

YMCA MOVEMENT - YMCA LEVIZJE

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 YMCA MOVEMENT - YMCA LEVIZJE

Opinion

We have audited the accompanying financial statements of YMCA MOVEMENT - YMCA LEVIZJE, 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 YMCA MOVEMENT - YMCA LEVIZJE as of December 31, 2022, results of its operation and the cash flow for the year then ended in conformity with actual laws and with individual agreements between KCSF and grantees.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (with the application of ISA 700). 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.

Armend Osaj – Statutory Auditor
ACA – Audit & Consulting Associates
Pristina, Kosovo
05 July, 2023



YMCA MOVEMENT - YMCA LEVIZJE

Statement of Financial Position

For the year ended December 31, 2022

		31 December 2022 (in EUR)	31 December 2021 (in EUR)
ASSETS			
Current assets			
Cash and bank balances	3	37,783	150,781
Inventory		6,138	3,000
Total current assets		43,921	153,781
Non-current assets			
Property and equipment	4	223,361	209,705
Total non-current assets		223,361	209,705
TOTAL ASSETS		267,283	363,486
LIABILITIES AND RESERVES			
Current liabilities			
Accounts payable	5	1,770	1,999
Deferred Revenue	6	36,013	148,782
Total current liabilities		37,783	150,781
Reserves			
Fund		248,413	228,621
Retained surplus		(18,913)	(15,915)
Total reserves		229,500	212,706
TOTAL LIABILITIES AND RESERVES		267,283	363,487

The financial statements have been signed on 05 July, 2023 by:

Executive Director


Dorina Davies



Finance Officer


Mergime Berberi

The accompanying notes from 1 to 10 form an integral part of these financial statements

YMCA MOVEMENT - YMCA LEVIZJE

Statement of Profit or Loss

For the year ended December 31, 2022

		31 December 2022 (in EUR)	31 December 2021 (in EUR)
Revenues	Note		
Revenues	7	380,149	231,364
Total revenues		380,149	231,364
Expenses			
Project expenses		215,666	81,284
Personnel expenses	8	133,188	117,350
Other operational expenses	9	31,295	32,730
Depreciation expenses	4	18,913	15,915
Total expenses		399,062	247,279
Retained surplus		(18,913)	(15,915)

The accompanying notes from 1 to 10 form an integral part of these financial statements

YMCA MOVEMENT - YMCA LEVIZJE
Statement of Changes in Net Funds
For the year ended December 31, 2022

	Retained surplus (in EUR)	Net deficit/ surplus (in EUR)	Total Equity (in EUR)
Balance as at January 01, 2021			
Balance carried forward	18,913	219,399	238,312
Change in funds	-	9,222	9,222
Net deficit/surplus for the year	-	-	-
Balance as at December 31, 2021	18,913	228,621	247,534
Balance as at January 01, 2022			
Balance carried forward	18,913	228,621	247,534
Change in funds	-	19,792	19,792
Net deficit/surplus for the year	-	-	-
Balance as at December 31, 2022	18,913	248,413	267,326

The accompanying notes from 1 to 10 form an integral part of these financial statements

YMCA MOVEMENT - YMCA LEVIZJE

Statement of Cash Flows

For the year ended December 31, 2022

	31 December 2022 (in EUR)	31 December 2021 (in EUR)
Cash flows from operating activities		
(Deficit)/surplus for the year	(18,913)	(15,915)
Adjustment for:		
Depreciation	18,913	15,915
Change in inventory	(3,138)	(432)
Change in payables	(229)	840
Change in deferred revenue	(112,769)	51,401
Net cash from operating activities	<u>(116,136)</u>	<u>51,809</u>
Cash flows from investing activities		
Acquisition of property and equipment	(32,569)	(25,335)
Net cash used in investing activities	<u>(32,569)</u>	<u>(25,335)</u>
Cash flows from financing activities		
Cash paid for other financing activities	35,707	9,222
Net cash used in financing activities	<u>35,707</u>	<u>9,222</u>
Net increase in cash and cash equivalents	(112,998)	35,696
Cash and cash equivalents at 1 January	150,781	115,085
Cash and cash equivalents at 31 December	<u>37,783</u>	<u>150,781</u>

The accompanying notes from 1 to 10 form an integral part of these financial statements

YMCA MOVEMENT - YMCA LEVIZJE
Notes to the Financial Statements
For the year ended December 31, 2022

1. INTRODUCTION

YMCA MOVEMENT - YMCA MOVEMENT (YMCA Movement) is the official representative of the World Alliance of YMCA in Kosovo, which was established on February 28, 2013 in accordance with Law no. 06 / L - 043 on Freedom of Association in Non-Governmental Organizations.

YMCA is the oldest and largest youth organization in the world, expanding to 120 countries with over 60 million members each year.

The YMCA Movement focuses on working with young people with a focus on non-formal education as well as various activities in the local communities where it operates.

In 2013 the organization was reconstructed with a new operating structure; a country-wide YMCA instead of the traditional federation model.

With the new structure, the organization grew rapidly and successfully achieved its "Vision 2020" strategy, establishing sustainable partnerships, increasing the number of beneficiaries, and laying the foundations in communities throughout Kosovo. 2016 was a historic year for the movement, as it became a full member of the YMCA European Alliance. While in 2021 the organization received the Status of Public Beneficiary at the Ministry of Internal Affairs and is currently implementing the second year of its strategy "One Way - One Y" 2020 - 2024

YMCA MOVEMENT - YMCA LEVIZJE

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 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 Inventory

Inventories are stated at lower of the cost value and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Cost is determined using the moving average method.

2.5 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.

Equipment 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.

YMCA MOVEMENT - YMCA LEVIZJE

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

2.6 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 Other payables

The amounts payable is 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 Contractual obligations

Contractual obligations represent the obligation of the organization to transfer goods or services to a customer and are recognized when a customer pays the consideration, or when the organization recognizes a receivable in order to reflect its unconditional right to review before the Organization have transferred goods or services to the customer.

2.9 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.

2.10 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents the amount receivable for products sold or services provided in the ordinary course of business, net of customer returns, deductions and sales taxes.

Sales of goods - Revenues from sales of goods are recognized when all of the following conditions are met:

- Revenue amounts can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to the Organization
- The stage of completion of the transaction at the balance sheet date can be measured reliably
- Costs incurred or to occur in connection with the transaction can be measured reliably

Sales of services - These revenues are recognized in the accounting period in which the services are provided.

YMCA MOVEMENT - YMCA LEVIZJE

Notes to the Financial Statements

For the year ended December 31, 2022

2.11 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.

2.12 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.

YMCA MOVEMENT - YMCA LEVIZJE
Notes to the Financial Statements
For the year ended December 31, 2022

3. CASH AND CASH EQUIVALENTS

	31 December 2022	31 December 2021
	(in EUR)	(in EUR)
Cash on Hand	3,198	983
Cash on Bank	34,585	149,798
Total Cash and Cash Equivalents	<u>37,783</u>	<u>150,781</u>

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Object-Shop	Investments	Vehicles	Inventory and equipment	Total
Cost						
At January 01, 2021	40,820	35,173	89,333	36,079	28,227	229,632
Additions	-	-	12,756	-	12,579	25,335
Disposals	-	-	-	-	-	-
At December 31, 2021	<u>40,820</u>	<u>35,173</u>	<u>102,089</u>	<u>36,079</u>	<u>40,806</u>	<u>254,967</u>
Cost						
At January 01, 2022	40,820	35,173	102,089	36,079	40,806	254,967
Additions	-	-	17,579	-	14,990	32,569
Disposals	-	-	-	-	-	-
At December 31, 2022	<u>40,820</u>	<u>35,173</u>	<u>119,668</u>	<u>36,079</u>	<u>55,796</u>	<u>287,536</u>
Accumulated depreciation						
At January 1, 2021	-	1,759	-	16,600	10,987	29,346
Depreciation charge for the year	-	1,759	-	5,995	8,161	15,915
At December 31, 2021	<u>-</u>	<u>3,518</u>	<u>-</u>	<u>22,595</u>	<u>19,148</u>	<u>45,261</u>
Accumulated depreciation						
At January 1, 2022	-	3,518	-	22,595	19,148	45,261
Depreciation charge for the year	-	1,759	-	5,995	11,159	18,913
At December 31, 2022	<u>-</u>	<u>5,277</u>	<u>-</u>	<u>28,590</u>	<u>30,308</u>	<u>64,175</u>
Net Value						
At December 31, 2021	<u>40,820</u>	<u>31,655</u>	<u>102,089</u>	<u>13,484</u>	<u>21,657</u>	<u>209,705</u>
At December 31, 2022	<u>40,820</u>	<u>29,896</u>	<u>119,668</u>	<u>7,489</u>	<u>25,488</u>	<u>223,361</u>

In addition to being recorded as an asset, the full cost of property and equipment, at the time of purchase, is also recognized as revenue and as expense (in the same amount) in the income statement.

YMCA MOVEMENT - YMCA LEVIZJE
Notes to the Financial Statements
For the year ended December 31, 2022

5. TAX LIABILITIES

	31 December 2022 (in EUR)	31 December 2021 (in EUR)
Pension contribution	1,044	1,151
Tax on salaries	620	711
Tax on rent	106	136
Total Accounts Payable	1,770	1,999

6. DEFERRED INCOME

	31 December 2022 (in EUR)	31 December 2021 (in EUR)
Deferred revenue	36,013	148,782
Total Deferred Revenue	36,013	148,782

7. GRANT INCOMES

	31 December 2022 (in EUR)	31 December 2021 (in EUR)
Revenues from donors abroad	193,713	172,329
Revenues from donors in country	42,900	41,159
Revenues from the store	29,857	16,236
Membership fees	903	1,176
Other	112,775	465
Revenues for depreciation of assets from donations	-	-
Total grant income	380,149	231,364

8. STAFF SALARIES AND BENEFITS

	31 December 2022 (in EUR)	31 December 2021 (in EUR)
Gross salaries	133,188	112,257
Pension contribution	-	5,093
Total payroll expenses	133,188	117,350

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

9. OPERATIVE EXPENSES

	31 December 2022 (in EUR)	31 December 2021 (in EUR)
Rent	23,725	16,611
Electricity, internet, materials, telephone	1,227	6,097
Membership	685	705
Travel expenses inside and outside the country	2,990	1,488
Food and drinks	146	667
Maintenance and repair	162	1,806
Audit costs	-	1,000
Bank fee	1,638	320
Other expenses	722	4,036
Total operations expenses	31,295	32,730

10. SUBSEQUENT EVENTS

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