



## **Democracy for Development – D4D**

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

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
AUDITOR'S REPORT	
STATEMENT OF FINANCIAL POSITION	1
STATEMENT OF PROFIT OR LOSS	2
STATEMENT OF FUNDS	3
STATEMENT OF CASH FLOWS	4
NOTES TO THE FINANCIAL STATEMENTS	5



## INDEPENDENT AUDITOR'S REPORT

### To the Management of Democracy for Development -D4D

#### ***Opinion***

We have audited the accompanying financial statements of Democracy for Development – D4D, 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 Democracy for Development – D4D 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

Prishtina, Kosovo

March 16, 2023



**Democracy for Development – D4D**  
**Statement of Financial Position**  
**For the year ended December 31, 2022**

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		<b>As of December 31, 2022 (in EUR)</b>	<b>As of December 31, 2021 (in EUR)</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	<b>3</b>	<u>157,915</u>	<u>161,874</u>
Total current assets		<u>157,915</u>	<u>161,874</u>
<b>TOTAL ASSETS</b>		<u><b>157,915</b></u>	<u><b>161,874</b></u>
<b>LIABILITIES AND RESERVES</b>			
<b>Current liabilities</b>			
Tax liabilities		-	-
Deferred Revenues and Other Liabilities	<b>4</b>	<u>157,915</u>	<u>161,874</u>
Total current liabilities		<u><b>157,915</b></u>	<u><b>161,874</b></u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u><b>157,915</b></u>	<u><b>161,874</b></u>

The financial statements have been signed on March 16, 2023 by:

**Rezarta Krasniqi**

  
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**Executive Director**



**Fjolla Veseli- Zeka**

  
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**Finance Manager**

The accompanying notes from 1 to 7 form an integral part of these financial statements

**Democracy for Development**  
**Statement of Profit or Loss**  
**For the year ended December 31, 2022**

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	Notes	Year ended December 31, 2022 (in EUR)	Year ended December 31, 2021 (in EUR)
<b>Income</b>			
Contribution and grants	5	310,428	316,171
<b>Total income</b>		<u>310,428</u>	<u>316,171</u>
<b>Expenditure</b>			
Project and administrative expenses	6	310,428	316,171
<b>Total expenditure</b>		<u>310,428</u>	<u>316,171</u>
<b>Net (Deficit)/surplus for the year</b>		<u>-</u>	<u>-</u>

The accompanying notes from 1 to 7 form an integral part of these financial statements

**Democracy for Development – D4D**  
**Statement of Funds**  
**For the year ended December 31, 2022**

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	<b>As of 31 December, 2022 (in EUR)</b>
<b>Balance as at December 31, 2020</b>	<u><u>-</u></u>
Net deficit/surplus for the year ended December 31, 2021	<u>-</u>
<b>Balance as at December 31, 2021</b>	<u><u>-</u></u>
Net deficit/surplus for the year ended December 31, 2022	<u>-</u>
<b>Balance as at December 31, 2022</b>	<u><u>-</u></u>

The accompanying notes from 1 to 7 form an integral part of these financial statements

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**Democracy for Development – D4D**  
**Statement of Cash Flows**  
**For the year ended December 31, 2022**

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	Year ended December 31, 2022 (in EUR)	Year ended December 31, 2021 (in EUR)
<b>Cash flows from operating activities</b>		
(Deficit)/surplus for the period	-	-
Adjustment for:	-	-
Depreciation	-	-
Other Adjustments (last year's profit)	-	-
Change in deferred revenues	(3,960)	(39,429)
Change in receivables	-	3,439
Change in prepayments	-	-
Change in payables	-	-
Change in other current liabilities	-	-
<b>Net cash from operating activities</b>	<u><b>(3,960)</b></u>	<u><b>(35,990)</b></u>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	-	-
<b>Net cash used in investing activities</b>	<u><b>-</b></u>	<u><b>-</b></u>
<b>Net increase in cash and cash equivalents</b>	<b>(3,960)</b>	<b>(35,990)</b>
Cash and cash equivalents at 1 January	161,874	197,864
<b>Cash and cash equivalents at 31 December</b>	<u><u><b>157,915</b></u></u>	<u><u><b>161,874</b></u></u>

The accompanying notes from 1 to 7 form an integral part of these financial statements



# **Democracy for Development – D4D**

## **Notes to the Financial Statements**

### **For the year ended December 31, 2022**

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#### **1. INTRODUCTION**

The Democracy for Development (D4D) Institute was established in April 2010 by a group of analysts who increasingly worried that the state-building exercise had neglected democracy. D4D seeks to contribute to Kosovo’s state consolidation through a set of institutional programs that promote democracy as the ultimate principle and practice.

D4D’s vision is to promote an active and educated citizenry that participates fully in the public space and utilizes the public arena of representation and decision-making to deliberate and build consensus over resource allocation that is efficient, smart, long-term, and that brings about equitable development. To make headway, D4D first offers its research findings to interested stakeholders, which is followed by a paper with recommendations, wider national dialogue, and advocacy with authorities, and pressure through the media. The main program pillars of D4D are:

1. Policy Analysis & Research
2. Elections and Political Parties
3. Governance & Public Interest
4. Dialogue & Regional Cooperation

#### **Policy Analysis and Research**

##### **Disinformation narratives**

**Donor: National Democratic Institute – Serbia (NDI Serbia)**

Media plays a pivotal role in shaping citizen’s perception and overall alignment towards policies. Lack of transparency of media ownerships and finances, combined with low media pluralism and Hostile environments further diminish accessibility and availability of clear and accurate information. Built upon empirical evidence (i.e.: Kosovo’s decline in media freedom, concerning levels of disinformation, and overall general discourse), D4D aims to increase public resilience to anti-democratic influences in Kosovo through tackling main disinformation narratives by providing clear and accurate information to susceptible groups.

The project contained two milestones/components which were proposed also as a logical intervention, where initially a better understanding of the key disinformation narratives leads to developing salient messages for combatting disinformation, and that would lead to the second part where grassroots actions would enable conveying the messages directly to the target groups.

#### **Elections and Political Parties**

##### **Youth representation with political integrity**

**Donor: National Endowment for Democracy (NED)**

Youth representation with political integrity project aims to scale-up the efforts of a previous NED project to enhance the political representation of youth, with a particular focus on young people who will take part for first-time in local elections and also youth councilors. This will be achieved through encouraging youth to enter and remain in politics with high integrity through capacity development on political integrity and misinformation and disinformation risks, and increased exchange with elected Members of Parliament to motivate youth to become politically engaged.

## **Democracy for Development – D4D**

### **Notes to the Financial Statements**

#### **For the year ended December 31, 2022**

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#### **Empowerment of youth municipal assembly members and building public trust on local authorities** **Donor: National Endowment for Democracy (NED)**

The general objective of this project is that young people elected to municipal assemblies will be equipped with sufficient knowledge and skills to represent responsibly the interest of citizens. Throughout this project D4D will aim to raise awareness of local young assembly members to fight corrupt practices in public procurement at the local level and increase accountability of young local representatives toward citizens.

Through this project, D4D will offer members of municipal assemblies aged under 35, the opportunity to have good performance while exercising their mandate, and better represent the interests of their local community with a particular focus on youth issues. Selected municipalities for implementation of this project are Prishtina, Gjakova, Gjilan, Mitrovica, Peja, Ferizaj, and Prizren, which are the seven main municipalities in Kosovo.

#### **Governance and Public Interest**

##### **Institutional Grant**

**Donor: Kosovar Civil Society Foundation (KCSF)**

This project is divided in two different components. One of the components is focused on Good Governance Principals towards first-time local assembly councilors while the other component is focused on tackling hate speech towards women, LGBTI+ community, persons with disabilities and minorities.

The first component aims to better inform first-time councilors on the principles of good governance, and activating them more in the society. For this purpose, D4D presented the Good Governance platform, which could ease their work to get all information they need for the assembly meetings.

The second component aims to tackle hate speech. The main target groups are the journalist and editors, where the main aim is to enhance their skills throughout the trainings. D4D has also monitored social media through two different platforms and published a report per year.

#### **Combating Misinformation and Restoring Citizens Trust to Media**

**Donor: National Democratic Institute (NDI)**

This project aims to scale-up the effort of the NDI Kosovo initiative in raising awareness about information disorders, bring this issue to public discourse, and engage relevant stakeholders in understanding and combating information disorders.

NDI Kosovo employed two software tools (Mediatoolkit and Crowdtangle), which greatly enhanced the process of media article review and data collection. With the tools and expertise acquired from NDI Kosovo D4D will collect data from media outlets and produce weekly/monthly visualized reports. These reports will be used to raise awareness about the level of information present in media outlets, through infographics that will be published on D4D's official platforms (web and social media), debates on media (TV and Online), information sessions with citizens, and roundtable discussions with relevant stakeholders.

**Democracy for Development – D4D**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

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**Maternity and Parental Leave**

**Donor: OPIC**

The overall aim of the project is to enhance social justice by contributing to improved quality and intensity of social dialogue and interaction between social partners. D4D has continued the implementation of the Maternity and Parental leave project, the overall where the main aim of the project is to enhance social justice by contributing to improved quality and intensity of social dialogue and interaction between social partners. Specifically, the goal of the project is to increase awareness of the key stakeholders about the benefits of introducing a paid parental leave program into the country's new Labor law and the special law for maternity and parental leave.

**Enhancing women's access to employment**

**Donor: Royal Norwegian Embassy in Prishtina**

In the effort to increase women participation in the labor market, D4D is implementing the “Enhancing women's access to employment” in partnership with GADC in Albania, financially supported by the Royal Norwegian Embassy in Prishtina. Enhancing Women’s Access to Employment project aims is to increase participation of women in the labor market through targeted advocacy in fighting gender discrimination, promoting decent jobs and implementing gender-friendly strategies that improve the presence of women in the labor market. The project provides seed funding support to grass-root organizations to build sufficient capacity and engage in a constructive and rewarding process of involving women in the workforce.

**Unlocking opportunities: Women’s access to employment**

**Donor: Community Development Fund (CDF)**

The project’s main aim is increasing access to information for young women pertaining to opportunities that provide linkages with employment. The projects intend to achieve the main aim via two outcomes, namely: young women are more informed pertaining to training opportunities, Women’s barrier from entering the labor market become integral to employment related discussions.

**Identifying and exposing corruption: Challenges in Kosovo's Public Healthcare System**

**Donor: National Democratic Institute (NDI)**

This project is being implemented through a coalition of organizations where D4D is the lead. Though this project D4D is aiming to identify and expose corruption related to the Healthcare Insurance Fund, focused on the Program for Medical Treatment Outside of Public Healthcare Institutions. Through analysis and research the goal of this project is to strengthen the legal basis for medical treatment outside of public institutions and increase efficiency through good management.

Through this project we aim to advocate for revision and strengthening of the legal basis for medical treatment outside of public institutions, also to identify and expose corruption within this program and to increase efficiency.

# **Democracy for Development – D4D**

## **Notes to the Financial Statements**

### **For the year ended December 31, 2022**

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#### **Promoting digital services in the local level**

**Donor: ICEDA**

The goal of the project is to promote the digitalization of services for the purpose of improving public services at the local level. Specific objectives of the project which contribute directly to the overall goal are: Objective 1. Increasing the discussion at the local level for the need to address the digital agenda. Objective 2. Involvement of citizens in discussions with decision makers to speed up digital processes.

#### **Active Youth for Sustainable Development**

**Donor: Ministry of Youth, Culture and Sport**

Engaging young people for advocacy at relevant institutions through discussion in salons and editorials, preparing them for the labor market through networking with business representatives, participation in training and the opportunity for practical work, promoting the youth workforce through promotional video and recommendation work.

#### **Dialogue and Regional Cooperation**

During the reporting period, D4D has implemented activities related to topic of the dialogue and regional cooperation program, but there is no specific project that D4D was implementing. During this time, D4D's staff participated in regional conferences where they presented the work of D4D.

#### **Tuesday Salon's**

Tuesday Salons of D4D are organized under Chatham House Rule. This rule allows people to speak as individuals, and to express views that may not be those of their organizations, and therefore it encourages free discussion. During 2021, D4D has organized a total of 28 salons on various topics.

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

### **2.1 Basis of preparation**

The financial statements for the Organization have been prepared on a modified 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 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 receivable’s 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.

### **2.5 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**

Revenues from grants are recognized as income on a straight-line basis over the period of the operation.

**Democracy for Development – D4D**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

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**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 employee.

**Democracy for Development – D4D**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

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**3. CASH AND CASH EQUIVALENTS**

	<b>December 31, 2022 (in EUR)</b>	<b>December 31, 2021 (in EUR)</b>
Cash at bank	157,516	161,685
Cash on hand	399	190
<b>Total Cash and cash equivalents</b>	<b>157,915</b>	<b>161,874</b>

**4. DEFERRED REVENUES**

	<b>December 31, 2022 (in EUR)</b>	<b>December 31, 2021 (in EUR)</b>
Deferred income at the beginning of period	161,874	201,303
Payments received from donors during the reporting period	306,468	276,742
<b>Total income received in the reporting period</b>	<b>468,343</b>	<b>478,045</b>
Income recognized in the reporting period	(310,428)	(316,171)
<b>Total deferred revenues</b>	<b>157,915</b>	<b>161,874</b>

**Democracy for Development – D4D**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

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**5. CONTRIBUTIONS AND GRANTS**

	<b>December 31, 2022 (in EUR)</b>	<b>December 31, 2021 (in EUR)</b>
Royal Norwegian Embassy in Pristina	89,318	49,334
National Endowment for Democracy NED	56,040	48,503
National Democratic Institute NDI	42,525	13,596
Olof Palme International Center	29,546	41,149
Kosovo Civil Society Foundations (KCSF)	17,600	30,000
COE	15,952	-
BIRN MCC	12,825	-
BFPE	10,368	-
Helvetas	10,000	-
USAID	6,750	-
HD	6,606	8,000
Ministry of culture, youth and Sport (MKRS)	5,870	17,571
CDF	3,014	-
UN Women	660	-
UK	-	22,128
The Balkan Trust for Democracy - BTD	-	20,375
Group for Legal and Political Studies GLPS	-	6,489
Increasing Civic Engagement in the Digital Agenda ICEDA	-	3,437
Kosovo Democratic Institute (KDI)	-	2,220
KAS	-	1,980
USD/CEPPS/IFES	-	1,782
Western Balkans Fund WBF	-	300
Kosovo Foundation for Open Society KFOS	(605)	9,877
<b>Total Contribution and Grants received</b>	<b>306,468</b>	<b>276,742</b>
Difference of deferred income at the end of the period	3,960	39,429
<b>Total Contribution and Grants for the period</b>	<b>310,428</b>	<b>316,171</b>



**Democracy for Development – D4D**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

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**6. PROJECT AND ADMINISTRATIVE EXPENSES**

	<b>December 31, 2022 (in EUR)</b>	<b>December 31, 2021 (in EUR)</b>
Norwegian Embassy	85,142	68,056
National Endowment for Democracy NED	42,956	50,370
Olof Palme International Center (OPIC)	29,582	41,335
KCSF	28,732	-
National Democratic Institute NDI	25,124	7,282
Salon ( GIZ, ZKGJ, UNDP, FES, Helvetas, OEGJ, MKRS)	23,751	1,589
CIE	18,517	-
NDI Serbia	17,525	-
MCC	10,931	-
D4D	10,726	3,970
Kosovo Foundation for Open Society KFOS	7,305	10,537
CDF	4,995	-
Increasing Civic Engagement in the Digital Agenda ICEDA	2,806	1,540
USAID	2,168	-
UN Women	168	-
Open Society Foundations OSIF	-	65,012
Britanezet	-	22,120
The Balkan Trust for Democracy - BTD	-	20,446
HD	-	14,606
GLPS	-	6,489
Kosovo Democratic Institute KDI	-	2,220
Western Balkans Fund	-	600
<b>Total expenses</b>	<b>310,428</b>	<b>316,171</b>

**7. SUBSEQUENT EVENTS**

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.