEL AND MAINTENANCE COSTS

	Year ended December 31, 2013 (in EUR)	Year ended December 31, 2012 (in EUR)
Fuel and Travel	1,823	1,487
Travel-Other	1,194	2,633
Car Maintenance and Insurance	377	24
TOTAL SERVICES COSTS	3,394	4,144