



Community Development Fund

Independent Auditor's Report and Individual Financial Statements
for the year ended December 31, 2022

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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, 2022 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, 2022, 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
29 March, 2023

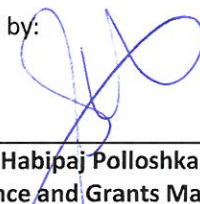


Community Development Fund
Statement of Financial Position
For the year ended December 31, 2022

		As of December 31, 2022 (in EUR)	As of December 31, 2021 (in EUR)
ASSETS			
Current assets			
Cash and bank balances	3	1,670,272	1,663,655
Accounts receivable	4	<u>946,737</u>	<u>459,906</u>
Total current assets		<u>2,617,009</u>	<u>2,123,561</u>
Non-current assets			
Property and equipment	5	<u>133,414</u>	<u>38,000</u>
Total non-current assets		<u>133,414</u>	<u>38,000</u>
TOTAL ASSETS		<u>2,750,422</u>	<u>2,161,561</u>
LIABILITIES AND RESERVES			
Current liabilities			
Accounts payable and accrued expenses	6	12,195	13,691
Project Liabilities		36,907	47,089
Deffered Revenuuues		-	-
Total current liabilities		<u>49,102</u>	<u>60,780</u>
FUNDS			
Funds Balance		<u>2,701,320</u>	<u>2,100,781</u>
Total Funds		<u>2,701,320</u>	<u>2,100,781</u>
TOTAL LIABILITIES AND RESERVES		<u>2,750,423</u>	<u>2,161,561</u>

The financial statements have been signed on 29 March 2023 by:


Nermin Mahmuti
 Executive Director


Sara Habipaj Polloshka
 Finance and Grants 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, 2022

	Notes	Year ended December 31, 2022 (in EUR)	Year ended December 31, 2021 (in EUR)
Income			
Income from Donors	7	3,409,490	2,556,584
Other Income			25
Total income		3,409,490	2,556,609
Expenditure			
Project Expenses	8	2,021,201	1,925,185
Staff salaries	9	585,942	583,857
Operating expenses	10	175,671	78,594
Depreciation Expenses	4	21,118	8,673
Other expenses		5,019	3,650
Total expenditure		2,808,951	2,599,959
Net (Deficit)/surplus for the year		600,539	(43,350)

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, 2022

	Year ended December 31, 2022 (in EUR)	Year ended December 31, 2021 (in EUR)
Cash flows from operating activities		
(Deficit)/surplus for the period	600,539	(43,350)
Adjustment for:	-	-
Depreciation	21,118	8,673
Other Adjustments (last years profit)	-	-
Changes in receivable	(486,831)	(276,168)
Change in deferred revenues	(10,182)	(6,019)
Change in payables	(1,495)	6,254
Change in other current liabilities	-	-
Net cash from operating activities	123,148	(310,610)
Cash flows from investing activities		
Acquisition of property and equipment	(116,531)	(15,582)
Net cash used in investing activities	(116,531)	(15,582)
Net increase in cash and cash equivalents	6,617	(326,191)
Cash flows from financial activities		
Cash and cash equivalents at 1 January	1,663,655	1,989,846
Cash and cash equivalents at 31 December	1,670,272	1,663,655

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, 2022

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, 2022

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, 2022

(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, 2022

3. CASH AND CASH EQUIVALENTS

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
Cash at bank	1,670,091	1,663,030
Cash on hand	181	625
Total Cash and Cash Equivalents	<u>1,670,272</u>	<u>1,663,655</u>

4. ACCOUNTS RECEIVABLE

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
SIDA's Sub-Grantees	879,198	459,906
Other receivable	67,539	
Total Accounts Receivable	<u>946,737</u>	<u>459,906</u>

Community Development Fund
Notes to the Financial Statements
For the year ended December 31, 2022

5. PROPERTY, PLANT AND EQUIPMENT

COST	Office equipment	Vehicles	Total
As at 01 January 2021	29,058	42,920	71,978
Additions/Dissposals for the year	-	-	-
At 31 December 2021	29,058	42,920	71,978
As at 01 January 2022	29,058	42,920	71,978
Additions/Dissposals for the year	57,610	58,921	116,531
At 31 December 2022	86,668	101,841	188,509
 ACUMULATED DEPRECIATION			-
As at 01 January 2021	1,456	23,848	25,304
Additions/Dissposals for the year	2,455	6,218	8,673
At 31 December 2021	3,912	30,066	33,978
As at 01 January 2022	3,912	30,066	33,978
Additions/Dissposals for the year	9,007	12,110	21,118
At 31 December 2022	12,919	42,177	55,096
 Net carrying amount			-
As at 31 December 2021	25,146.45	12,853.65	38,000
As at 31 December 2022	73,749.35	59,664.19	133,414

Community Development Fund
Notes to the Financial Statements
For the year ended December 31, 2022

6. ACCOUNTS PAYABLE

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
Tax on salaries	4,973	5,893
Pension Contributions	5,951	6,902
Health Insurance and other	-	12
Tax on rent	1,271	885
Total Accounts Payable	<u>12,195</u>	<u>13,691</u>

7. INCOMES FROM DONORS

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
HIV & TB	1,004,302	913,373
VIA Dinarica	24,180	61,877
SIDA	1,561,085	1,195,767
Brick NCE	-	-
M4Y	308,817	60,424
RRPK	238,422	325,143
CDF Main	22,731	-
IEEA	211,438	-
Just React	30,442	-
MSH	8,073	-
Total Incomes from Donors	<u>3,409,490</u>	<u>2,556,584</u>

Community Development Fund
Notes to the Financial Statements
For the year ended December 31, 2022

8. PROJECT EXPENSES

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
Global Fund - HIV & Global Fund - TB	645,064	540,559
Via Dinarica	-	84,346
SIDA	1,136,179	1,130,140
M4Y	196,361	23,509
RRPK	128,720	146,536
CDF Main	7	94
IEEA	23,098	
Just React	231	
MSH	8,073	
Assets	(116,531)	
Total Project Expenses	<u>2,021,201</u>	<u>1,925,185</u>

9. STAFF SALARIES AND BENEFITS

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
Staff Salaries	<u>585,942</u>	<u>583,857</u>
Total Staff Salaries and Benefits	<u>585,942</u>	<u>583,857</u>

Community Development Fund
Notes to the Financial Statements
For the year ended December 31, 2022

10. OPERATING EXPENSES

	December 31, 2022 (in EUR)		December 31, 2021 (in EUR)
Global Fund - HIV & TB	58,629		31,502
RCC Bosne	-		4
VIA Dinarica	114	-	484
SIDA	34,551		27,591
RRPK	14,281		15,052
M4Y	14,462		4,278
CDF MAIN	5,529		650
LUX	-		1
IEEA	41,118		-
Just React	6,988		-
MSH	0		0
Total Operating Expenses	175,671		78,594

Community Development Fund
Notes to the Financial Statements
For the year ended December 31, 2022

11. SUBSEQUENT EVENTS

There are no significant events after the reporting date that may require adjustment or disclosure in the financial statements.