

**KOSOVAR CIVIL SOCIETY FOUNDATION
PRISHTINE / KOSOVO**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDING DECEMBER 2016**

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Abbreviations

KCSF	Kosovar Civil Society Foundation
UNMIK	The United Nations Mission in Kosovo
NGO	Non-Governmental Organization
BCSDN	The Balkan Civil Society Development Network
BTD	Balkan Trust for Democracy
CSFG	Civil Society Grant Fund
DSP	Democratic Society Promotion
EUOK	The European Union Office in Kosovo
KFOS	Kosovo Foundation for Open Society
NOR	Royal Norwegian Embassy in Kosovo
SIDA	Swedish International Development Cooperation
OSFF TTF	Open Society Foundations Think Tank Fund
TACSO	Technical Assistance to Civil Society Organizations
DANIDA	Danish International Development Agency



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INDEPENDENT AUDITORS REPORT

To: The management of Kosovar Civil Society Foundation

Opinion

We have audited financial statements of Kosovar Civil Society Foundation (the Organization) which comprises the statement of financial position as at 31 December 2016, and the income statement, statement of changes in net assets and cash flow statement for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of Kosovar Civil Society Foundation, for the year ended 31 December 2016 are prepared, in all material respects, in accordance with the financial reporting requirement of organization and relevant laws in Kosovo.

Basis for Opinion

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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Kosovo, and we fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting requirements and for such controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization 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 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 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 audit. We also:

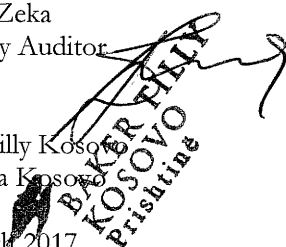
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Organization'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 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 Organization's ability to continue as 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 auditor's report. However, future events or conditions may cause the Organization 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.

Lulzim Zeka
Statutory Auditor

Baker Tilly Kosovo
Prishtina Kosovo

29 March 2017



KOSOVAR CIVIL SOCIETY FOUNDATION

STATEMENT OF FINANCIAL POSITION

As of 31 December 2016

(all amounts are in Euro unless otherwise stated)

As at 31 December	Notes	2016	2015
Assets			
Cash	3	2,227,657	2,317,314
Accounts Receivable	4	8,338	7,201
Advances to grantees	5	900,327	-
Prepaid new office building	6	247,409	-
Fixed assets	7	21,484	27,232
Total assets		3,405,215	2,351,747
Liabilities and Funds Balance			
Accounts Payable and other short-term liabilities	8	2,268	913
Deferred Income	9	3,134,054	2,323,602
Total liabilities		3,136,322	2,324,515
Fund Balance			
Fund Balance as of 1 January		27,232	37,530
Excess/(Deficit) (from Income statement)	10	241,661	(10,299)
Total Balance		268,892	27,232
Total liabilities and funds balance		3,405,215	2,351,747

These financial statements are approved and signed on 17 March 2017 on behalf of the management by:

Venera Hajrullahu, Executive Director

Edona Haliti, Director of
Finance and Administration

The accompanying notes from 1 to 13 form an integral part of these financial statements

KOSOVAR CIVIL SOCIETY FOUNDATION

INCOME STATEMENT

For the year ended 31 December 2016
(all amounts are in Euro unless otherwise stated)

For the year ended 31 December	Notes	2016	2015
Income			
Contribution and grants	11	1,239,659	1,136,052
Other income	12	42,730	63,994
Total Income		1,282,389	1,200,045
Expenses			
Project expenses	13	696,628	345,924
Project expenses – grant giving	13	380,763	697,061
Administrative expenses	13	140,344	123,599
Other expenses	13	64,654	33,461
		1,282,389	1,200,045
Adjustments for fixed assets	7	(14,750)	(3,210)
Adjustments for prepaid new office building	6	(247,409)	-
Depreciation for the period	7	20,498	13,509
Total Expenses		1,040,728	1,210,344
Net excess (deficit)		241,661	(10,299)

The accompanying notes from 1 to 13 form an integral part of these financial statements