

**Department of Election Operations**

**Political Party Services  
Audit Cell**

**REPORT ON ELECTORAL CAMPAIGN EXPENDITURE  
2002 MUNICIPAL ELECTIONS**

**December 2002**

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## POLITICAL PARTY SERVICES. AUDIT CELL REPORT ON ELECTORAL CAMPAIGN EXPENDITURE

### 1. Introduction

Within the requirements for all certified entities taking part in the recently held municipal election, a financial disclosure report had to be submitted in two occasions: the first in the beginning of the campaign period; the second at the ending of the campaign period.

The purpose of such reports is to ensure that political entities of Kosovo commit and understand that transparency is an essential value in democratic societies. This commitment is not only bound to elected party officials (candidate financial disclosure) but also comprises the internal mechanisms of political entities. How funds are raised and how they are spent by these entities is of the utmost importance on election periods like this year. Along with these reports regarding electoral campaign expenditure, all registered political parties must submit annual financial reports according to the current framework for political parties registered in Kosovo (UNMIK Regulation 2002/8 *On the Registration and Operation of Political Parties in Kosovo*). However, only 28 out of the 68 certified political entities are registered political parties. This fact increases the importance of the two electoral campaign financial disclosure reports, as they are the only means to have information from political entities other than political parties: citizens' initiatives; coalitions and independent candidates.

#### 1.1 Electoral Rule 5/2002

Electoral Rule 5/2002 on Campaign Finance Disclosure and Spending Limits requires certified political entities contesting in the 2002 Municipal Assembly Elections to disclose all campaign income and expenditure along with the assets and liabilities held by the entity on two occasions. The first financial statement covers the period from 3 June until 9 September and the second and final financial statement covers the campaign period, 10 September – 26 October. The present report from the OSCE auditors only takes into consideration the second financial statement from the political entities. Pursuant to Section 5 of this rule which establishes an OSCE Political Finance Audit Office and gives this office the authority "to inspect the financial records of any political entity including all accounts, receipts, accounts payable and financial statements," OSCE auditors trained and met frequently with entity financial contact persons during and after the first reporting period. The OSCE auditors have conducted a thorough investigation of reports submitted by the political entities to ascertain compliance as stated in the Electoral Rule.

#### 1.2 Audit programme

According to the international standards of auditing, the audit to be performed for the Municipal Elections will be more of a review engagement or partial audit, as it only contains a small part of the year. A full and complete audit would have given a better picture of the financial status of the political entities, and thereby answered questions not fully answered in this audit. Such an audit will take place for the first time in 2003 at which time all registered political parties will be required to submit annual financial reports in compliance with UNMIK Regulation 8/2002.

#### 1.3 Risk assessment

Although being the second year the OSCE international auditors have performed this audit, many of the political entities and their financial contact people experienced, for the first time, being

audited. This would explain that the audited records and documentation are of a lesser quality than required, and may contain an undesirable audit risk, control risk and detection risk. Therefore, the auditors have had to employ other sources of information, audit evidence, to issue an accurate and credible report.

#### 1.4 Materiality

Materiality refers to the quality of the information contained in the financial records the Audit Cell is working with. In those cases where such information has been omitted or is deemed to be inaccurate, the auditors have included estimated figures to bring accuracy back or repair the omissions or mistakes. Estimated figures have been included in case analysis of Section 4 and in Annex C.

##### a) Total materiality

This audit contains a range from big to small entities. Even when this is the case, materiality has to be taken into account in order to assess the level of tolerable errors.

##### b) Partial materiality

It is the task of the auditors to establish the total expenses and income for each individual entity. It should not be deemed an intolerable error even if the error is above the limit or if the item itself is of lesser importance to the total result.

#### 1.5 Recommendations

- The Audit Cell recommends that the audit should focus on those entities that won seats in the different municipalities. In addition, all Kosovo registered political parties, regardless of having won seats or not, will be scrutinised by the auditors.
- The Audit Cell recommends that the tolerable margin of error is set to 10 %, but not smaller than 10,000 €.

As required by the Electoral Rule, all political entities received the audit programme well before the deadline of the second financial statement submission,

## 2. General Evaluation

As will be seen in this report, the primary focus of the Audit Cell was to pinpoint as accurately as possible the amount each political entity spent on its campaign. The reasons for this are two-fold: (1) each political entity was bound by the spending limit set by the CEC at 0.5 € per registered voter; (2) an accurate estimation of expenditures gives the auditors an accurate depiction of the level income generated by the party to finance its campaign. Although enforcement of the spending limit is an important part of the financial disclosure process, the principal aim of financial disclosure is in requiring the parties to disclose the sources of their income. Since political parties in Kosovo depend solely on donations and dues from their supporters in order to undertake both their day to day operations and to mount an electoral campaign, the ability of a political party to attract large donors is key to its success. Thus, it is particularly important for voters to know who is financing the political parties for which they vote, as there is often an expectation from donors to political parties that the donor's interests be taken into account by elected representatives of the party following the election.

## RESULTS AND GENERAL OBSERVATIONS

Detailed results of the audit will be discussed throughout this paper, but a few particular results deserve to be highlighted.

- 1) The Audit Cell has not found evidence that any of the political entities has exceeded the spending limit for the electoral campaign. This is in contrast to 2001 in which evidence indicated strongly that the LDK and PDK exceeded the spending limit.
- 2) As will be indicated throughout this report, many of the political entities have still not fully complied with the requirements for financial disclosure, despite repeated attempts by the auditors to assist them and to encourage their compliance. In accordance with the administrative procedures governing the operations of the Audit Cell, the auditors have shared their findings with ECAC and have filed complaints against 13 entities that have failed to meet the requirements for disclosure. The auditors consider the most serious offences to be the filing of misleading reports and failure to disclose sources of income. It is the responsibility of ECAC then to assess the violation and assign appropriate sanctions.
- 3) The audit cell continues to be concerned with the fact that in particular the larger political parties continue to resist disclosing accurate financial records. This is particularly disturbing considering elected representatives of these parties are increasingly responsible at both the municipal and Kosovo-wide levels for levying taxes, awarding contracts, budgeting, and spending. If the parties themselves are unwilling to be transparent with the voters of Kosovo, it sets a poor example for the representatives of these parties who are now in a position of governance. As a further example of the poor example being set by the political parties in the area of fiscal responsibility, the auditors have noted that none of the parties that employ paid staff, with the exception of PLK, actually withhold the required income tax to the tax authorities, as is required by UNMIK Regulation 2002/04.

## ACHIEVEMENTS IN 2002

It is the opinion of the audit cell that the financial disclosure process for the 2002 Municipal Elections showed significant improvements over the results of the financial disclosure process in 2001.

- 1) In 2002, political entities were required to disclose in addition to income and expenditures during the campaign period, income and expenditures incurred during the three months prior to the start of the campaign.
- 2) Greater transparency has been achieved by giving both the media and observer organizations greater access to the financial disclosure process. Members of the public now have access to personal financial disclosure statements for their elected representatives, lists of donors to the political entities that participated in the election, and records of the declared income and expenditures of the political entities.
- 3) The Audit Cell has been greatly assisted by increased cooperation with both UNMIK (in particular the Vehicle Registry, Cadastral Office, tax authorities, Statistical Office) and the NGO KMDLNJ. Ensuring the financial accountability of the political parties will increasingly depend on cooperation between electoral administrators and NGO watchdog organizations such as KMDLNJ in order to be effective.
- 4) Several of the political entities, particularly the smaller ones, have shown a genuine willingness to be more transparent with their financial dealings to the public. Overall, there has been a general improvement in the quality of the reports from many political parties, though as this report will demonstrate, there is still a long way to go before the Kosovo's political parties are truly transparent with the voters regarding their financial status.

## RECOMMENDATIONS FOR IMPROVEMENTS

It is clear, however, that many improvements are still needed on the part of the political entities, Audit Cell, and the regulatory framework, in order to ensure the greatest possible transparency in

the financial dealings of the political parties. Several of these recommendations are listed as follows:

- 1) The Audit Cell has in general been handicapped in their ability to engage in a full audit by the lack of an annual financial report from the political parties. This will however change in 2003 when all political parties registered in Kosovo will be required, in accordance with UNMIK Regulation 8/2002, to file annual financial statements with the political party registration office.
- 2) Although the Elections Complaints and Appeals Commission (ECAC) sanctioned many of the political entities both financially and through the striking of candidates for failure to comply with financial disclosure requirements, it is clear that the effectiveness of the sanctions in encouraging compliance was mixed. Fines imposed by ECAC worked fairly well in motivating the smaller political entities to comply with the disclosure requirements, but for the larger parties, and in particular LDK, PDK and AAK, it is obvious that the level of sanctions imposed (whether financial or otherwise) have not yet been sufficient to compel these parties to abide by the disclosure requirements.
- 3) Particularly for the smaller political entities, the quality of reporting on behalf of the entities was inhibited by lack of adequate bookkeeping skills. The Audit Cell intends to intensify its training for the political entities administrative staff to ensure that staff of the political entities have the necessary skills to submit the most accurate possible reports.
- 4) It is the opinion of the audit cell that although sanctions by ECAC have their place in encouraging the political entity's compliance with the rules, ultimately the court of public opinion is most important to the political entities. Thus although the electoral authorities can engage in an audit and investigate the income and expenditures of the political parties, the media and organizations of civil society will have to use this information to push the political parties to be transparent in their financial dealings.

### **3. Sources of information**

In completing the audit, the Audit Cell relied first on the disclosure reports submitted by the entities. Entity to entity comparisons of the reports provided a valuable check on whether the information provided by every single entity is reasonable and credible when held up against similar expenditures from other entities. The auditors conducted investigations by gathering prices of various goods and services from businesses and suppliers in Kosovo. Moreover, the auditors took advantage of the extensive sources of information within the OSCE. Without these sources, the aim would certainly have been much more difficult to accomplish.

UNMIK officials from the Kosovo Cadastral Agency; Department of Engineering and Buildings Management Services; Statistical Office of Kosovo; Vehicle Registries; and Tax Authorities were also consulted regarding the accuracy of information provided by the entities concerning issues for which UNMIK has regulatory responsibility. Due to the singular role played by UNMIK in Kosovo, the information obtained from its sources is of the biggest importance to the work of the auditors. Other relevant source of information on political rallies during the electoral campaign has been the Council for the Defense of Human Rights and Freedoms (KMDLNJ).

### **4. General Analysis of Reports Submitted**

The entities that took part in the Municipal Assembly Elections were required by Electoral Rule 5/2002 to submit prepared forms for their headquarters as well as for all branches, including those for which the entities were certified to take part in the elections.

Section 2.1 of Administrative Procedure 2002/05 set the deadline for the second submission of DEO Form 308<sup>1</sup> at 17:00 on 11 November 2002. Most of the certified political entities submitted their forms in time. By the deadline, 52 out of the 68 entities taking part on Election had submitted all or some of its financial disclosure statements. By the closing of business on 2 December, 10 entities have failed to make any submissions. Annex B describes which entities submitted their forms in time or not, and for which municipal branches.

Late and incomplete submission gave Political Party Services (PPS) grounds to file complaints with the ECAC against those entities that failed to comply with the above mentioned Electoral Rule. The Audit Cell deems the information disclosed by the political entities as submitted *bona fide*. This fact does not imply that in those cases where the information disclosed is likely not to be accurate or incomplete, further inquiry would not be conducted. In this sense, a good reference for assessment is the electoral campaign financial disclosure report submitted by the certified political entities for the Assembly Election held in November 2001. In certain cases, the crosscheck of figures declared by the entities has given interesting results. So far complaints have been filed against the following entities (Note: all political entities listed in this report will be most often referred to by their acronym. A reference guide to the full names of the entities can be found in Annex B).

- Due to failure to submit: SPO, PD, PNDSH, GISK, GIK, LZKUS and Opstanak.
- Due to late submission: BK, BSDAK, Veselin Radović, PRSH, KOS and GIZ.
- Due to incomplete submission: AAK, LDK, PDK, BDIKHB, DSS, GIG, IRDK, KP, IQFK, IQV, LPK, OSPS, PDAK, PKM, PREBK, PReK, PSHDK, Riza Lluca, SDP, UNIKOMB.

In accordance with the DEO Administrative Procedure 2002/05 section 7.6 the entities audited have been presented with the results of the audit, and given 48 hours to amend, justify or refute the discrepancies. By the deadline for the entities to reply, on the 2<sup>nd</sup> of December, eight of the smaller entities did so.

In total, the 58 political entities submitting reports claimed expenditures that, altogether, came to 883,300€ during the campaign period. The expenditures were financed by a total disclosed income for all 58 entities of 626,900€. At the start of the campaign period, these entities claimed liabilities totaling 112,000€. By the end of the campaign period, their disclosed liabilities rose to 256,400€. Further details on an entity-by-entity basis will be covered in Chapter 4.

In general terms, the audit process has revealed that most political entities under-reported their campaign expenditures, some to a serious degree. It is the view of the Audit Cell that the discrepancies also represent under-reporting of income, whether monetary donations or in-kind contributions.

What follows is a general assessment of common findings in the various entities' reports.

#### 4.1 In-kind contributions

For the purpose of this audit, in-kind contributions have been defined as goods and services of any value provided without any payment in return. Thus, an in-kind contribution is made when, for instance, a political entity receives office space for free; hosts rallies without paying for rent of facilities or the services of singers and entertainers; or receives labour services on a volunteer basis by party activists (other than the form of voluntary unskilled labour donated by private

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<sup>1</sup> Forms 308 for all entities are available at DEO Political Party Services

individuals). It is also deemed as in-kind contributions when someone provides a vehicle free of charge, or the fuel and driver. Moreover, in-kind contributions are not to be limited to the examples listed above.

#### 4.2 Monetary contributions

Electoral Rule 5/2002 compels political entities to disclose the identity of all persons making donations, contributions, or payments in-kind to the entity. The Audit Cell has collected the names of donors to political entities, to produce a list showing the amount of the donation and the identity of the source. The list will be released for public scrutiny in compliance with the mentioned Electoral Rule.

Whilst most political entities have been forthcoming in submitting names of donors, it must be emphasized that few entities have fully disclosed their income. The auditors have found many serious instances of under-reported expenditures. It logically follows that the income used to finance campaign expenditures must have also been under-reported up to an equivalent level. Regarding in-kind contributions, the auditors have deemed that most political entities do not comply with the requirement of disclosing as income, goods and services donated to the entity.

#### 4.3 Television and radio spots

All certified political entities have reported a total expenditure of 80,700€ in production of TV/Radio Spots. Electoral Rule 10/2002 section 3 gives the certified political entities free equitable access to broadcast media. Eighteen certified entities aired TV-spots and 12 had produced radio spots. The amount of airtime given to each entity was partly based on the entity's 2001 Assembly Election results and on the number of entities taking part in the elections for each municipality as well.

#### 4.4 Rallies

Due to the limited number of auditors, it was decided to ask for assistance on rally monitoring from the Council for the Defense of Human Rights and Freedoms (KMDLNJ), the biggest, in terms of observers, national accredited electoral process observer organizations. The reason for such request was the non-partisan nature of these organizations and the shared interest with KMDLNJ in the public activity carried out by the political entities during the campaign.

In order to get standardized information from local observers, the Audit Cell created a specific form *Rally Observation Form*. In this form, observers were asked to answer specific questions: venue; sound equipment and stage used; artistic programme; vehicles used by the entity; number of guards and security staff; people attending the rally, etc. All this information enabled auditors to estimate the cost of the observed rally. This has been the major source of information for the auditors for the purpose of assessing the cost of rallies during campaign period.

In addition, UNMIK POLICE records have been used to make estimations as well. Since UNMIK POLICE records include information about the venue of the rally and the number of people attending, those reports provided the Audit Cell with reliable information to crosscheck the information received from local observer organizations.



### Rallies observed and reported to the Audit Cell by KMDLNJ

	<i>total number of rallies</i>	<i>number of rallies observed</i>	<i>Percentage of rallies observed</i>
AAK	114	73	64%
BK	5	1	20%
DPP	1	1	100%
DSS	2	1	50%
IRDK	4	1	25%
KDTP	4	3	75%
KOS	2	2	100%
LDK	277	83	30%
LKCK	9	3	33%
LPK	8	5	63%
PD	8	2	25%
PDASHK	4	3	75%
PDK	298	111	37%
PLK	14	7	50%
PREK	8	4	50%
PSHDK	8	8	100%
UDGJ	3	1	33%

Despite the intense monitoring activity carried out by the local observer organizations, the Audit Cell could not gather information from all rallies held in Kosovo during the campaign period. Thus, for unobserved rallies the auditors have applied average estimations. According to the information received from different sources, the average value of the elements needed to hold a political rally, when that information has not been disclosed by the political entities, has been the following:

	Item	Cost (in €)
1	Sound System (inc.set up, workforce, microphones, cables and electricity)	500-3000
2	Singer	400-2000
3	Dance Groups	200
4	Bands	125-400
5	Guard (for 3 hours)	3
6	Security (for 3 hours)	12
7	Stage (per m2 including workforce for set up)	10
8	Rent of Cinema	400
9	Rent of University Hall	500
10	Rent of Sports Hall	500-1000
11	Rent of Café/Rest. (including drink/food for 20 - 40 people)	200-400
12	Rent of Culture House	200
13	Rent of Stadium	1000-1500
14	Rent of a Car (daily)	60
15	Rent of a Bus (daily)	80
16	Rent of a Truck (daily)	70
17	Rent of a 4X4 (daily)	90
18	Rent of a Minibus (daily)	70

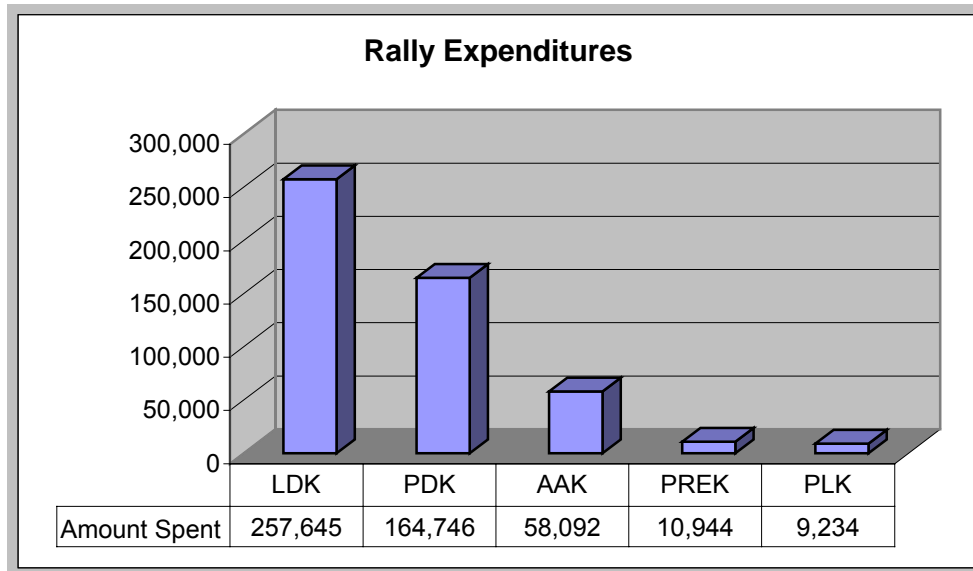
The same average cost per rally has been used to assess the total expenditure of each certified political entity, except for LDK, PDK and AAK. The reason for this exception was to evaluate separately these three entities since, as confirmed by the campaign expenditure report for the Kosovo Assembly Election 2001, they have showed a tendency to spend more money than other entities.

### Estimated total cost of rallies organized by the entities

	<i>Average estimated cost per rally (€)</i>	<i>Number of rallies organised (€)</i>	<i>Average estimated total cost of rallies (€)</i>
<b>AAK</b>	378	114	58,092
<b>BK</b>	604	5	3,020
<b>BSDAK</b>	350	1	350
<b>DPP</b>	554	1	554
<b>DSS</b>	280	2	560
<b>GIG</b>	220	4	880
<b>IRDK</b>	232	4	928
<b>KDTP</b>	466	4	2314
<b>KOS</b>	402	2	804
<b>LDK</b>	785	277	257,645
<b>LKÇK</b>	275	9	2,675
<b>LPK</b>	580	8	4,640
<b>PD</b>	406	8	3,348
<b>PDAK</b>	225	2	450
<b>PDASHK</b>	899	4	3,596
<b>PDK</b>	477	298	167,746
<b>PKM</b>	300	10	3,000
<b>PLK</b>	631	14	9,234
<b>PREK</b>	918	8	10,944
<b>PSHDK</b>	474	8	3,792
<b>SNV</b>	220	3	960
<b>SSZ</b>	280	1	280
<b>UDGJ</b>	364	3	1,092
<b>VATAN</b>	240	11	2,640
<b>Total</b>			539,544

Although the Audit Cell estimates above indicate that approximately 539,544 € was spent in rallies, the total costs claimed by the political entities is only 129,500 €.

**Political entities that spent more than 5000 € in rallies during the campaign period according to the Audit Cell**



Finally, for most political entities, rallies organized in places other than private houses require special equipment, like stages, sound system (including microphones, loudspeakers, cables and sound mixers), guards and security staff. Likewise, rent had to be paid or, if not, regarded as an in-kind contribution.

#### 4.5 Rent of offices

Only two entities claim to own offices of any kind. The remaining offices must, therefore, be rented or provided free of charge by members or supporters. All the larger entities have branches and sub-branches throughout Kosovo. The Audit Cell also believes that this is the case for a number of the medium sized entities. Not all of the entities claimed costs for branch-offices, or for headquarters. In their estimations of total expenditure per entity, the Audit Cell has added a nominal rent of offices for most of the entities contesting in the election. The reasons for this are:

1. A great number of the entities claim to own office equipment;
2. Taking part in a municipal election does require a great deal of work on the part of the entity and this work must be done somewhere.

It is the view of the Audit Cell that this work has been performed by a considerable number of people throughout Kosovo. Therefore, a nominal amount for wages, telephone and utilities have also been added. Entities have argued that this was never paid for, which might certainly be the case. Offices given for free, unpaid work and telephone charges not received are in-kind contributions, and a part of income as well as expenditure. The prices applied by the Audit Cell are standard prices for rent of offices, received by our sources.

In addition, one of the political entities, LKÇK, does not claim to pay rent for the use of its offices in Prishtinë/Priština, neither does it claim to own the building in question. The entity has also failed to submit a lease contract.

#### 4.6 Printed material and advertisement

The 68 certified entities claim expenditures of 203,600 € collectively on printed material and advertisement. Many of the political entities have produced posters in the tens of thousands, and have handed out other items such as flags, cigarette lighters, T-shirts, pens, *inter alia*. Surprisingly, few have spent anything on advertisements in newspapers and magazines according to information from our sources.

Four of the entities produced billboard advertisements and displayed them in Prishtinë/Priština in the late stages of the campaign period. It is the view of the Audit Cell that only AAK and PReK fully disclosed this information.

#### 4.7 Staff

The three largest Albanian parties claim to have downsized their operations at headquarters level during 2002. For the Assembly election 2001, LDK, PDK and AAK claimed to employ respectively 96, 43 and 12 people on a full-time basis. The figures this year are 10, 29 and 8 for the same entities. LDK claims to pay its employees, whereas PDK claims to owe the wages, and AAK claims the work performed is unpaid.

Personal income tax entered into force in Kosovo as of 1 April 2002. All political entities employing people are deemed to be employers according to UNMIK Regulations and Administrative Instructions. The employer has the obligation to withhold personal income tax from the employees and pay the withheld amount to the tax authorities. LDK does not withhold any tax from the employees for which it claims to pay, nor does it pay the tax authorities. LDK is not even registered with the Tax Authorities for these purposes. PDK has registered with the tax authorities, but has yet to pay any taxes withheld according to the Tax Authorities. AAK is not registered with the Tax Authorities, but it also claims not to pay any wages. The only political entity withholding tax from employees is PLK. According to the financial disclosure statements, it has yet to pay the money withheld.

Staff expenditures is an issue in which most of the entities have significantly under-reported expenditure. Very few of the entities claim employees work in the branches, or even headquarters. It is the view of the Audit Cell that there has to be someone organizing the activities of the entities and serving as a point of contact. The downsizing of LDK from 96 to 10 full-time employees is not credible to the auditors when the scope of LDK's campaign activities are taken into account. It is also hard to believe that the number of people working within the headquarters of AAK is only eight people. Both PDK and many of the smaller entities are more credible with regards to people employed. They understand and accept the idea of unpaid staff donating time as in-kind contributions. It is inconceivable that entities of the size of LDK and AAK, and with a number of operating branches, could conduct their campaigns with more or less the same number of staff as much smaller parties that operate without a similar level of infrastructure throughout Kosovo.

#### 4.8 Observers

The Audit Cell deems that the services of political observers give benefit to the party, whether paid or not. On average, it is assumed that every political observer has spent two normal working days (at 8 hours). The value has been set at 20 €. This average cost has been assigned by the auditors for estimating expenditures, to all accredited observers sponsored by political entities. It should be noted that some entities might pay their observers more than this amount. Even an entity which does not pay their observers must consider the observer's work as a donation of their time and, therefore, be account it.

#### 4.9 Transportation

According to the Vehicle Registry, only two political entities own vehicles. LDK is registered to own 16 vehicles, of which the President of Kosovo uses two, and PDK owns one vehicle. It is the view of the Audit Cell that headquarters and branches of all entities have had the benefit of using vehicles during the campaign period, whether rented or provided by members or supporters. Regardless of the way the vehicle(s) have been provided, the use represents an element of cost. Like PDK, the Audit Cell has set 50 € per day the rent of a light vehicle. The Audit Cell has also added for fuel and driver(s).

### 5. Analysis by entity

The financial disclosure reports of twelve of the 68 political entities will be covered in this section (Annex C). The figures for entities not covered in this section can be found in section 4.13 and 4.14 C. For the detailed coverage, LDK, PDK, AAK, KP and DSS were chosen because these entities were the recipients of the highest number of votes in their respective communities. KDTP, VATAN, IRDK and SNV were chosen as representatives both of non-Albanian ethnic communities. PReK to show the campaign spending of a small political party and Riza Lluka, who was elected in Pejë/Peć, was chosen from amongst the independent candidates. Finally, although the party did not win any seats, LKÇK was covered in this section due to the interest in exploring the income and expenditure used by a party who claimed to boycott the elections.

Analysed parameters, as defined by Electoral Rule 5/2002 *Campaign Finance Disclosure and Spending Limits* can be found in Annex A.

#### 5.1 LDK

Financial contact person	Fatmir Rexhepi <sup>2</sup>
Elected candidates	406
Municipalities applied certification/certified	29/28

#### FORMS AND DOCUMENTS SUBMITTED

For the second and final financial disclosure period LDK submitted Form 308 for headquarters and 28 municipalities. Kamenicë/Kamenica municipal branch report was a copy of the one submitted for the first reporting period and therefore was not accepted by the Audit Cell. The reports for eight of the 28 municipalities and one of the five branches in Prishtinë/Priština were submitted after the deadline. The Audit Cell filed a complaint with the ECAC regarding this late submission.

LDK has provided supporting documentation and accounting books for its reported expenditures for headquarters. However, no such documentation and accounting books have been received for the municipal branches.

#### ASSETS

At the end of the campaign period, LDK claims assets worth of 619,643 €.

<sup>2</sup> Mr. Rexhepi refused to sign the reports submitted by the branches. Allegedly, this is not in accordance with LDK Statutes. According to the Electoral Rule 5/2002 the financial contact person is solely responsible for reporting to the Audit Cell, and therefore must sign the report. LDK is in violation of Electoral Rule on this account.

LDK is one of the very few political entities claiming to own property disclosing ownership of their headquarters and the residence of the party president. Although repeatedly requested, LDK has so far failed to provide the Audit Cell with the copy of the title documents for the property owned. Notwithstanding, regarding the ownership of LDK headquarters offices, UNMIK Department of Public Building Management officials consider these offices as part of a public Building: Qafa Gallery.

LDK headquarters disclosed the ownership of own four vehicles. In spite of that, the Kosovo vehicle registry has records for ten, registered under the name and address of the LDK Prishtinë/Priština (two of which are used by the President of Kosovo). The registry figures also coincide with the number of vehicles for which LDK pays fuel. Likewise, 14 municipal branches claim to own 18 vehicles. The vehicle registry only has records for four vehicles registered under the name of LDK outside of Prishtinë/Priština.

Along with LDK headquarters, 22 municipal branches declare ownership of office equipment.

The Audit Cell has accepted all the figures disclosed as assets by LDK, headquarters and municipal branches. It should be stressed, though, that the Audit Cell has reasonable doubts with regards to the ownership of the offices (for headquarters) as well as for the number of vehicles and their estimated value.

## LIABILITIES

LDK has reported liabilities for 57,254 €. The Audit Cell finds beyond reasonable doubt that the stated amount of liabilities is inaccurate. As will be highlighted subsequently in this section, accounts payable (liabilities) and/or income would have to be considerably increased to balance the LDK accounts.

## INCOME

Total income for the campaign period is claimed to be 198,959 €, of which 138,047 € comes from monetary donations, 58,702 € from membership fees and 1,210 € from in-kind contributions.

The majority of the amount disclosed as membership fees, 46,240 €, has been reported by the headquarters and comes from Diaspora. The LDK Diaspora status is somewhat unclear and gives grounds for confusion. Although deprived from membership rights, membership fees are regularly paid by these groups.

A significant part of the reported monetary donations, 53,733 €, have not been recorded in accordance with Electoral Rule 5/2002, as the source of the donation has not been identified. In addition, the money received from Diaspora groups should be recorded as donations to the party and not as membership fees. Income or accounts payable (liabilities) will have to be increased considerably to bring balance back into the LDK accounts. Therefore, the Audit Cell finds beyond reasonable doubts that the stated amount of income is inaccurate.

## EXPENSES

### a. Billboards

LDK headquarters claims expenses of 840 € for design and production of billboards, and rental of billboard stands. It is the view of the Audit Cell that LDK has underreported expenditure by 5,360 € on billboards. For its branches LDK claims to have spent 6,555 €. It is also believed that, in most cases, the claimed figures represent money spent on other printed material. By not providing the

required supporting documentation for its report, LDK has prevented the Audit Cell from rectifying the possible mistake.

b. Other printed materials/ Give-aways/ Production of TV and Radio Spots.

The Audit Cell accepts the disclosed figure of 40,334 €.

c. Newspaper advertisements

LDK claims to have spent 3,304 €. The Audit Cell agrees with LDK on what is reported by the branches regarding this item, but slightly disagrees with the figure for headquarters. According to the estimates made by the auditors, the final expenditure on newspaper advertisements would have been 915 €, rather than the stated amount of 534 €.

d. Rallies

LDK reports expenditure of 55,401 € (12,450 €/ headquarters and 42,951€/other municipalities) on rallies throughout Kosovo. From its headquarters the Audit Cell has received only a few receipts for artists, security and rent of venue. Most of these items are referred to the rallies held in Prishtinë/Priština 21 September and 24 September. As stated above, the Audit Cell has not received any supporting documentation whatsoever from the branches, and it is therefore rather difficult to make an accurate assessment without such information.

According to records from UNMIK POLICE, LDK held 277 rallies during the campaign period. Considering also the information provided by accredited observer organizations, these rallies were in general terms well attended and produced and with an adequate number of security and guards. In some cases, the observers reported that between 50 and 60 security personnel worked in rallies held by LDK.

The Audit Cell considers that the LDK has spent 257,645 € on rallies. Due to the lack of reliable information from LDK, standard calculations of cost of rallies have been used. It is therefore the view of the Audit Cell that LDK has underreported expenses and income of 202,244 € for the expenditure in its rallies.

e. Transportation

LDK claims to have spent 20,479 € on transportation during the campaign period for its 22 reported vehicles. Headquarters have reported expenditure of 3,985 € in fuel for 10 vehicles. In addition, 6,000 € have been reported as salaries for hired drivers. Some of the branches owning vehicles have not reported any cost of fuel nor drivers. Where information was incomplete, the Audit Cell has calculated the missing costs. In total, 12,640 € have been added for transportation.

f. Representation

LDK claims to have spent 33,784 € on representation costs.

For municipalities with blank forms and no submissions, a nominal figure for these kind of expenses has been added for the purpose of estimating LDK's total expense. In total, the estimated amount is 1,300 €.

g. Rent of meeting rooms

LDK has not reported any expenses for rent of meeting rooms. However, the Audit Cell has records of 11 press conferences and other meetings held by LDK throughout Kosovo during the campaign period. Subsequently, an expense of 2,200 € has been added for the purpose of estimating LDK's total expense.

#### h. Paid political observers

LDK claims to have spent 34,571 € on political observers. Not all of the municipalities have recorded expenditures, and the amount per observer obviously varies a lot. LDK has not provided the Audit Cell with any supporting documentation or evidence of the accuracy. The Audit Cell sees the work performed by the political observers as a benefit to the party, regardless of paid or not. LDK has accredited 3,417 observers. The value of LDK's political observers has therefore been calculated to be 68,340 €.

#### i. Overhead

LDK claims to have spent 36,466 € on overhead, of which 22,665 € is related to headquarters, and the remaining 13,801 € for the 28 branches. On average that would mean 493 € per branch.

LDK headquarters has reported employing 10 people, although wages are not reported. From the minutes of the party convention held this summer, the normal wage is 250 € per month. The auditors have added that for 1,5 months for 10 people. Headquarters has also reported 559 € spent on telephone bills for the campaign period. The Audit Cell, however estimates this figure to be more likely 4,000 €. No rent for head offices has been added, although there is some doubt as to whether LDK is the rightful owner of its headquarters.

Regarding LDK branches, only nine of them have only reported rent of office space. However, 24 branches claim to own office equipment. The Audit Cell considers that this equipment is usually kept inside an office. Hence, the auditors have added office rental for the remaining 19 branches for the purpose of estimating LDK's expenditures. LDK has reported 375 € in wages for 28 municipalities taking part in an election. The Audit Cell considers that a great number of people work in these offices, whether paid or unpaid, providing services for the party. In absence of figure from LDK, the auditors have estimated a total of 68,488 € for wages, telephone, utilities and other overhead.

From the report submitted by the headquarters the auditors have found that LDK has paid the electricity for a named person for 2,233 €. That person has not been found to be a member of the LDK presidency or having any other prominent position within the party. Even if he had it, this could be deemed as a breach of Section 5.5 of UNMIK Regulation 2002/8, "*A political party shall not distribute any income or assets as such to any person. The assets and income of a political party shall be used to support the political not-for-profit purposes of the political party and shall not be used to provide benefits, directly or indirectly, to any member of the political party, its executive body or donor of the political party. The present section does not preclude the payment of reasonable compensation to such persons for work performed for the political party*". LDK has also spent 1,700 € in aid to a not identified family.

LDK is not registered for Personal Income Tax for its employees, and therefore does not deduct any tax on the wages, neither for the administrative staff, the presidency or any other employees.

## CONCLUSION

It is the view of the Audit Cell that LDK has underreported expenditure by 326,381 €. Due to lack of supporting documentation provided by the entity, the Audit Cell cannot determine whether this



discrepancy is still owed, paid for or could be considered as in-kind contributions. Since LDK has stated its liabilities, the most likely alternatives are underreported income of money or of in-kind contributions. The mismatch between assets and liabilities/equity at the end of the reporting period is 321,406 €. The figure is deemed by the Audit Cell to be underreported income by the entity.

## 5.2 PDK

Financial contact person	Adem Zogijani
Elected candidates	283
Municipalities applied certification/certified	28/28

## FORMS AND SUPPORTING DOCUMENTATION SUBMITTED

For the second and final financial disclosure period, PDK has submitted Form 308 for its headquarters and 26 municipal branches. Reports for Kamenicë/ Kamenica and Dragash/ Dragaš municipal branches have not been submitted. Supporting documentation and copy of accounting book have not been submitted for headquarters. Partial documentation, though, has been submitted for some branches. PPS has filed a complaint against PDK for late submission of some branches and non submission for others.

## ASSETS

PDK claims assets worth of 162,672 € other than cash on hand, bank accounts and accounts receivable. The Audit Cell considers acceptable the figures stated by PDK as assets for its headquarters and municipal branches. It should be stressed, however, that the auditors have reasonable doubts with regard to the ownership of branch offices stated as property of PDK and for a number of vehicles including their value. According to the vehicle registry PDK only owns one vehicle, in Prizren. However, PDK campaign report discloses six vehicles.

## LIABILITIES

As of the end of the campaign period, PDK headquarters and eleven of its municipal branches have claimed total liabilities of 23,591 €. Either liabilities or income will have to be considerably increased to bring balance back in PDK accounts.

## INCOME

PDK has reported a total income of 126,700 €, of which 5,766 € have come from membership fees. The remaining 120,934 € have been disclosed as monetary donations (89,492 €) and in-kind contributions (31,442 €). The sources of the donators and contributors have been revealed, in compliance with the Electoral Rule 2002/5 (see Annex D). Income or liabilities will have to be increased considerably to bring balance back to the PDK accounts. The Audit Cell finds beyond reasonable doubt that the reported income is inaccurate.

## EXPENSES

### a. Billboards

PDK headquarter claims to have spent 530 € on design, production of billboards and rent of billboard stands. For its branches PDK claims to have spent 3,355 €. The Audit Cell considers as

acceptable the figures presented by PDK municipal branches. However, it is the view of the Audit Cell that PDK has underreported expenditure by 8,010 € on billboards for its headquarters.

#### b. Other printed material

For this item PDK claims to have spent 8,464 €. For the branches, the Audit Cell accepts the figures presented by PDK, but disagrees with the figures presented by the entity headquarters. By not providing the Audit Cell with supporting documentation, PDK has prevented the auditors from rectifying the possible mistake. It is the view of the Audit Cell that PDK has underreported expenditures by 8,098 € on other printed materials.

#### c. Rallies

PDK claims to have spent 21,512 €, 6,370 € by its headquarters and 15,142 € by different branches on rallies throughout Kosovo. As mentioned above, the Audit Cell has not received any supporting documentation whatsoever from the headquarters and it is therefore impossible to produce an accurate assessment out of the stated figures. Only a few receipts were submitted by some branches regarding artists and sound expenditures.

According to records from UNMIK POLICE, PDK held 298 rallies during the campaign period. Considering also the information provided by accredited observer organizations these rallies were in general terms well attended and presented and professionally produced and with an adequate number of security guards.

PDK rallies during the electoral campaign period were held at sport halls, stadiums, schools, private houses and outdoors. Rallies held at places other than private houses required special equipment like stages, sound systems (including microphones, loudspeakers, cables and sound mixers) and security guards. Moreover rent should have been paid or, if not, disclosed as an in-kind contribution.

The Audit Cell considers that the PDK has spent 167,746 € on rallies. Due to the lack of reliable information from PDK, the auditor's standard estimates of costs for rallies have been applied.

#### d. Transportation

PDK claims to have spent 19,038 € on transportation during the campaign period for its 6 reported vehicles. The number of vehicles used by the party was eleven. Many of the branches have stated cost of fuel without any cost for vehicles and drivers. When information was inaccurate, the auditors have calculated the missing cost. It is the view of the Audit Cell that PDK has underreported the cost of transportation during the electoral campaign in 26,904 €. The total cost of transportation should be, according to the auditors, 45,942 €.

#### e. Rent of meeting rooms

PDK has not reported any expenses for rent of meeting rooms. The Audit Cell has records, from different sources of information as described above, of 13 press conferences and other meetings held by PDK throughout Kosovo during the campaign period. None of them has been reported by PDK. The costs of such meetings have been estimated by the auditors to be 2,600 €.

#### f. Paid political observers

PDK claims to have spent 12,347 € on political observers. Not all of the municipalities have recorded any spending, and the amount per observer varies for each branch. The Audit Cell believes that the work of the political observers benefit the party, regardless of whether paid or not. PDK has accredited 2,782 observers. The auditors have set the value of the work made by the political observers at 55,640 €.

g. Overhead

PDK claims to have spent 42,672 € on overhead, of which 23,791 € belongs to headquarters, and the rest 18,880 € for the 26 branches. On average, that would mean 726 € per branch.

PDK headquarters has reported employing 29 people and spending 13,090 € for wages, in total for overhead 23,731 €. The Audit Cell considers that figures as acceptable.

Regarding PDK branches, only 13 branches have reported rent of offices. However, 28 branches claim to own office equipment. The Audit Cell believes this equipment is kept in an office. For this reason the Audit Cell has added office rent for the remaining 15 branches for the purpose of estimating total expenditure. PDK has reported 3,700 € in wages for 28 municipalities taking part in an election. The Audit Cell also strongly believes that a bigger number of people work in these offices, either paid or unpaid, but providing services for the party. In total the Audit Cell has added 18,880 €.

CONCLUSION

It is the view of the Audit Cell that PDK has underreported expenditure by 250,333 €. Due to lack of supporting documentation provided by the entity, the Audit Cell cannot determine whether this discrepancy is still owed, paid for or could be considered as in-kind contributions. Since PDK has stated its liabilities, the most likely alternatives are underreported income of money or of in-kind contributions. The mismatch between assets and liabilities/equity at the end of the reporting period is 292,393 €. The figure is deemed by the Audit Cell to be underreported income by the entity.

5.3 AAK

Financial contact person	Jahja Lluka
Elected candidates	77
Municipalities applied certification/certified	30/26

FORMS AND SUPPORTING DOCUMENTATION SUBMITTED

AAK submitted Form 308 for headquarters and 26 branches. Out of those 26 submitted branches, 15 were late, giving PPS ground to file a complaint with ECAC. The Audit Cell has received supporting documentation for the statements of the headquarters. No such documentation has been submitted though for many municipal branches. Although requested, a copy of the accounting books has not been submitted either.

ASSETS

AAK claims to own 30,685 € worth of office equipment. The ownership is shared between the headquarters and 19 of its branches. AAK has not reported ownership of any other assets.

In most AAK's reports, both from headquarters and branches, the figures submitted for the first reporting period differs from those of the second reporting period. For instance, in the financial disclosure statement covering the period 3 June-9 September, the AAK branch in Suhareka claimed to own a vehicle; however, in the second financial disclosure statement covering the period 10 September - 26 October the vehicle is not disclosed.

As of 17 November 2001 AAK claimed to own 198,300 DM (app. 100,000 €), of which 140,000 DM was assigned to vehicles. As of 26 October 2002 AAK does not claim to own any vehicle, which coincides with the information acquired from the vehicle registry.

The Audit Cell has accepted all the figures stated as assets by AAK, headquarters and branches as well. It should be noted, nevertheless, that it is highly likely that the office equipment reported as owned in the first financial disclosure statement is still owned in the second reporting period.

## LIABILITIES

11 municipal branches and headquarters have claimed to have liabilities for 14,720 €. The Audit Cell finds beyond reasonable doubts that the stated amount of liabilities is inaccurate. As mentioned below in this chapter, accounts payable (liabilities) or income would have to be considerably increased to balance the AAK accounts.

## INCOME

AAK has disclosed 79,921 € as income for the reporting period.

AAK claims monetary donations of 47,867 €, and in-kind contributions of 31,886 €. Membership fees of 168 € during the campaign period have also been included in the report. Sources of monetary donations as well as in-kind contributions have been reviewed and comply with Electoral Rule 5/2002.

Income or accounts payable (liabilities) will have to be increased considerably to bring balance back into the LDK accounts. Thus, the Audit Cell finds beyond reasonable doubts that the disclosed amount of income is inaccurate and underreported.

## EXPENSES

### a. Billboards and other printed materials.

AAK claims to have spent 11,220 € on billboards and other printed materials. Figures submitted by AAK have been reviewed by the Audit Cell to reflect market prices. The Audit Cell believes that AAK has printed much more than 4,000 posters, as claimed. The number has been increased to 20,000 posters.

### b. Give-Aways

AAK reports expenditure of 120 € on give-aways such as flags, pens, lighters, T-shirts, etc. The Audit Cell does not find the claimed figure to be a reasonable amount. The auditors have set the amount in 10,000 €.

### c. Production of TV- and radio spots

AAK claims to have spent 10,000 € on TV and radio spots. Among the submitted documentation AAK included an invoice for the production of two TV-spots. According to information from OMIK

Media Monitoring, AAK has aired 4 different TV-spots. The Audit Cell has therefore added the production cost of two more TV-spots to the figures submitted.

#### d. Newspaper advertisements

AAK claims to have spent 619 € on newspaper advertisements. According to OMIK Media Monitoring, AAK has inserted 13 newspaper advertisements. The total price, considering size, colour and number of advertisements, has been estimated in 3,125 €.

#### e. Rallies

AAK claims expenditure of 14,309 € (head quarters 745 and municipalities 13,564) on rallies throughout Kosovo. The supporting documentation from AAK has been scarce, or non-existing.

According to records from UNMIK POLICE, AAK held 114 rallies during the campaign period. The rallies were held at different locations, such as sport halls, cultural houses, schools, private houses and in open air. Rallies organized in places other than private houses required special equipment, like stages, sound system (incl. Microphones, loudspeakers, cables and sound mixers) or security guards. In addition, rent had to be paid or, if not paid regarded as an in-kind contribution.

The Audit Cell has received feedback from observers for a great number of AAK rallies, providing useful information to calculate the approximate cost of each rally.

As AAK has not submitted supporting documentation on this regard, alternative sources of information have been used to assess the expenses of the reported political rallies. Based on these sources, AAK total expenditure on rallies has been estimated in 58,092 €.

#### f. Transportation

AAK has disclosed 17,722 € in transportation costs during the campaign period, of which 3,780 are claimed for headquarters and 13,942 for the party branches.

Since AAK does not own any vehicles, all vehicles used must have been either rented or provided by members or supporters. For the entity it should be indifferent which way the vehicles have been provided in terms of accounting for costs since donated vehicles are considered as in-kind contributions. Moreover, the Audit Cell has set a fixed price for rent of light vehicles, irrespective of company or model, even when, in the case of AAK the use of three expensive Mercedes, owned by the president of the party, have been disclosed.

AAK headquarters claims three vehicles to be used during the campaign period, all petrol. However, among the receipts of fuel, we found receipts for petrol as well as diesel. Therefore, the Audit Cell believes that at least one diesel-powered vehicle must have been used. Likewise AAK must have had drivers for these vehicles, although this was not reported by the entity.

For 9 of the branches AAK has claimed fuel only. To have a successful consumption of this fuel they would also require vehicles and drivers. The Audit Cell has included vehicle rent and driver salaries.

For branches submitting blank forms, vehicle, fuel and a driver at a fixed conservative level have been added. Based on figures submitted, supporting documentation and information about other activities, the Audit Cell estimated that AAK has spent a total of 59,167 € on transportation.

#### g. Representation

AAK has reported 5,330 € on receptions, events and dinners. The Audit Cell considers acceptable the figures submitted by AAK, apart from branches with basically blank forms, where a minimum figure for food and drinks have been included.

#### h. Rent of meeting rooms

AAK claims to have spent 100 € for rent of meeting rooms throughout Kosovo for the 45 days campaign period. Nevertheless, according to OMIK Media Monitoring reports, AAK has held 12 different meetings and press conferences during the campaign period. Due to lack of supporting documentation, the cost of each of these events has been estimated in 200 € per meeting, making a total of 2,400 €.

#### i. Paid political observers.

AAK claims having spent 400 € on electoral observers. It has been assumed that electoral observers produce benefit to the party, regardless whether paid or not. On average, the Audit Cell considers that each electoral observer spend two normal working days (at 8 hours). The value has been set at 20 €. AAK accredited 933 observers. Thus, the value of political observers is calculated to be 18,660 €.

#### j. Overhead

AAK claims to have spent 23,122 € on overhead expenses during the campaign period. AAK also claims no rent expenditure for its offices or headquarters on Mother Theresa Street. It has a lease agreement with the Pejë Institute (Ministry of Agriculture), which includes a clause of payment. Such payment (rent) has been estimated to be 1,200 €.

AAK claims to own office equipment for 19 of its branches. For some of these branches AAK has produced lease agreements. Nevertheless, for many of them rent has not been disclosed. The Audit Cell strongly believes that if the branch owns office equipment, there must also be an office, paid or disclosed as in-kind contribution. Rent of offices has also been added for those branches where activity has been performed but blank forms have been submitted.

AAK headquarters has reported in-kind contributions from 8 employees. Among them there is only one bodyguard. The Audit Cell has added two bodyguards and eight security guards, for the purpose of estimating expenditure due to lack of accurate information from the party.

It is assumed that political entities “employ” people (paid or unpaid) during an electoral campaign. For each branch there is at least one person employed. Telephone bills (not only in the office but also for the private use of members and supporters for the benefit of the entity), utilities and office material have also been added. Apart from what has been disclosed by AAK, the Audit Cell deems that this party has also spent 49,021 € for manpower, rent of offices, telephone, utilities etc.

AAK is not registered with the tax authorities for Personal Income Tax for employees. AAK claims not to pay its employees, although it should be reflected on the disclosure report as in-kind contributions for the entity.

## CONCLUSION

It is the view of the Audit Cell that AAK has underreported expenditure by 180,348 €. Due to lack of supporting documentation provided by the entity, the Audit Cell cannot determine whether this discrepancy is still owed, paid for or could be considered as in-kind contributions. Since AAK has

stated its liabilities, the most likely alternatives are underreported income of money or of in-kind contributions. The mismatch between assets and liabilities/equity at the end of the reporting period is 179,674 €. The figure is deemed by the Audit Cell to be underreported income by the entity.

#### 5.4 KP

Financial contact person	Mirjana Rajević
Elected candidates	24
Municipalities applied certification/certified	27/23

#### FORMS AND SUPPORTING DOCUMENTATION SUBMITTED

KP has submitted financial disclosure forms for seven of its 23 municipal branches. Form 308 for its headquarters has not been submitted either. Political Party Services filed a complaint against KP with ECAC for late and incomplete submission. In response to the ECAC request for additional information, KP submitted forms and documentation for the rest of the 16 branches but not for its headquarters. A meeting was held with the financial contact person, where this entity produced new figures, including its headquarters. KP provided no supporting documentation other than the cost of printed brochures in Štrepce/Shtërpçë.

#### ASSETS

KP has not disclosed any assets. This citizens' initiative claimed to have used commodities (i.e. phones, computers, cars and office places) of KP members, donors and contributors. The Audit Cell has no information on the contrary.

The Audit Cell wants to stress that accounts payable (liabilities) or income would have to be considerably increased in order to bring balance back into KP accounts. Therefore, the disclosed liabilities by KP is inaccurate.

#### LIABILITIES

KP has stated no debts for the campaign period.

#### INCOME

KP has disclosed 890 € of monetary donations and 16,023 € of in-kind contributions. However, KP has not identified most of its in-kind contributors. According to the KP finance contact person, the reason for such non-compliance is those people did not want their names to be mentioned. Instead of mentioning those in-kind contributors' names, KP financial contact person has included '*volunteer work done*' or '*volunteer service received*' in the financial disclosure forms. This behavior is clearly not in compliance with the Electoral Rule 5/2002 Section 3.

#### EXPENSES

According to the auditor's estimations, KP's expenditure was greater than what was reported. After the above-mentioned meeting held on 20<sup>th</sup> November 2002, new figures were submitted. Among them, expenses. In the updated submission KP stated to have spent 16,913 €.

a. Production of TV/Radio spots.

The Audit Cell has not received any information regarding the possible TV spots, radio spots and newspaper advertisements during the campaign period. The auditors also traveled to Serbia main and Montenegro to monitor any campaign-related activity of Serbian political entities. Neither posters nor billboards nor any other campaign-related event organized by KP were seen.

**b. Other Printed Material**

KP reports 120 € for the print of brochures in Štrepce/Shtërpçë and 20 € for the work force used to disseminate those materials. The audit considers these figures as acceptable.

**c. Rallies**

KP claims no expenditure for rallies. This is in line with the information received from UNMIK POLICE on political activity during the electoral campaign.

**d. Paid Political Observers**

KP claimed no expenditure for their observers during Election Day. However, KP accredited 38 observers and the cost of those observers has not been stated in the financial disclosure forms. The Audit Cell has set the average cost for in 20 €. During the meeting held with KP financial contact person, she admitted to have spent 600 € for observers.

**e. Overhead**

Although KP initially did not report any overhead expenses, in the second submission the entity acknowledged spending 11,020 €.

**CONCLUSION**

According to the initial report submitted by KP, the Audit Cell considered that campaign expenditure had been underreported, and set the real expenses in 18,494 €. KP has resubmitted its final financial disclosure forms for all municipal branches and has stated a total cost of 16,913 €.

The final submission of KP financial disclosure shows us that there were no significant difference between KP final statement and the Audit Cell findings. On the other hand, KP has failed to provide supporting documentation for its expenditures since all of them have been financed by members or donors in terms of monetary donations and in-kind contributions. KP has also failed to submit figures for its HQ, which is in Belgrade.

**5.5 DSS**

Financial contact person	Nebojša Minić
Elected candidates	27
Municipalities applied certification/certified	14/13

**FORMS AND SUPPORTING DOCUMENTATION SUBMITTED**

For the second and final financial disclosure period, DSS submitted Form 308 for the 13 municipalities for which it was taking part on Election. However, the party failed to submit



supporting documentation and copy of its accounting books. For this reason, a complaint against DSS was filed with the ECAC.

#### ASSETS

DSS has disclosed assets totaling 8,818 €.

#### LIABILITIES

As of the end of the campaign period, DSS has reported a benefit of 5,840 €. Notwithstanding this disclosure the Audit Cell findings indicates that the party owes 360 € instead.

#### INCOME

DSS has claimed no income in its report.

#### EXPENSES

Based on the information submitted (none), DSS have not claimed have spent any money during the electoral campaign. The Audit Cells finds this circumstance controversial; according to its findings, the total expenditure would have been 13,200 €, of which only the office expenditures would be 7,800 €.

#### CONCLUSION

By the incomplete submission of its report, the Audit Cell considers that DSS has not reported expenditure for 13,200 €.

### 5.6 KDTP

Financial contact person	Ercan Şpat
Elected candidates	5
Municipalities applied certification/certified	5/4

#### FORMS AND SUPPORTING DOCUMENTATION SUBMITTED

For the second and final financial disclosure period, KDTP has submitted Form 308 for its headquarters and four branches, including supporting documentation for all its expenditures by the deadline.

#### ASSETS

KDTP has disclosed in its report to own 5,150 € worth office equipment.

#### LIABILITIES

As of the end of the electoral campaign KDTP has not claimed any liabilities. The Audit Cell wants to stress that accounts payable (liabilities) or income would have to be increased considerably in order to bring balance back into KDTP accounts. Therefore, the liabilities disclosed by KDTP are inaccurate. It is the view of the Audit Cell that KDTP has underreported its liabilities.

## INCOME

KDTP's total reported income for the campaign period was 7,890 €, of which 6,020 € come from monetary donations, 670 € from in-kind contributions and 1,200 € from membership fees. The Audit Cell wants to stress that accounts payable (liabilities) or income would have to be considerably increased in order to bring balance back into KDTP accounts. Therefore, the disclosed income by KDTP is deemed inaccurate. Although the figures disclosed as donations or in-kind contribution seem to be reliable, it is the view of the Audit Cell that KDTP has underreported its income.

## EXPENSES

KDTP states a total expenditure of 12,470 € during the campaign period. The Audit Cell has estimated a expenditure of 13,173 €.

## CONCLUSION

It is the view of the Audit Cell that KDTP has underreported its campaign expenses in 702 €.

## 5.7 VATAN

Financial contact person	Fahrudin Medjedović
Elected candidates	7
Municipalities applied certification/certified	8/8

## FORMS AND SUPPORTING DOCUMENTATION SUBMITTED.

For the second and final financial disclosure period, VATAN has submitted Form 308 for its headquarters and eight branches by the deadline. The Audit Cell has received supporting documentation for the statements and a copy of the accounting books.

## ASSETS

By the end of the campaign period VATAN claims to own 1,250 € worth of assets, other than cash on hand. The Audit Cell has accepted all the figures stated as assets by VATAN.

## LIABILITIES

As of the end of the campaign period, VATAN reports liabilities of 840 €. The Audit Cell finds beyond reasonable doubts that the stated amount of liabilities is inaccurate. As mentioned in this report, accounts payable (liabilities) or income would have to be considerably increased to balance the VATAN accounts.

## INCOME

VATAN has disclosed 265 € total income for the reporting period. Income or accounts payable (liabilities) would have to be increased considerably to bring balance back into the VATAN accounts. The Audit Cell therefore finds beyond reasonable doubt that the stated amount of income is inaccurate.

## EXPENSES

### a. Billboards and other printed materials

VATAN claims to have spent 175 € on other printed material. The Audit Cell does not find the figure stated by VATAN to be plausible, taking into account that the coalition has run for election in 8 municipalities. The Audit Cell has estimated a reasonable figure to be at least 1,000 €.

### b. Give-aways

VATAN claims to have spent 495 € in give-aways. The Audit Cell finds such expenditure acceptable.

### c. Production of TV/Radio spots

VATAN claims to have spent 20 € on TV- and radio spots. According to the Audit Cell records, VATAN has aired just one TV-spot. The cost of that spot is estimated to be between 500 – 1,000 €. Therefore 750 € has been added to the figure stated by the coalition.

### d. Rallies

VATAN claims expenditure of 650 € on rallies.

According to records from UNMIK POLICE, VATAN held 11 rallies during the campaign period. The rallies were held at different locations, such as a sport hall, cultural center, theatre, and in open air. Rallies organized in these places require special equipment, like sound system (including microphones, loudspeakers, cables and sound mixers) and security guards. In addition, rent had to be paid and, if not paid it should have been regarded as an in-kind contribution.

The Audit Cell has received feedback from observers of rallies, providing useful information to calculate the approximate cost of each rally. Supporting documentation was submitted by VATAN for some of the rallies but not for all of them.

Based on the information received from the entity, observer organisation reports, and market prices, the Audit Cell has estimated that VATAN spent 2,640 € on rallies.

### e. Transportation

VATAN has disclosed 100 € as total cost of transportation during the campaign period. Considering that VATAN has run in 8 different municipalities and having reported ownership of only one vehicle (Pejë/Pec Branch), 100 € as total transportation cost is likely not to be accurate. The Audit Cell has added a minimal amount of fuel, rent of vehicle and a driver for each of the other branches. The added figure is 3,770 €.

### f. Representation

VATAN claims to have spent 17 € on receptions, events and dinners. It is the view of the Audit Cell that the stated figure is not reasonable. Therefore, the auditors have added 150 for the each of the remaining branches, of which several have been reported with blank forms (no expenditure).

### g. Overhead

VATAN has reported 35 € as overhead expenses during the campaign period. The coalition claims to own office equipment for four of its branches. Usually office equipment stays in an office, and the office has a price, either paid or considered as an in-kind contribution. We also believe that members of the coalition performed some work for the benefit of the entity during the campaign period, and have had some kind of communication among them. For these reasons the Audit Cell has added estimated expenditure for rental of offices, wages and telephone bills for all branches. VATAN is estimated to have spent 9,750 € on overhead, whether in cost or in kind, for its campaign period.

## CONCLUSION

It is the view of the Audit Cell that VATAN has underreported expenditure by 18,083 €. Due to lack of supporting documentation provided by the entity, the Audit Cell cannot determine whether this discrepancy is still owed, paid for or could be considered as in-kind contributions. Since VATAN has stated its liabilities, the most likely alternatives are underreported income of money or of in-kind contributions. The mismatch between assets and liabilities/equity at the end of the reporting period is 18,083 €. The figure is deemed by the Audit Cell to be underreported income by the entity.

## 5.8 PReK

Financial contact person	Skender Kada
Elected candidates	3
Municipalities applied certification/certified	9/7

## FORMS AND SUPPORTING DOCUMENTATION SUBMITTED

PReK has submitted Form 308 for headquarters and 7 municipal branches within the deadline. The Audit Cell has not received supporting documentation for the statements or copy of the accounting books. A complaint has been filed with the ECAC.

## ASSETS

In the final financial disclosure report PReK claims to own 10,863 € worth of office equipment, all of them in headquarters. The Audit Cell has accepted all the figures stated as assets by PReK.

## LIABILITIES

As of end of the campaign period, PReK does not claim any liabilities. The Audit Cell finds beyond reasonable doubts that the stated amount of liabilities is inaccurate. As mentioned below in this chapter, accounts payable (liabilities) or income would have to be considerably increased to balance the PReK accounts.

## INCOME

PReK has reported a total income for the campaign period of 54,500 €. All this income would stem from monetary donations. Although the sources of stated monetary donations have been revealed, income or accounts payable (liabilities) will have to be increased considerably to bring balance back into the PReK accounts. The Audit Cell therefore finds beyond reasonable doubts that the stated amount of income is inaccurate and underreported

## EXPENSES

### a. Billboards, other printed material and give-aways.

PReK claims to have spent 21,811 € on these three items, a figure that has been accepted by the Audit Cell.

### b. Production of TV- and radio spots

PReK claims to have spent 13,050 € on TV- and radio spots. The Audit Cell considers this figure submitted as reasonable.

### c. Newspaper advertisements

PReK reports expenditure of 3,956 € on newspaper advertisements. The Audit Cell accepts the figures submitted as reasonable.

### d. Rallies

PReK has disclosed expenditure of 515 € on rallies throughout Kosovo.

The Audit Cell would have preferred to make its estimates based on supporting documentation submitted by the entity itself, but like many of the other political entities PReK did not submit such information.

According to records from UNMIK POLICE, PReK held 8 rallies during the campaign period. The rallies were held at different locations, such as sport hall, cinema, cultural houses, party offices, private houses and in open air. Rallies organized in places other than private houses require special equipment such as stages, sound system (including microphones, loudspeakers, cables and sound mixers) and security guards. In addition, rental expenses whether paid or not, has to be regarded as an in-kind contribution.

Based on the information we have received from observers and market prices, the auditors consider that PReK has spent a total amount of 10,944 € on rallies.

### e. Transportation

PReK has claimed 1,478 € to be the cost of transportation during the campaign period. Since PReK does not own any vehicles, all vehicles used should have been either rented or provided by members or supporters. For the purposes of calculating expenditure it should be indifferent which way the vehicles have been provided. The Audit Cell has therefore assigned a conservative price for rental of small vehicles.

Taking into account the activities undertaken by PReK during the campaign period, the Audit Cell finds it questionable that PReK has not claimed any cost of transportation for its headquarters. The auditors have also included costs of fuel, vehicles and drivers. For most of the branches PReK claims to have spent money on fuel only. To have a successful consumption of this fuel its required to have or at least use vehicles and employ drivers. The Audit Cell has thus added expenditures for the use of vehicles and drivers.

The Audit Cell believes that PReK has spent 16,493 € on transportation during the campaign period.

f. Representation

PReK claims to have spent 3,237 € on receptions, events and dinners. The Audit Cell finds the figures submitted by PReK to be acceptable.

g. Rent of meeting rooms

PReK claims to have spent 50 € for rent of meeting rooms throughout Kosovo during the 45-day campaign period. According to the Media Monitoring Reports, PReK has held 4 different meetings and press conferences during the campaign period. Due to lack of supporting documentation, we have added 200 € for each meeting, and a total of 800 €.

h. Paid political observers

PReK claims having paid political observers 3,051 €. The Audit Cell considers that figure to be reasonably accurate.

i. Other cost related to the campaign activity

PReK claims to have spent 593 € on this regard, and the Audit Cell accept this figure.

j. Overhead

PReK reported expenditure of 6,044 € on overhead expenses during the campaign period. The party claims to pay rent of premises for its headquarters and most of its branches. According to the party report, no work is being performed in the offices even when telephone bills are paid. The Audit Cell has thus added estimated expenditures for employees to headquarters as well as branches. Cost of telephone bills and other utilities have been reviewed and raised as well.

CONCLUSION

It is the view of the Audit Cell that PReK has underreported expenditure by approximately 40,000 €. Due to lack of supporting documentation provided by the entity, the Audit Cell cannot determine whether this discrepancy is still owed, paid for or could be considered as in-kind contributions. Since PReK has stated its liabilities, the most likely alternatives are underreported income of money or of in-kind contributions. The mismatch between assets and liabilities/equity at the end of the reporting period is 40,229 €. The figure is deemed by the Audit Cell to be underreported income by the entity.

**5.9 IRDK**

Financial contact person	Kapllan Kershi
Elected candidates	4
Municipalities applied certification/certified	8/7

FORMS AND SUPPORTING DOCUMENTATION SUBMITTED

For the second and final financial disclosure period, IRDK submitted Form 308 for the seven municipalities where it was taking part in the Election. However, the party failed to submit

supporting documentation and copy of its accounting books. For this reason, a complaint against IRDK was filed with the ECAC.

#### ASSETS

IRDK has not disclosed any assets in its report.

#### LIABILITIES

According to the report, the party obtained 3,450€. The Audit Cell estimates liabilities, according to its findings, to be -6,653 €.

#### INCOME

IRDK has claimed 3,650 € as total income of which, 3,330 € comes from donations above 100 € and 350 € from donations under 100 €, during the campaign period.

#### EXPENSES

IRDK has claimed a total expenditure of 3,550 €. However, according to the findings made by the Audit Cell the reported expenditure should be 11,828 €. The main reasons for this mismatch would be the production of TV/Radio spots (2,850 € worth mismatch) and office and workforce costs (3,600 € worth mismatch).

#### CONCLUSION

The Audit Cell considers that IRDK has underreported a total of 8,278 € spent during the campaign period.

### 5.10 SNV

Financial contact person	Miodrag Ralić
Elected candidates	24
Municipalities applied certification/certified	3/3

#### FORMS AND SUPPORTING DOCUMENTATION SUBMITTED

For the second and final financial disclosure period, SNV has submitted Form 308 for its headquarters and the 3 municipal branches in which it took part in the election.

#### ASSETS

SNV reported assets for 1,460 €, mainly office equipment. The Audit Cell deems the value of the reported assets as acceptable.

#### LIABILITIES

No liabilities have been reported for the campaign period. The Audit Cell wants to stress that accounts payable (liabilities) or income should have to be considerably increased in order to bring balance back into SNV accounts. Therefore, the liabilities disclosed by SNV are inaccurate.

## INCOME

SNV has disclosed 7,500 € as income during the campaign period. It is the view of the Audit Cell that the stated figure must be taken as inaccurate. The Audit Cell wants to stress that accounts payable (liabilities) or income would have to be considerably increased in order to bring balance back into SNV accounts. Therefore, the income disclosed by SNV is deemed inaccurate.

## EXPENSES

SNV reported to have spent a total of 2,722 € for the electoral campaign. It is the view of the Audit Cell that the stated figure must be deemed as inaccurate. According to estimations made by the auditors, SNV total expenditure would have been 6,544 €.

## CONCLUSION

It is the view of the Audit Cell that SNV has underreported its campaign expenses by 3,821 €.

### 5.11 LKÇK

Financial contact person	Fadil Fazliu
Elected candidates	0
Municipalities applied certification/certified	20 / 18

## FORMS AND SUPPORTING DOCUMENTATION SUBMITTED

For the second and final financial disclosure period, LKÇK has submitted Form 308 for its headquarters and 17 branches by the deadline. For 10 of its branches, LKÇK has submitted blank forms. The remaining 7 branches are claimed to have only office equipment, no income and no expenses. The Audit Cell has received supporting documentation for stated income and expenses for headquarters.

## ASSETS

LKÇK reports to own 5,020 € worth of office equipment and other equipment for headquarters and 7 branches. The Audit Cell has accepted all the figures stated as assets by LKÇK.

## LIABILITIES

As of the end of the campaign period, LKÇK does not claim any liabilities. The Audit Cell finds beyond reasonable doubts that the stated amount of liabilities is inaccurate. Accounts payable (liabilities) or income would have to be considerably increased to bring balance back to the LKÇK accounts.

## INCOME

LKÇK has reported 13,132 € total income, all coming from monetary donations. The identity of the donors has been revealed in compliance with the Electoral Rule 5/2002. The Audit Cell finds beyond reasonable doubt that the stated amount of income is inaccurate and not sufficient to cover LKÇK's estimated expenditures.



## EXPENSES

### a. Other printed material and give-aways.

LKÇK claims to have spent 1,702 € on such materials. The Audit Cell considers the figures submitted by LKÇK as acceptable.

### b. Rallies

LKÇK discloses expenditure of 1,725 € on rallies.

According to records from UNMIK POLICE, LKÇK held 9 rallies during the campaign period. The rallies were held at different locations, such as sport hall, cinema, cultural centre and hotel. Rallies organised in such places require special equipment, like stages, sound system (including microphones, loudspeakers, cables and sound mixers) and security guards. In addition, rent for those venues had to be paid or, if not, regarded as an in-kind contribution.

The Audit Cell has received feedback from certified observer organisations on some of LKÇK rallies, providing useful information to calculate the approximate cost of each rally. The Audit Cell would have preferred to make its estimates based on supporting documentation submitted by the entity itself, but like many of the other political entities such information was not submitted by LKÇK, other than to a very limited extent.

Based on the information we have received from observers, and market prices, the Audit Cell considers that LKÇK has spent 2,675 € on rallies.

### c. Transportation

LKÇK has claimed 4,800 € (of which 300 € has been switched to overhead as fuel for the generator) to be the cost of transportation, for which only fuel expenditure during the campaign period has been disclosed.

LKÇK does not claim ownership of any vehicles. The fuel purchased must therefore have been used in vehicles rented or provided by members/supporters. The vehicles also require drivers. For the purposes of the audit it is indifferent how the vehicles have been provided. The Audit Cell has applied, as done with other entities, a conservative price for rent of light vehicles.

Taking into account the activities undertaken by LKÇK during the campaign period, the Audit Cell does not find reliable that LKÇK has not claimed any cost of transportation for its 18 branches. The Audit Cell has added cost of fuel, vehicles and driver for the branches and vehicles and drivers for headquarters. The amount added by the Audit Cell in lieu of information provided by the entity is 18,990 €.

### d. Representation

LKÇK has disclosed 1,330 € on receptions, events and dinners for headquarters. The Audit Cell has accepted the figures submitted by LKÇK for headquarters, but has added 1,800 € for the 18 branches, no expenses from representation have been disclosed for the municipal branch offices.

### e. Rent of meeting rooms

LKÇK does not claim any cost for rent of meeting rooms. According to OMIK Media Monitoring Reports, LKÇK has held two meetings during the campaign period. Those meetings had an element of cost, irrespective of being defined as monetary expenditure or in-kind contribution. Due to lack of supporting documentation, the Audit Cell has added 200 € for each meeting, which makes a total of 400 €.

f. Paid political observers

LKÇK claims not to have paid their political observers. The Audit Cell considers the work performed by the political observers must be considered as a benefit to the party, regardless of having been paid or not. On average, it has been assumed that a political observer devoted two normal working days (at 8 hours) to the entity. The value is set in 20 €. LKÇK has accredited 32 observers. Therefore, the value is estimated to be 640 €.

g. Overhead

LKÇK has not claimed any cost of overhead other than the 4,800 € moved from transportation (as fuel for the generator).

LKÇK has not reported any ownership, rent payment or free of charge use for its headquarters in Prishtinë/Priština. Taking into account the dimension of such venue (app. 400 m<sup>2</sup>), the location in central Prishtinë/Priština and the time frame (the electoral campaign period), the Audit Cell has calculated the rent to be 1,200 € for the app. 400 m<sup>2</sup>. As previously stated, LKÇK has claimed ownership of office equipment for seven branches. The equipment is believed to stand, whether used or not, in an office for each one of the branches. Employees have also been added to the branches by the Audit Cell, as well as cost of telephone and other utilities, in the absence of supporting documentation by the LKÇK

In total the Audit Cell has assessed the overhead cost of LKÇK to be 16,600 €.

CONCLUSION

It is the view of the Audit Cell that LKÇK has underreported campaign expenses by 40,580 €.

From the submitted information it is not possible to determine if the mismatch of 40,580 € between the figure calculated by the Audit Cell and the figure submitted by LKÇK, is still owed, paid or could be considered as an in-kind contribution. The most likely alternative is to consider it as underreported income from monetary donations or in-kind contributions. Income has been underreported in 45,000 €.

**5.12 Riza Lluka (*Independent Candidate*)**

Financial contact person	Nazmi Gegiqi
Elected candidates	1
Municipalities applied certification/certified	1

FORMS AND SUPPORTING DOCUMENTATION SUBMITTED

For the second and final financial disclosure period, Mr. Lluka submitted Form 308 but did not include supporting documentation and copy of accounting books. Due to this non-compliance, a

complaint against this candidate was filed with the ECAC. As a result of filing this complaint, Mr. Lluka submitted bills and invoices and a list of donors and contributors to his campaign.

## ASSETS

Mr. Lluka has disclosed assets for 202,940 €. Notwithstanding, it must be underlined that 190,000 € of that amount correspond to property owned by the candidate.

## LIABILITIES

The report presents 204,345 € as equity and liabilities, a figure which is considered reasonable by the auditors.

## INCOME

Mr. Lluka declares to have received 4,600 € as income from donations. Of this amount, 3,450 € in donations are described as in-kind contributions.

## EXPENSES

The independent candidate has disclosed a total expenditure of 6,695 €. The Audit Cell, based on its estimations, set the Mr. Lluka's expenditure in 9,145 €. The main reason of this mismatch is the difference between the reported price to produce of his TV and Radio spots and the market price of such production.

## CONCLUSION

The Audit Cell considers that Mr. Lluka has underreported a total of 2,450 € spent during the campaign period.

### 5.13 Entities with elected candidates, but not analyzed in detail

#### Political entity name/acronym

	Income		Expenditure	
	statement	findings	statement	findings
BDIKHB	€ 239	€ 934	€ 1,029	€ 1,529
BK	€ 6,464	€ 16,025	€ 12,321	€ 16,003
BSDAK	€ -	€ 1,500	€ 400	€ 1,500
DPP	€ 2,850	€ 2,850	€ 2,600	€ 3,054
DŽZ	€ -	€ 1,890	€ 950	€ 2,840
GIG	€ 130	€ 1,416	€ 212	€ 1,452
GIK	€ -	€ 495	€ 240	€ 735
GIPP	€ 1,500	€ 1,500	€ 1,300	€ 1,500
GISK	€ -	€ 465	€ -	€ 665
GIZ	€ 1,000	€ 1,000	€ 300	€ 1,050
IQFK	€ 30	€ 1,000	€ 30	€ 1,000
IQV	€ 600	€ 1,990	€ 750	€ 1,990
KOS	€ -	€ 17,295	€ 5,435	€ 14,965
LPK	€ 18,158	€ 63,210	€ 21,871	€ 68,546
LZKUS	€ -	€ -	€ 1,450	€ 2,298
OPSTANAK	€ -	€ 1,028	€ 547	€ 1,028
OSA	€ 600	€ 600	€ 1,370	€ 2,318
OSPS	€ 46,400	€ 49,300	€ 35,600	€ 36,600
PD	€ -	€ 34,743	€ 5,800	€ 31,143
PDAK	€ -	€ -	€ 15,920	€ 20,900
PKM	€ 200	€ 8,020	€ 2,000	€ 9,820
PLK	€ 7,561	€ 30,179	€ 10,879	€ 31,049
PSHDK	€ 3,600	€ 22,547	€ 4,515	€ 23,227
SD	€ 653	€ 5,168	€ 665	€ 6,424
SDP	€ 500	€ 5,660	€ 2,500	€ 7,660
SPO	€ -	€ 3,000	€ -	€ 3,000
SSŽ	€ 4,300	€ 6,275	€ 4,300	€ 6,275
UDGJ	€ 700	€ 2,937	€ 400	€ 3,337
Veselin Radovic	€ -	€ -	€ 470	€ 720

### 5.14 Entities without elected candidates and not analyzed in detail

Political entity name/acronym				
	Income		Expenditure	
	statement	findings	statement	findings
Abduljhadu Cufta	€ -	€ -	€ 1,523	€ 1,523
BKDSH	€ 1,180	€ 1,180	€ 2,653	€ 3,503
BZ	€ -	€ -	€ 370	€ 370
Fadil Salihu	€ -	€ -	€ 330	€ 330
GI Gorazdevac	€ -	€ -	€ -	€ -
HZJ	€ -	€ -	€ -	€ -
IQK	€ -	€ -	€ 48,000	€ 48,000
IQL	€ 2,950	€ 2,950	€ 2,181	€ 2,181
IQRK	€ 3,600	€ 3,600	€ 4,570	€ 4,570
KO	€ 460	€ 1,548	€ 1,550	€ 1,550
Miroslav Radosavljevic	€ -	€ -	€ 220	€ 220
NPP	€ -	€ -	€ 50	€ 50
Obrad Tijanic	€ -	€ -	€ -	€ -
PDASHK	€ 600	€ 8,196	€ 600	€ 8,196
PGJK	€ 450	€ 2,110	€ 1,393	€ 3,963
PNDSH	€ -	€ 4,000	€ -	€ 4,000
PREBK	€ -	€ 1,050	€ 2,760	€ 4,760
PRSH	€ -	€ 1,300	€ 485	€ 1,485
PSDK	€ 11,430	€ 22,425	€ 17,210	€ 18,818
Radovan Costic	€ -	€ -	€ 360	€ 360
Rame Dreshaj	€ 300	€ 300	€ 14,950	€ 14,950
SPAS	€ 400	€ 530	€ 400	€ 400
Stojan Perovic	€ -	€ 1,950	€ 3,530	€ 3,530
UNIKOMB	€ -	€ 9,035	€ 65	€ 9,035
Zoran Cirkovic	€ -	€ -	€ -	€ -
Zoran Spasic	€ -	€ -	€ 400	€ 400

## 6. Annex A Terms and Definitions

**Assets** refers to all cash on hand, all bank deposits, the value of property owned, the value of businesses owned, the value of cars owned and any other item owned.

**Liabilities** refers to any amount of money the political entity is obliged to pay for goods delivered or services rendered, but not yet paid.

**Equity** refers to the difference between assets and liabilities as defined above.

**Balance sheet** refers to the political entities' financial disclosure of assets, liabilities and equity as defined above.

**Income** refers to any amount of money received as membership fee or dues; contributions from abroad by individuals, businesses or organisations of any kind; contributions from individuals, businesses, or organisations of any kind; donations; the value of contributions in the form of goods and services (in-kind contributions) and any payment, as defined in section 1g) of Electoral Rule 5/2002, to the political entity.

**Expenditure** refers to any payment (as defined in section 1h) of the Electoral Rule 5/2002) made by a political entity for goods or purchase of goods, materials, labour, services whether tangible or intangible, made for the purpose of influencing an election, regardless of whether incurred in support of a specific candidate or political entity. Examples of expenditures include, but are not limited to: the cost of print media advertisements; the production of broadcast spots; campaign materials, including pamphlets, posters, and buttons; and display advertisements, including billboards and their production. Expenditure is made on the date the payment or the purchase is made or on the date the goods, materials, labour, or services are provided, whichever is earlier.

**Campaign spending limit** is set at 660,000 Euro by the Central Election Commission

**7. Annex B Submission of second financial disclosure report**

**8. Annex C Balance sheet and profit & loss account**

**9. Annex D Registry of monetary donations and in-kind contributions for 1<sup>st</sup> and 2<sup>nd</sup> submission period**