

**Balkan Investigative Reporting Network
(BIRN-Kosovo)**

INDEPENDENT AUDITORS' REPORT

AND

STATEMENT OF SOURCES AND USES OF FUNDS

For the year ended December 31, 2007 and for the period from
September 1, 2006 to December 31, 2006



INDEPENDENT AUDITORS' REPORT

To the management of the Balkan Investigative Reporting Network (BIRN-Kosovo)

We have audited the accompanying Statements of sources and uses of funds and a summary of significant accounting policies and other explanatory notes (the "Statement") of the Balkan Investigative Reporting Network ("BIRN") for the year ended December 31, 2007 and for the period from September 1, 2006 to December 31, 2006.

Management's Responsibility for the Statement

Management of BIRN is responsible for the preparation and fair presentation of the Statement in accordance with the cash receipts and disbursements basis of accounting as described in note 2 to the Statement. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Statement.

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

Unqualified opinion

In our opinion, the accompanying Statement presents fairly, in all material respects, the revenue collected and expenses paid by BIRN for the year ended December 31, 2007 and for the period from September 1, 2006 to December 31, 2006 in accordance with the cash receipts and disbursements basis of accounting as described in note 2 to the Statement.

Emphasis of matter

As described in Note 2.3 to the Statement, during the year 2006 BIRN changed its financial reporting period from August 31 to December 31 in accordance with a decision of BIRN's management. Management has decided to present in the Statement, financial information for the current reporting year from January 1, 2007 to December 31, 2007. The prior period financial information presented in the Statement is for the four months period ended December 31, 2006. Therefore, the information presented in the Statement is not comparable.

Deloitte Kosova sh.p.k
Prishtina, Kosovo
June 15, 2008

Balkan Investigative Reporting Network (BIRN-Kosovo).

Statement of sources and uses of funds for the year ended December 31, 2007 and for the period from September 1, 2006 to December 31, 2006.

All amounts are in euro except otherwise stated

	Year ended December 31, 2007	Period from September 1, 2006 to December 31, 2006
FINANCING		
Donors funding	325,043	86,743
Other donations	26,745	-
Other income	2,000	300
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TOTAL FINANCING	353,788	87,043
PROJECTS EXPENDITURE		
Personnel	61,693	30,924
Operational costs	37,665	7,880
Project activities	194,186	27,702
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TOTAL PROJECTS EXPENDITURE	293,544	66,506
Surplus of funds received over expenditure	60,244	20,537
Cash and bank balance at the beginning of the period	39,488	18,951
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Cash and bank balance at the end of the period	99,732	39,488

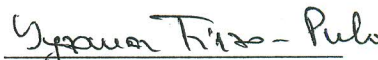
Authorised for issue by the management on June 15, 2008

Ms. Jeta Xhara



Executive Director

Ms. Syzana Firza – Puka



Finance officer

Balkan Investigative Reporting Network (BIRN-Kosovo)

Notes to the Statement of sources and uses of funds for the year ended December 31, 2007
and for the period from September 1, 2006 to December 31, 2006

All amounts are in euro except otherwise stated

3. DONORS FUNDING

	Year ended December 31, 2007	Period from September 1, 2006 to December 31, 2006
Foundation for Democratic Initiatives (FDI)-RBF 11-06	-	3,610
Foundation for Democratic Initiatives (FDI)-KCSP-PN-06	-	1,258
BIRN HUB Head Office in BIH	37,517	13,787
BTD-The Balkan Trust for Democracy #100538	27,646	17,105
National Endowment for Democracy-NED Grant No.2006-525.0	36,162	11,558
IREX - USAID Grant No. FY06-KMAP-BIRN-01	3,602	1,349
Advocacy Training and Resource Center (ATRC) Grant No. FY06-KSCP PN III 06/01	41,138	3,676
RTK Agreement No. 0781/06	72,400	30,400
PTK Contract No. 01-4535/06, '01-1896/07, '01-3410/07	16,000	4,000
OSCE election	51,220	-
UNDP	12,070	-
SWISS	20,000	-
USAID	7,288	-
Total	325,043	86,743