



SHERBIME KONTABILITETI DHE AUDITIMI
ACCOUNTING AND AUDITING SERVICES

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KOSOVA DEMOCRATIC INSTITUTE - Prishtina

Independent Auditor's Report
and
Financial statements for the year ended December 31, 2013

May, 2014

Contents

	Page
Independent Auditor's Report	2
Financial Statement's	4
1. Balance sheet	4
2. Income Statement	5
3. Statement of cash flow	5
Notes to the Financial Statement	6
1. General	6
2. Basis for preparation of the financial statements	6
3. Cash	7
4. Income	7
5. Expenditures	8
6. Transferred funds from 2013 to 2014	9

Independent Auditor's Report

To the Management of Kosova Democratic Institute

We have audited the accompanying Balance sheet of the KDI - Kosova Democratic Institute Prishtina as of December 31, 2013 and related statements of Income and Cash flow for the year then ended.

Management's responsibility for financial statements

The management of the KDI is responsible for the preparation and fair presentation of the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are 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 financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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 the management of the KDI, as well as evaluating the overall presentation of the financial statements.

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 referred to above present fairly, in all material respects, the financial position of the KDI (Kosova Democratic Institute) as of December 31, 2013 and the results of its operations and its cash flow for the year then ended in accordance with accounting standards described in Note 2 to the financial statements.

May 16, 2014

Kadrush Çollaku,
Licensed Auditor



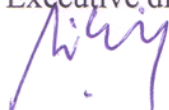
Kosova Democratic Institute
Financial Statements, December 31, 2013

Balance sheet 31.12.2013

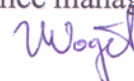
ASSETS	Eur	LIABILITIES	Eur
Cash	38,933.85	Accounts Payable	0.00
Accounts Receivable	-	Grants Payable	-
Notes Receivable	-	Deferred Revenue	-
Inventory	-	Mortgages and other Notes payable	-
Prepaid expenses	68.00	Other Liabilities	10,341.28
Investments:		Total Liabilities	10,341.28
Securities	-	Fund Balance	
Land, Buildings and equipment	-	Fund balance as of January 1, 2013	63,310.39
Other (Loans to costumer)	-	Excess (from income statement)	(34,649.82)
Other assets	-	Total Fund Balance:	28,660.57
Total assets	39,001.85	Total Liabilities and Fund Balance	39,001.85

This Financial Statement has been issued by the management of the KDI on May 16, 2014 and signed on its behalf by:

Ismet Kryeziu
Executive director




Vjollca Vogel,
Finance manager



Income Statement 01.01.-31.12.2013

Revenue	Eur	Expenses	Eur
Contributions, gifts or grants	618,235.49	Program services	509,623.98
Fees and revenues from economic activities		Management and Administration	138,506.06
Dues		Other Expenses	9,357.30
Dividends and interest		Total Expenses:	657,487.34
Rents		Net Income from Operations:	(34,649.82)
Other investment income			
Sale of assets			
(less cost of sales)		Tax expenses	0,00
Special event revenue			
Gross sales of inventory			
(less cost of goods sold)			
Other revenue	4,602.03		
Total Revenue:	622,837.52	Net Income:	(34,649.82)

Statement of cash flows for the year 2013

CASH FLOW	EUR
Balance in the beginning of period	66,454.12
Received funds from donators during period 2013	622,999.72
Outcomes of funds (payments) during 2013	(650,084.89)
Funds returned to donors during 2013	(435.10)
Annual balance for period 2013	38,933.85

Notes to the Financial Project Statement

1. General

NGO "Kosova Democratic Institute" (KDI) is a non-profit organization, financed by government and non government agencies. KDI was established on April 14, 2005, under UNMIK Regulation No.1999/22 and the registration number 5110225-8 as a non-profit, non-governmental organization (NGO).

KDI's mission is to support democratic development in Kosovo by empowering nongovernmental organizations and citizens to enhance the transparency, accountability and responsiveness of governing institutions and improve the efficiency of these institutions through citizen participation in decision-making.

KDI aims to be a regional organization with an impact in political processes by offering assistance in the process of democratization. KDI has followings programs:

- Democratization and Parliamentary Practices (DPP),
- Local Governance and Civic Participation (LGCP),
- Transparency and Anti-Corruption (TAC),
- Free and Fair Elections (FFE)

The main types of KDI activities are:

- Monitoring the work of municipal and central governments;
- Organizing and implementing Advocacy campaigns at national and municipal levels;
- Bringing about systematic improvements (legal, administrative and institutional) in the fight against corruption as well as enhancing capacity of victims and witnesses of corruption;
- Building NGO capacities, offering trainings and assistance to NGOs particularly in government-monitoring, election monitoring and advocacy;
- Facilitating dialogue between government officials and citizens to ensure citizen participation in decision-making

2. Basis for preparation of the financial statements

The Financial Statements are prepared in accordance with the basis of accounting as set out in the agreements with donors. Accordingly, revenue is recognized on a cash basis when received and expenses are recognized on accrual basis when incurred. The amount of revenue received represents the contribution approved by Donors to cover expenses of the projects in accordance with agreements.

The surplus amount, representing the excess of revenue received over expenses incurred, is due to the Donors at the end of the period.

The Financial Statements are expressed in European Currency Unit (EUR). Revenue is received in Euro and for some funds in USD. For funds received in USD, exchange rate is calculated in the moment of the funds instalment. Expenses are incurred in Euro.

3. Cash

Eur

Raiffeisen bank	38,894.14
Cash	39.71
Total	38,933.85

4. Income

The incomes for the year 2013 are recognized in accordance with the cash basis of accounting and are composed as below:

Donors Name	Transferred funds from 2012	Funds returned to donors – 2013	Incomes during 2013	Total funds during 2013
KDI	(614.51)		4,602.03	3,987.52
OPIC	376.49		48,380.52	48,757.01
KCSF	5,040.40	(176.09)		4,864.31
BTD	6,307.64			6,307.64
CRINIS	34,380.81	(214.42)		34,166.39
British Embassy	17,611.79		17,436.00	35,047.79
UNDEF			106,734.24	106,734.24
KFOS			3,500.00	3,500.00
US Embassy		(44.59)	12,408.88	12,364.29
Caritas			6,999.98	6,999.98
NDI			94,865.91	94,865.91
OPIC			38,876.69	38,876.69
KFOS			13,380.00	13,380.00
KFOS			7,550.00	7,550.00
USAID			177,126.59	177,126.59
Norwegian Embassy	207.74		31,831.87	32,039.61
British Embassy			25,000.00	25,000.00
British Embassy			34,579.91	34,579.91
Total	63,310.36	(435.10)	623,272.62	686,147.88

5. Expenditures

The expenses for the year 2013 are composed as below:

Program expenses	509,623.98
Salaries	315,651.96
Program expenses	183,864.18
Direct costs	10,107.84
Admin/Management Expenses	138,506.06
Salaries	51,751.06
Operation expenses	86,755.00
Other expenses	9,357.30
Other overhead costs	9,357.30
Total expenses	657,487.34

6. Transferred funds from 2013 to 2014

Donors Name	Total funds during 2013	Total outcome	Transferred funds from 2013 to 2014
KDI	3,987.52	2,183.69	1,803.83
OPIC	48,757.01	47,394.10	1,362.91
KCSF	4,864.31	4,864.26	0.05
BTD	6,307.64	3,672.45	2,635.19
CRINIS	34,166.39	34,166.39	0.00
British Embassy	35,047.79	35,030.15	17.64
UNDEF	106,734.24	75,582.12	31,152.12
KFOS	3,500.00	3,500.02	(0.02)
US Embassy	12,364.29	12,367.29	(3.00)
Caritas	6,999.98	6,999.98	0.00
NDI	94,865.91	95,084.63	(218.72)
OPIC	38,876.69	38,405.86	470.83
KFOS	13,380.00	9,796.55	3,583.45
KFOS	7,550.00	7,549.13	0.87
USAID	177,126.59	158,144.96	18,981.63
Norwegian Embassy	32,039.61	31,831.09	208.52
British Embassy	25,000.00	49,999.95	(24,999.95)
British Embassy	34,579.91	40,914.71	(6,334.80)
Total	686,147.88	657,487.34	28,660.54