



Community Development Fund

Independent Auditor's Report and financial individual statements
for the year ended December 31, 2020

Community Development Fund

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INDEPENDENT AUDITORS' 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, 2020 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, 2020, results of its operation and the cash flow for the year then ended in conformity with the financial reporting requirement of the organization and relevant laws in Kosovo.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 statements preparation, management is responsible for assessing the company'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 Company 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.

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
Pristina, Kosovo
30 March, 2021

Community Development Fund
Statement of Financial Position
For the year ended December 31, 2020


		As of December 31, 2020 (in EUR)	As of December 31, 2019 (in EUR)
ASSETS			
Current assets			
Cash and bank balances	3	1,989,846	1,894,888
Accounts receivable	4	183,738	-
Total current assets		<u>2,173,585</u>	<u>1,894,888</u>
Non-current assets			
Property and equipment	5	31,092	23,840
Total non-current assets		<u>31,092</u>	<u>23,840</u>
TOTAL ASSETS		<u><u>2,204,677</u></u>	<u><u>1,918,728</u></u>
LIABILITIES AND RESERVES			
Current liabilities			
Accounts payable and accrued expenses	6	7,437	7,166
Project Liabilities		53,108	-
Total current liabilities		<u>60,545</u>	<u>7,166</u>
FUNDS			
Total Funds		<u><u>2,144,131</u></u>	<u><u>1,911,562</u></u>
TOTAL LIABILITIES AND RESERVES		<u><u>2,204,677</u></u>	<u><u>1,918,728</u></u>

The financial statements have been signed on March, 2021 by:



Nermin Mahmuti
 Executive Director





Sara Habipaj Polloshka
 Finance and grant manager

The accompanying notes from 1 to 11 form an integral part of these financial statements

Community Development Fund
Statement of Profit or Loss
For the year ended December 31, 2019

	Notes	Year ended December 31, 2020 (in EUR)	Year ended December 31, 2019 (in EUR)
Income			
Income from Donors	7	2,398,574	2,702,395
Other Income		1,335	
Total income		2,399,909	2,702,395
Expenditure			
Project Expenses	8	1,426,646	817,239
Staff salaries	9	437,597	459,849
Operating expenses	10	296,871	341,526
Depreciation Expenses	5	6,224	5,960
Total expenditure		2,167,339	1,624,575
Net deficit/surplus for the year		232,570	1,077,821

The accompanying notes from 1 to 11 form an integral part of these financial statements

Community Development Fund
Statement of Changes in Net Assets
For the year ended December 31, 2020

	As of 31 December, 2020 (in EUR)
Opening balance as at January 1st, 2019	833,741
Net deficit/surplus for the year ended December 31, 2019	<u>1,077,821</u>
Balance as at December 31, 2019	1,911,562
Net deficit/surplus for the year ended December 31, 2020	232,570
Balance as at December 31, 2020	<u><u>2,144,131</u></u>

The accompanying notes from 1 to 11 form an integral part of these financial statements.

Community Development Fund
Statement of Cash Flows
For the year ended December 31, 2020

	Year ended December 31, 2020 (in EUR)	Year ended December 31, 2019 (in EUR)
Cash flows from operating activities		
(Deficit)/surplus for the period	232,570	1,077,821
Adjustment for:		
Depreciation	6,224	5,960.00
Other Adjustments (last year's profit)	-	-
Changes in receivable	(183,738)	-
Change in deferred revenues	53,108	-
Change in payables	270	(12,425)
Change in other current liabilities	-	-
Net cash from operating activities	<u>108,435</u>	<u>1,071,356</u>
Cash flows from investing activities		
Acquisition of property and equipment	(13,476)	-
Net cash used in investing activities	<u>(13,476)</u>	<u>-</u>
Net increase in cash and cash equivalents	94,958	1,071,356
Cash flows from financial activities		
Cash and cash equivalents at 1 January	1,894,888	823,532
Cash and cash equivalents at 31 December	<u><u>1,989,846</u></u>	<u><u>1,894,888</u></u>

The accompanying notes from 1 to 11 form an integral part of these financial statements.

Community Development Fund
Notes to the Financial Statements
For the year ended December 31, 2020

1. INTRODUCTION

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 70 million \$US financed by different donor organizations such as the World Bank, USAID, The Global Fund, EU, 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
For the year ended December 31, 2020

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements for the Community Development Fund - CDF have been prepared on a cash basis for revenue and expenditure. The basics of measurement are described in more detail in the accounting policies set out below.

2.2 Currency of presentation

The functional currency of the Community Development Fund - CDF is the European Union currency unit Euro ("EUR"). The business financial statements are presented in Euro.

2.3 Foreign currency exchange

Foreign currency transactions are exchanged into the functional currency using the exchange rates existing at the dates of the transactions. Foreign currency gains and losses arising from the adjustment of transactions such as the re-measurements of monetary items at the end of the year exchange rates are presented as profit or loss.

2.4 Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment of the business are stated in the statement of financial position with the value of the purchased date less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Equipments are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized so as to write off the cost or valuation of assets less their residual values over their useful lives, using the declining balance method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the sale or disposal of an asset is defined as the difference between the proceeds of the sale and the carrying amount of an asset and is therefore recognized in profit or loss in the income statement.

Community Development Fund
Notes to the Financial Statements
For the year ended December 31, 2020

(ii) *Depreciation*

Depreciation of property, plant and equipment is calculated using the straight-line method of cost allocation or cost considered at their residual value over their useful lives as follows:

Buildings	20 years
Equipment and machinery	10 years
Other non-current assets	5 years

2.5 Trade receivables

Trade receivables are initially recognized at fair value and then 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 appropriate amounts under the original receivables terms. Examples of objective evidence may be the client's financial difficulties, the high probability that the client will go bankrupt, and the constant delays in payments.

2.6 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are considered to be cash on hand and at bank and in operating accounts at bank with an original maturity of three months or less.

2.7 Trade payables

The amounts payable are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the business or not.

2.8 Taxes

The organization was established as a non-governmental organization; therefore it has responsibilities and operates as an NGO under the applicable laws of Kosovo.

Community Development Fund
Notes to the Financial Statements
For the year ended December 31, 2020

2.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents the amount received from donors.

2.10 Financial costs

Financial costs include bank charges, charged for banking transactions and the cost charged for the guarantee received as well as interest expense on borrowings.

2.11 Employee benefits

The Organization, in the normal course of business, makes payments to the State budget of on behalf of its employees. The majority of the Organization's employees are members of the State pension plan. All such contributions to the mandatory government pension schemes are expensed when incurred. The Organization does not operate any other pension scheme or postretirement benefit plan and, consequently, has no obligation in respect of pensions.

In addition, the Organization has no material obligations to provide further benefits to current and former employees.

Community Development Fund
Notes to the Financial Statements
For the year ended December 31, 2020

3. Cash and bank balances

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Cash at bank	1,894,733	823,261.00
Cash on hand	155	271
Total Cash and Bank Balances	<u>1,894,888</u>	<u>823,532</u>

4. ACCOUNTS RECEIVABLE

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
SIDA's Sub-Grantees	172,374	-
Other receivable	11,365	-
Total Accounts Receivable	<u>183,738</u>	<u>-</u>

**Community Development Fund
Notes to the Financial Statements
For the year ended December 31, 2020**

5. PROPERTY AND EQUIPMENTS

COST	Office/IT equipments	Vehicles	Total
As at 01 January 2019	-	42,920.00	42,920
Additions/Disposals for the year	-	-	-
At 31 December 2019	-	42,920.00	42,920
As at 01 January 2020	-	42,920.00	42,920
Additions/Disposals for the year	13,476.25	-	13,476
At 31 December 2020	13,476.25	42,920.00	56,396
ACUMULATED DEPRECIATION			
As at 01 January 2019	-	13,120.00	13,120
Additions/Disposals for the year	-	5,960.00	5,960
At 31 December 2019	-	19,080.00	19,080
As at 01 January 2020	-	19,080.00	19,080
Additions/Disposals for the year	1,456	4,768.00	6,224
At 31 December 2020	1,456	23,848.00	25,304
Net carrying amount			
As at 31 December 2019	-	23,840.00	23,840
As at 31 December 2020	12,019.77	19,072.00	31,092

Community Development Fund
Notes to the Financial Statements
For the year ended December 31, 2020

6. ACCOUNTS PAYABLE

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Tax on salaries	3,293	3,162
Pension Contributions	4,144	4,005
Total Accounts Payable	<u>7,437</u>	<u>7,166</u>

7. INCOMES FROM DONORS

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Global Fund - HIV	559,054	416,531
Global Fund - TB	628,886	368,879
Via Dinarica	86,203	-
BRICK 1	40,000	247,550
BRICK 2	-	114,241
RCC Bosne	48,560	18,435
SIDA	961,981	1,531,045
GIZ	-	5,715
Brick NCE	73,889	-
Total Incomes from Donors	<u>2,398,574</u>	<u>2,702,395</u>

Community Development Fund
Notes to the Financial Statements
For the year ended December 31, 2020

8. PROJECT EXPENSES

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Global Fund - HIV	319,147	347,657
Global Fund - TB	233,641	150,330
BRICK 1	7,700	204,446
BRICK 2	3,043	26,580
Via Dinarica	45,079	10,015
CDF Shared cost	-	1,761
RCC Bosne	42,364	31,752
Ministry of Health	23,935	38,984
SIDA	700,246	-
BRICK NCE	51,491	-
GIZ	-	5,715
Total Project Expenses	<u>1,426,646</u>	<u>817,239</u>

9. STAFF SALARIES

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Staff Salaries	<u>437,597</u>	<u>459,849</u>
Total Staff Salaries	<u>437,597</u>	<u>459,849</u>

Community Development Fund
Notes to the Financial Statements
For the year ended December 31, 2020

10. OPERATING EXPENSES

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Global Fund - HIV	132,896	114,139
Global Fund - TB	80,832	168,507
BRICK 1	837	8,336
BRICK 2	885	7,733
CDF Shared cost	23,393	30,079
RCC Bosne	3,372	3,588
Via Dinarica	2,838	7,624
SIDA	33,794	1,520
BRICK NCE	18,024	-
Total Operating Expenses	296,871	341,526

**Community Development Fund
Notes to the Financial Statements
For the year ended December 31, 2020**

11. SUBSEQUENT EVENTS

COVID-19

The unpredicted occurrence of Covid 19 may have an effect on the operations of the organization in the future.

At the time of preparation of the audit report, the organization has continued operations and has been able to meet its obligations, therefore the report is prepared using the basis of continuity.