



Community Development Fund

**Independent Auditor's Report and Individual Financial Statements
for the year ended December 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Management of Community Development Fund - CDF

Opinion

We have audited the accompanying financial statements of Community Development Fund - CDF, which comprise the statement of financial position as at December 31, 2023 and the statement of profit or loss, statement of changes in fund balances and statement of cash flow for the year then ended, and other explanatory notes.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Development Fund - CDF as of December 31, 2023, results of its operation and the cash flow for the year then ended in conformity with actual laws.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Project financial report section of our report. We are independent of the Business in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard and the internal controls that the management deems necessary to enable the preparation of financial statements without material misstatement due to fraud or error.

For the financial statement's preparation, management is responsible for assessing the organization's ability to sustainability in the future, disclosing, as necessary, future sustainability issues and using the accounting continuity principle unless management intends to liquidate the Organization or Interrupt the operation, or there is no other possible alternative than to do it.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in total, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Armend Osaj – Statutory Auditor
ACA – Audit & Consulting Associates
Prishtine, Kosove
March 26, 2024



Community Development Fund

Statement of financial position

As at 31 December 2023

(All amounts are presented in EUR)

		As of December 31, 2023	As of December 31, 2022
	Notes		
ASSETS			
Current assets			
Cash and bank balances	3	2,369,598	1,670,272
Accounts receivable	4	678,489	946,737
Prepayments		131	-
Total current assets		<u>3,048,218</u>	<u>2,617,009</u>
Non-current assets			
Property and equipment	5	<u>253,932</u>	<u>133,414</u>
Total non-current assets		<u>253,932</u>	<u>133,414</u>
TOTAL ASSETS		<u>3,302,150</u>	<u>2,750,423</u>
LIABILITIES AND RESERVES			
Current liabilities			
Accounts payable and accrued expenses	6	15,211	12,195
Project Liabilities		48,744	36,907
Total current liabilities		<u>63,955</u>	<u>49,102</u>
FUNDS			
Funds Balance		<u>3,238,195</u>	<u>2,701,320</u>
Total Funds		<u>3,238,195</u>	<u>2,701,320</u>
TOTAL LIABILITIES AND RESERVES		<u>3,302,150</u>	<u>2,750,423</u>

The financial statements prepared and approved were signed on March 26, 2024 by:

Nermin Mahmuti



Executive Director

Sara Habipaj Polloshka



Operation Finance & Manager

The accompanying notes from 1 to 12 form an integral part of these financial statements

Community Development Fund
Statement of profit or loss
For the year ended 31 December 2023

(All amounts are presented in EUR)

		Year ended December 31, 2023	Year ended December 31, 2022
	Notes		
Income			
Income from Donors	7	<u>4,476,711</u>	<u>3,409,490</u>
Total income		<u>4,476,711</u>	<u>3,409,490</u>
Expenditure			
Project Expenses	8	2,667,773	2,021,201
Staff salaries	9	786,106	585,942
Operating expenses	10	427,984	175,671
Depreciation Expenses	5	45,854	21,118
Other expenses		<u>12,120</u>	<u>5,019</u>
Total expenditure		<u>3,939,836</u>	<u>2,808,951</u>
Net (Deficit)/surplus for the year		<u>536,875</u>	<u>600,539</u>

The accompanying notes from 1 to 12 form an integral part of these financial statements

Community Development Fund
Statement of changes in funds balance
For the year ended 31 December 2023

(All amounts are presented in EUR)

Statements of changes in funds balance	Accumulated Surplus/Deficit	Total
On January 1, 2022	2,100,781	2,100,781
Surplus (shortage) for the year	600,539	600,539
Balance on December 31, 2022	2,701,320	2,701,320
On January 1, 2023	2,701,320	2,701,320
Surplus (shortage) for the year	536,875	536,875
Balance on December 31, 2023	3,238,195	3,238,195

The accompanying notes from 1 to 12 form an integral part of these financial statements

Community Development Fund
Statement of cash flow
For the year ended 31 December 2023

(All amounts are presented in EUR)

	Year ended December 31, 2023	Year ended December 31, 2022
Cash flows from operating activities		
(Deficit)/surplus for the period	536,875	600,539
Adjustment for:		-
Depreciation	45,854	21,118
Other Adjustments (last year's profit)		-
Changes in receivable	268,248	(486,831)
Changes in prepayments	(131)	
Change in deferred revenues	11,837	(10,183)
Change in payables	3,016	(1,495)
Net cash from operating activities	865,698	123,148
Cash flows from investing activities		
Acquisition of property and equipment	(166,372)	(116,531)
Net cash used in investing activities	(166,372)	(116,531)
Net increase in cash and cash equivalents	699,326	6,617
Cash flows from financial activities		
Cash and cash equivalents at 1 January	1,670,272	1,663,655
Cash and cash equivalents at 31 December	2,369,598	1,670,272

The accompanying notes from 1 to 12 form an integral part of these financial statements

Community Development Fund

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are presented in EUR)

1. GENERAL INFORMATION

The Community Development Fund (CDF) commenced its activities in November 1999, when it was established in partnership with the Soros Foundation/Open Society Institute. CDF operates as a non-governmental organization with Public Benefit Status, since November 2000 to carry out community development projects through small-scale community investments. It was established as an appropriate tool for offering improvements of living standards in a participatory manner. Currently, CDF employs 41 staff members, and it has a list of over 200 consultants on stand-by, ready to be engaged at very short notice.

Over the past nineteen years, CDF has established solid partnerships with local NGOs, development agencies and a number of external donors. It has implemented a program of activities which has earned a high level of recognition as a development agency among the key stakeholders including the government, for its visible impact in achieving its prime goal of poverty reduction and improving living conditions.

Through its projects, CDF aims at building the capacities of self-development within the communities, so as to be able to articulate and fulfill their development needs as a community in its whole, or as a certain group within one community.

Until now, CDF has managed a budget of over 100 million \$US financed by different donor organizations such as the World Bank, USAID, The Global Fund, EU, SIDA, GCERF, Swiss Government, Dutch Government, British Government, Canadian Government, Austrian Development Agency, Kosovo Government, UNICEF, UNDP, SOROS, and Oxfam Novib.

Community Development Fund

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are presented in EUR)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1. Basis of preparation

2.1.1. Statement of compliance

The financial statements have been prepared on an accrual basis accounting for revenues and expenses. The basis of measurement is described in more detail in the accounting policies presented below.

2.1.2. Basis of measurement

The financial statements for the organization are prepared on a historical cost basis. Historical cost is generally based on the fair value of the value given in exchange for the goods and services.

2.1.3. Functional and presentation currency

The functional currency of the organization as well as the presentation of the financial statements is the Euro ("EUR"), which is the main currency in the Republic of Kosovo since January 1, 2002.

2.1.4. The Use of estimate and judgements

The preparation of Financial Statements in conformity with actual laws requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

2.1.5. Going concern

The Statement of financial position and Statement of Comprehensive Income have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course activity.

2.2. Significant accounting policies

2.2.1 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and other highly liquid short-term investments with original maturities of three months or less..

2.2.2 Account Receivables

Account Receivables

Account receivables are initially recognized at fair value and are subsequently carried at cost less provisions, if any. A provision is recognized when there is objective evidence that the organization will not be able to collect all amounts due according to the initial terms of the receivables.

At the end of each reporting period, the carrying amounts of account and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable.

Community Development Fund

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are presented in EUR)

2.2.3 Property, plant and equipment

Property, equipment and plant are measured at historical cost less accumulated depreciation and any accumulated impairment losses (impairment).

Depreciation is charged by dividing the asset's cost minus its residual value over its estimated useful life, using the straight-line method. The following annual rates are used for depreciation of property, plant and equipment:

Buildings and construction structures	5 %
Impiantet and heavy machinery	10 %
Equipment, joinery, computers	20 %

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the impairment of that asset is revised prospectively to reflect new expectations.

2.2.4 Damage (decrease in value) of assets

At each reporting date, property, plant and equipment, intangible assets and investments in associates are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognized immediately in profit or loss.

The gain or loss arising on the sale or retirement of an asset is determined as the difference between the sale proceeds and the net book value of an asset and is therefore recognized as a gain or loss in the statement of comprehensive income.

2.2.5 Account payables and accruals

Amounts payable are measured at cost, which is the fair value of the amount to be paid in the future for the goods and services received. Accounts payable are obligations based on normal credit terms and do not bear interest.

2.2.6 Income

Revenues are recognized as income on the accrual basis. At the end of the year, the excess amount of income over expenses is treated as a balance carried over to the next period.

Community Development Fund

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are presented in EUR)

2.2.7 Grantet

Government grants are recognized in profit or loss on a systematic basis throughout the period in which the Organization recognizes as expenses the corresponding costs for which the grants are intended for compensation. Specifically, Government grants, for which the primary condition is that the Organization must acquire, construct or recognize non-current assets as deferred income in the statement of financial position and be transferred to profit or loss on a systematic basis and rational throughout the useful life of the relevant asset.

Grants are recognized only when there is reasonable assurance that:

- The organization will fulfill all the conditions attached to them; AND
- Grants will be accepted

Operating grants are recognized as income over the period necessary to relate them to the costs, for which they are intended to be compensated, on a systematic basis. Grants marked for the acquisition of assets are deferred and recognized as income over the period of use of the respective asset.

2.2.8 Expenses

The incurred expenses are recognized in the corresponding period on an accrual basis.

Community Development Fund

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are presented in EUR)

3. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash at bank	2,369,376	1,670,091
Cash on hand	222	181
Total Cash and Cash Equivalents	2,369,598	1,670,272

4. ACCOUNT RECEIVABLE

	December 31, 2023	December 31, 2022
SIDA's Sub-Grantees	678,489	879,198
Other receivable	-	67,539
Total Accounts Receivable	678,489	946,737

Community Development Fund

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are presented in EUR)

5. PPROPERTY PPLANT AND EQUIPMENT

	Office equipment	Vehicles	Total
COST			
As at 01 January 2022	29,058	42,920	71,978
Additions/Disposals for the year	57,610	58,921	116,531
At 31 December 2022	86,668	101,841	188,509
As at 01 January 2023	86,668	101,841	188,509
Additions/Disposals for the year	992	165,380	166,372
At 31 December 2023	87,661	267,221	354,882
ACUMULATED DEPRECIATION			-
As at 01 January 2022	3,912	30,066	33,978
Additions/Disposals for the year	9,007	12,110	21,118
At 31 December 2022	12,919	42,177	55,096
As at 01 January 2023	12,919	42,177	55,096
Additions/Disposals for the year	29,316	16,538	45,854
At 31 December 2023	42,235	58,715	100,950
Net carrying amount			-
As at 31 December 2022	73,749	59,664	133,414
As at 31 December 2023	45,425	208,506	253,932

6. ACCOUNTS PAYABLE

	December 31, 2023	December 31, 2022
Tax on salaries	6,821	4,973
Pension Contributions	8,055	5,951
Health Insurance and other	24	-
Tax on rent	310	1,271
Total Accounts Payable	15,211	12,195

Community Development Fund

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are presented in EUR)

7. INCOME FROM DONORS

	December 31, 2023	December 31, 2022
GF - HIV & TB	1,414,530	1,004,302
EU - VIA Dinarica	-	24,180
SIDA – Human Rightvisim	1,653,291	1,561,085
WB - M4Y	250,696	308,817
GCERF - RRPK	326,727	238,422
CDF Main	44,600	22,731
USAID - IEEA	642,103	211,438
EU - Just React	69,834	30,442
MSH	36	8,073
EU - Time Travel	71,473	-
SIDA - EECOSK	3,423	-
Total Incomes from Donors	4,476,711	3,409,490

8. DEFERRED REVENUE

	December 31, 2023	December 31, 2022
GF - HIV & TB	717,121	645,064
SIDA - Human Rightvisim	1,443,680	1,136,179
WB - M4Y	62,946	196,361
GCERF - RRPK	183,111	128,720
CDF Main	42	7
USAID - IEEA	334,546	23,098
EU - Just React	49,530	231
MSH	36	8,073
EU - Time Travel	43,134	-
Assets	(166,372)	(116,531)
Total Project Expenses	2,667,773	2,021,201

Community Development Fund

Notes to the Financial Statements as at and for the year ended 31 December 2023

(All amounts are presented in EUR)

9. STAFF SALARIES AND BENEFITS

	December 31, 2023	December 31, 2022
Staff Salaries	786,106	585,942
Total Staff Salaries and Benefits	786,106	585,942

10. OPERATING EXPENSES

	December 31, 2023	December 31, 2022
GF - HIV & TB	225,813	58,629
EU - VIA Dinarica	-	114
SIDA - Human Rightivisim	37,388	34,551
GCERF - RRPK	14,060	14,281
WB - M4Y	39,630	14,462
CDF MAIN	3,376	5,529
USAID - IEEA	96,129	41,118
EU - Just React	4,845	6,988
SIDA - EECOK	877	-
EU - Time Travel	5,866	-
Total Operating Expenses	427,984	175,671

11 CONTINGENCIES AND COMMITMENTS

11.1. Legal issues

For the year ended December 31, 2023, the organization does not have any contingent liabilities that require disclosure in its financial statements.

12. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting date that would require either adjustments or additional disclosures in the financial statements