



## **Community Development Fund**

Independent Auditor's Report and Individual Financial Statements  
for the year ended December 31, 2021

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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, 2021 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, 2021, 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 statements 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.

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.



Astrit Musa – Statutory Auditor  
ACA – Audit & Consulting Associates  
Prishtine, Kosove  
24 March, 2022



**Community Development Fund**  
**Statement of Financial Position**  
**For the year ended December 31, 2021**

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		<b>As of December 31, 2021 (in EUR)</b>	<b>As of December 31, 2020 (in EUR)</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	<b>3</b>	1,663,655	1,989,846
Accounts receivable	<b>4</b>	459,906	183,738
Total current assets		<u>2,123,561</u>	<u>2,173,585</u>
<b>Non-current assets</b>			
Property and equipment	<b>5</b>	<u>38,000</u>	<u>31,092</u>
Total non-current assets		<u>38,000</u>	<u>31,092</u>
<b>TOTAL ASSETS</b>		<u><b>2,161,561</b></u>	<u><b>2,204,677</b></u>
<b>LIABILITIES AND RESERVES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses	<b>6</b>	13,691	7,437
Project Liabilities		<u>47,089</u>	<u>53,108</u>
Total current liabilities		<u>60,780</u>	<u>60,545</u>
<b>FUNDS</b>			
Funds Balance		<u>2,100,781</u>	<u>2,144,131</u>
<b>Total Funds</b>		<u><b>2,100,781</b></u>	<u><b>2,144,131</b></u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u><b>2,161,561</b></u>	<u><b>2,204,677</b></u>

The financial statements have been signed on 24 March 2022 by:

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**Nermin Mahmuti**  
**Executive Director**

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**Sara Habipaj Polloshka**  
**Finance and grant**

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 December 31, 2021**

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		<b>Year ended December 31, 2021 (in EUR)</b>	<b>Year ended December 31, 2020 (in EUR)</b>
	<b>Notes</b>		
<b>Income</b>			
Income from Donors	<b>7</b>	2,556,584	2,398,574
Other Income		25	1,335
<b>Total income</b>		<b>2,556,609</b>	<b>2,399,909</b>
<b>Expenditure</b>			
Project Expenses	<b>8</b>	1,925,185	1,426,646
Staff salaries	<b>9</b>	583,857	437,597
Operating expenses	<b>10</b>	78,594	296,871
Depreciation Expenses	<b>4</b>	8,673	6,224
Other expenses		3,650	
<b>Total expenditure</b>		<b>2,599,959</b>	<b>2,167,339</b>
<b>Net (Deficit)/surplus for the year</b>		<b>(43,350)</b>	<b>232,570</b>

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

**Community Development Fund**  
**Statement of Changes in Net Assets**  
**For the year ended December 31, 2021**

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	<b>As of 31 December, 2021 (in EUR)</b>
Opening balance as at January 1st, 2020	1,911,562
Net deficit/surplus for the year ended December 31, 2020	<u>232,570</u>
<b>Balance as at December 31, 2020</b>	2,144,131
Net deficit/surplus for the year ended December 31, 2021	(43,350)
<b>Balance as at December 31, 2021</b>	<u><u>2,100,781</u></u>

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

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**Community Development Fund**  
**Statement of Cash Flows**  
**For the year ended December 31, 2021**

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	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 (in EUR)
<b>Cash flows from operating activities</b>		
(Deficit)/surplus for the period	(43,350)	232,570
Adjustment for:	-	-
Depreciation	8,673	6,224
Other Adjustments (last year's profit)	-	-
Changes in receivable	(276,168)	(183,738)
Change in deferred revenues	(6,038)	53,108
Change in payables	6,273	270
Change in other current liabilities	-	-
<b>Net cash from operating activities</b>	<b>(310,610)</b>	<b>108,435</b>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	15,582	(13,476)
<b>Net cash used in investing activities</b>	<b>(15,582)</b>	<b>(13,476)</b>
<b>Net increase in cash and cash equivalents</b>	<b>- 326,191</b>	<b>94,958</b>
<b>Cash flows from financial activities</b>		
Cash and cash equivalents at 1 January	1,989,846	1,894,888
<b>Cash and cash equivalents at 31 December</b>	<b>1,663,655</b>	<b>1,989,846</b>

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



**Community Development Fund**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

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**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, 2021**

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**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation**

The financial statements for the Organization 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 Organization 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, 2021**

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(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 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.

## **2.6 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.

## **2.7 Revenue recognition**

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

## **2.8 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.

## **2.9 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, 2021

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**3. CASH AND CASH EQUIVALENTS**

	December 31, 2021 (in EUR)	December 31, 2020 (in EUR)
Cash at bank	1,663,030	1,989,639
Cash on hand	625	207
<b>Total Cash and Cash Equivalents</b>	<b>1,663,655</b>	<b>1,989,846</b>

**4. ACCOUNTS RECEIVABLE**

	December 31, 2021 (in EUR)	December 31, 2020 (in EUR)
SIDA's Sub-Grantees	459,906	172,374
Other receivable	-	11,365
<b>Total Accounts Receivable</b>	<b>459,906</b>	<b>183,738</b>

**Community Development Fund**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

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**5. PROPERTY, PLANT AND EQUIPMENT**

	Office equipment	Vehicles	Total
<b>COST</b>			
As at 01 January 2019	-	42,920	42,920
Additions/Disposals for the year	-	-	-
At 31 December 2019	-	42,920	42,920
As at 01 January 2020	-	42,920	42,920
Additions/Disposals for the year	13,476		13,476
At 31 December 2019	13,476	42,920	56,396
As at 01 January 2021	13,476	42,920	56,396
Additions/Disposals for the year	15,582	-	15,582
At 31 December 2021	29,058	42,920	71,978
<b>ACUMULATED DEPRECIATION</b>			-
As at 01 January 2019	-	13,120	13,120
Additions/Disposals for the year	-	5,960	5,960
At 31 December 2019	-	19,080	19,080
As at 01 January 2020	-	19,080	19,080
Additions/Disposals for the year	1,456	4,768	6,224
At 31 December 2020	1,456	23,848	25,304
As at 01 January 2021	1,456	23,848	25,304
Additions/Disposals for the year	2,455	6,218	8,673
At 31 December 2021	3,912	30,066	33,978
<b>Net carrying amount</b>			-
As at 31 December 2019	-	23,840.00	23,840
As at 31 December 2020	12,019.77	19,072.00	31,092
As at 31 December 2021	25,146.45	12,853.65	38,000

**Community Development Fund**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

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**6. ACCOUNTS PAYABLE**

	<b>December 31, 2021 (in EUR)</b>	<b>December 31, 2020 (in EUR)</b>
Tax on salaries	5,893	3,293
Pension Contributions	6,902	4,144
Health Insurance and other	12	-
Tax on rent	885	-
<b>Total Accounts Payable</b>	<b>13,691</b>	<b>7,437</b>

**7. INCOMES FROM DONORS**

	<b>December 31, 2021 (in EUR)</b>	<b>December 31, 2020 (in EUR)</b>
HIV & TB	913,373	1,187,941
VIA Dinarica	61,877	86,203
BRICK 1		40,000
BRICK 2	-	48,560
SIDA	1,195,767	961,981
Brick NCE	-	73,889
M4Y	60,424	
RRPK	325,143	
<b>Total Incomes from Donors</b>	<b>2,556,584</b>	<b>2,398,574</b>

**Community Development Fund**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

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**8. PROJECT EXPENSES**

	<b>December 31, 2021 (in EUR)</b>	<b>December 31, 2020 (in EUR)</b>
Global Fund - HIV & Global Fund - TB	540,559	552,788
BRICK 1	-	7,700
BRICK 2	-	3,043
Via Dinarica	84,346	45,079
CDF Shared cost	-	-
RCC Bosne	-	42,364
Ministry of Health	-	23,935
SIDA	1,130,140	700,246
BRICK NCE	-	51,491
GIZ	-	-
M4Y	23,509	-
RRPK	146,536	-
CDF Main	94	-
<b>Total Project Expenses</b>	<b><u>1,925,185</u></b>	<b><u>1,426,646</u></b>

**9. STAFF SALARIES AND BENEFITS**

	<b>December 31, 2021 (in EUR)</b>	<b>December 31, 2020 (in EUR)</b>
Staff Salaries	<u>583,857</u>	<u>437,597</u>
<b>Total Staff Salaries and Benefits</b>	<b><u>583,857</u></b>	<b><u>437,597</u></b>

**Community Development Fund**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

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**10. OPERATING EXPENSES**

	<b>December 31, 2021 (in EUR)</b>	<b>December 31, 2020 (in EUR)</b>
Global Fund - HIV & TB	31,502	213,728
BRICK 1	-	837
BRICK 2	-	885
CDF Shared cost	-	23,393
RCC Bosne	4	3,372
VIA Dinarica	- 484	2,838
SIDA	27,591	33,794
RRPK	15,052	-
M4Y	4,278	-
CDF MAIN	650	-
BRICK NCE	-	18,024
LUX	1	-
<b>Total Operating Expenses</b>	<b>78,594</b>	<b>296,871</b>



**Community Development Fund**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

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**11. SUBSEQUENT EVENTS**

COVID-19

The period of several months of closure of the organization or reduction of activities 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.