



Transparency International - Moldova

FINANCIAL SCHEDULES

For the period January 1, 2010 - December 31, 2010

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Independent Auditor's Report

*To the management of Transparency International - Moldova
Chisinau, Republic of Moldova*

We have audited the accompanying financial statements of Transparency International Moldova NGO (further, "TIM") for the year that ended on December 31, 2010:

- Balance Sheet as of December 31, 2010;
- Statement of special account for the period from 1st January 2010 up to and including 31st December 2010;
- Cash Flow Statement as of December 31, 2010;
- Statements of sources and uses of funds for the for the twelve month period ending on December 31, 2010.

These financial statements are the responsibility of the TIM's management. Our responsibility is to express an opinion on the accompanying financial statements based on our audit.

We have conducted our audit in accordance with the International Auditing Standards applicable to special-purpose audit engagements. Those Standards require that we plan and perform the audit so as to obtain reasonable assurance about whether the financial schedules are free of significant distortion. An audit includes examining, on the test basis, the evidence supporting the amounts and disclosures in the financial schedules. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of financial schedules.

In conducting the audit, a special attention was paid to the following:

- Design and operation of the accounting system of the Projects, i.e. documentation, authorization of transactions, acquisition of goods and services, business trips documentation, book-keeping and accounts reconciliation;
- All the necessary supporting documents, records, and accounts have been kept in respect of all the Project's revenue and expenses;
- The received funds have been spent efficiently for the purpose of the Projects in accordance with the budget and other clauses set by the Grant Agreements;
- All the expenses are properly documented and are in accordance with the budgets prescribed by the Grant Agreements;
- All the expenses have been incurred in accordance with the legislation in force; and

- All the assets acquired by means of the grants exist.

The financial statements are prepared on the cash receipts and disbursements basis, which means that revenues are recognized when received rather than when earned, and expenses are recognised when paid rather than when incurred.

In our opinion, the financial statements of Transparency International - Moldova NGO referred to in the opening paragraph present fairly, in all the significant respects, the financial position of the TIM as at December 31, 2010, and its statement of special account and statements of sources and uses of funds for the 12 month period then ended, funds received and expenses incurred by the Projects within the period of 1st January 2010 to 31st December 2010, in accordance with the cash receipts and disbursements basis and requirements of the Grant Agreements: no.MOL-503837-0005116, 209-354.10 SOE 8/2010, and 12880.

Director of the Audit Firm, Auditor



Alla Kulikovskaia

April 20, 2011

TRANSPARENCY INTERNATIONAL - MOLDOVA NGO

BALANCE SHEETS

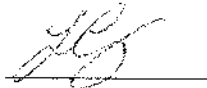
AS OF DECEMBER 31, 2010

(all amounts expressed in Euros)

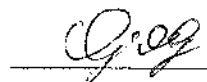
Assertions	Notes	31 December 2010
CURRENT ASSETS:	7	
Cash	7.1	943
Inventory	7.2	5 302
Debtors and Prepayments	7.3	9 339
TOTAL CURRENT ASSETS		15 584
FIXED ASSETS:	8	
Intangible Fixed assets	8.1	256
Tangible Fixed assets	8.2	5 366
TOTAL FIXED ASSETS		5 622
Total Assets		21 206
LIABILITIES and NET ASSETS		
Targeted Financing	9	0
Total Net Assets		21 206

April 20, 2011

Executive Director



Chief Accountant



TRANSPARENCY INTERNATIONAL - MOLDOVA NGO

STATEMENT OF SPECIAL ACCOUNT

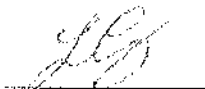
For 12 month period ended on December 31, 2010

(all amounts expressed in Euro)

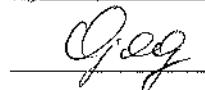
Assertions	12 months period ended December 31, 2010
Cash Balance at the Beginning of the Reporting Period	
NOVIB	87 231
ALAC	
SOROS Foundation	7 189
TIM	942
Total as of January 01, 2010	95 362
Cash Receipts	
NOVIB	20 000
ALAC	42 970
AED	-
SOROS Foundation	8 600
RAI	
TIM	1
Total Cash Inflows per Projects	71 571
Cash Disbursements	
NOVIB	107 231
ALAC	42 970
AED	
RAI	
SOROS Foundation	15 789
TIM	
Total Cash Outflows	165 990
Cash Balance at the End of the Reporting Period	
NOVIB	0
ALAC	0
SOROS Foundation	0
TIM	943
Total as of December 31, 2010	943

April 20, 2011

Executive Director



Chief Accountant



TRANSPARENCY INTERNATIONAL - MOLDOVA NGO

CASH FLOW STATEMENT

For 12 month period ended on December 31, 2010

Assertions	Amount in MDL	Amount in Euro	Total in MDL	Total in Euro
Opening Balance as of 1 January 2010	140 285	87 396	1 682 475	95 362
Cash Earnings				
Donations	132 874	62 970	1 175 588	71 571
Total Cash Available for Activities	273 159	150 366	2 858 063	166 933
Cash Expenditure	271 860	149 496	2 671 241	165 990
Loss on Exchange Rate			(171 637)	
Closing Balance	1 299	870	15 185	943
Balance in EUR				943

* 31.12.2009 1 EUR = 17.6252

31.12.2009 1 EUR = 16.1045

April 20, 2011

Executive Director



Chief Accountant



TRANSPARENCY INTERNATIONAL - MOLDOVA NGO

STATEMENTS OF SOURCES AND USERS OF FUNDS FOR 12 MONTH PERIOD
ENDED ON DECEMBER 31, 2010

(all amounts expressed in Euro)

NOVIB FONDED PROJECT "CIVIL SOCIETY AGAINST CORRUPTION"

(MOL-503837-0005116, reference ECA-06-237)

Description	12 months period ended December 31, 2010
<i>Opening Cash Balance</i>	87 231
Total funds received (Notes 3.1)	20 000
Uses of Funds (Notes 3.2)	
Activity 1: " Civil society its capacity to withstand corruption"	40 788
Activity 2. Strengthening the capacities of public institutions to collaborate with citizens in corruption preventing matters	14 646
Activity 3. Investigative journalists increased their capacities to conduct ethical investigations related to corruption	8 087
Activity 4. Activities additional to the work plan	3 496
Management	40 214
Total funds uses	107 231
<i>Closing Cash Balance</i>	0

ADVOCACY AND LEGAL ADVICE CENTRES PROJECT

209-354.10 SOE 8/2010

Description	12 months period ended December 31, 2010
<i>Opening Cash Balance</i>	
Total funds received for project 209-354.10 SOE/8/2010 TI ALAC (Notes 4.1)	42970
Uses of Funds for project (Notes 4.2)	
Human Resources	20142
Travel	3027
Office costs, Equipment & Supplies	5971
Other Costs/Services	13830
Total funds uses for project 209-354.10	42970
<i>Closing Cash Balance</i>	0

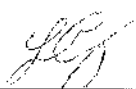
**"Consolidating the petition system - a way to prevent corruption" PROJECT -
 SOROS FOUNDATION MOLDOVA
 /Grant Contract No.12880 from 27.11.2009/**


Description	12 months period ended December 31, 2010
Opening Cash Balance	7189
Total funds received (Notes 5)	8600
Uses of Funds:	15789
Current Account Balance	0

TIM - EXECUTION FEE AND OTHER GAINS

Description	12 months period ended December 31, 2010
Opening cash balance	942
Exchange rate difference	1
Total funds received	1
Uses of funds:	0
Total Expenses	0
Closing Cash Balance	943

April 20, 2011

Executive Director 

Chief Accountant 

TRANSPARENCY INTERNATIONAL - MOLDOVA NGO

NOTES TO THE FINANCIAL SCHEDULES

For 12 month period ended on December 31, 2010

1. General

Transparency International - Moldova ONG (TIM), as the National Chapter of the world anti-corruption organisation Transparency International, was registered in Republic of Moldova on June 14, 2000.

TIM Office is located at the following address: 98, 31 August str.1989, office 204, Chisinau, Republic of Moldova.

The purpose of activity of the Transparency International - Moldova is fighting against corruption and launching an anti-corruption movement.

The main goals of the activity per projects are:

- To provide citizens with information and legal advice so as to enable them to pursue corruption-related complaints (as either victims or witnesses);
- To strengthen the ability and willingness of institutions to receive and act upon corruption-related complaints;
- To bring about systematic improvements (legal, administrative and institutional) in the fight against corruption;
- To support the state institutions in preventing corruption, diminishing the citizens' tolerance towards corruption, ensuring a higher involvement of civil society, and establishing a critical mass of civil society stakeholders who can collectively face the challenge of corruption.

2. Projects

During the 12 month period ended on January 31, 2010 Transparency International - Moldova ONG has implemented 2 projects funded by:

- Nederlandse Organisatie voor Internationale Ontwikkelingssamenwerking (NOVIB) - "Civil Society against Corruption" Project MOL-503837-0005116, reference ECA-06-237 18, was funded EUR 107 231.
- Soros Foundation Moldova/Grant contract Nb.12880 from 27.11.2009/ funded MDL 259 582 or EUR 15 789 for "Consolidating the petition system - a way to prevent corruption" project activities (part of "Civil Society against Corruption" Project- article 2.3-2.4).
- Advocacy and Legal Advice Centres (ALACs) Project Nb.209-354.10 SOE 7/2009 - EUR 29 470 and Nb.209-354.10 SOE 8 / 2010 - EUR 8 600, total was funded EUR 42 970.

3. PROJECT "CIVIL SOCIETY AGAINST CORRUPTION" (MOL-503837-0005116)

3.1 Financing

Within 1 January – 31 December 2010, the Project received the following financing from the donors:

Description	Date	curs
Opening balance		
- NOVIB		87 231
- SOROS		7 189
Total		94 420
Income:		
- NOVIB	29.06.2010	20 000
- SOROS	10.06.2010	8 600
Total income		28 600
Total available for used		123 020

3.2 Expenditure

Nb.	Description	MDL	EUR
<i>Activity 1: "Civil society its capacity to withstand corruption"</i>			
	Ensuring legal assistance to the citizens that face corruption: hot-line, visiting centre		
1.1	Local consultants (two full time lawyers)	271 628	16 788
	Maintaining toll free hot-line(0-800-10000)	7 330	455
	Marketing (producing and advertising video-and audio spots, conducting audio-video-programs, producing and disseminating posters, leaflets)	18 652	1 181
	Subtotal	297 610	18 424
	Training of trainers, maintaining a permanent network of trainees that will conduct anti-corruption workshops in rural site bank		
1.2	Local consultants (six part-time experts in legal anti-corruption framework, ethics in public and private sectors, tax related issues, public procurement, etc. mainly from TI-Moldova)	47 023	3 005
	Payments to 10 selected and subcontracted trainees in rural area	44 920	2 811
	Training of Trainees (hotel, hospitality for 20 people each training)	11 340	692
	Subtotal	103 283	6 509
1.3	Maintaining the web-site		
	Local consultant	48 193	2 999
	Hosting of the site, internet	22 346	1 451
	Subtotal	70 539	4 450
1.4	Editing and disseminating the monthly Informational Bulletin of TI-Moldova		
	Local consultants	39 901	2 456

	Printing	38 425	2 416
	Dissemination costs (mailing and subcontracting distributors in 16 regions)	42 261	2 665
	Subtotal	120 587	7 538
1.5	Broadcasting TV and radio anti-corruption programs, radio and video spots		
	Subcontractors	22 738	1 445
	Subtotal	22 738	1 445
1.6	Confectioning and disseminating promotional materials with an anti-corruption message (T-shirts, posters, calendars, satirical magazines)		
	Subcontractors	38 965	2 422
	Subtotal	38 965	2 422
Total Activity 1		654 721	40 788

2. Strengthening the capacities of public institutions to collaborate with citizens in corruption preventing matters

2.1	Participating of TI-Moldova in the Working Group for Monitoring the Implementation of the National Strategy for Preventing and Fighting Corruption ; Writing comments on the work of the work of the group Local consultants	62 012	3 843
2.2	Writing comments on draft laws and other normative acts related to preventing and combating corruption Local consultants	65 160	4 003
2.3	Conducting a study of petition system in public institution. Editing and printing the results in a brochure /Co-financed by SOROS Foundation/ Local consultants	143 840	8 749
	Editing and printing (1000 copies in Romanian and 300 copies English)	27 110	1 649
2.4	Conducting a study of perception of conflict of interests in public institution /Co-financed by SOROS Foundation/ Local consultants	68 032	4 138
	Subcontractor	20 600	1 253
	Editing and printing (1000 copies Romanian)		
2.5	Conducting regular workshops for the central and local public administration Local consultants	32 887	2 000
	Coffee breaks	0	
2.6	Monitoring the implementation of the decisions of the Chamber of Accounts Local consultants	78 297	4 800
Total Activity 2		497 938	30 435

3. Investigative journalists increased their capacities to conduct ethical investigations related to corruption

3.1	Conducting annual contests for the best article about corruption Local consultant	13 072	800
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	Premiums for three winners each year (I place 200 USD, II place-150 USD, III place -100 USD after taxes)	9 943	630
	Reception at the nomination of winners for around 50 people	7 820	477
3.3	Printing the early editions of "Journalists against Corruption" with the articles presented for the contest		
	Editing, printing the book (700 copies)	32 843	2 027
3.4	Participation in International conferences, training, regional and yearly meetings of TI		
	Travel costs	64 014	4 154
	Total Activity 3	127 692	8 087

4. Activities additional to the work plan			
4.1	Publishing a year-book with anti-corruption caricatures	49 852	3 116
4.2	Organizing a round table on the improvement of the petition system with the participation of representatives of all central public institutions.	6 002	380
4.3	Organizing a concert "Say NO to Corruption!" for youth	57 668	3 680
	Total Activity 4	113 522	7 176

5. Management			
	Telephone	6 432	402
	Rent of office	161 352	10 003
	Miscellaneous expenditures-internet, telecom, paper, cartridges etc	40 311	2 490
	Equipment	17 983	1 122
	Director and bookkeeper	278 755	17 033
	Audit	50 784	3 200
	Unforeseen expenditures	36 441	2 284
	Subtotal	592 058	36 534
TOTAL EXPENDITURE		1 985 931	123 020

4. ADVOCACY AND LEGAL ADVICE CENTRES PROJECT: 209-354.10 SOE 8/2010

4.1 Financing

Within 1 January - 31 December 2010, the Project received the following financing from the donors:

Description	Date	curs
Advocacy and Legal Advice Centres (ALAC):		
5 th instalment	04.02.2010	12 500,00
6 th instalment	20.04.2010	8 300,00
7 th instalment	04.06.2010	8 300,00
8 th instalment	06.09.2010	370,00
9 th instalment	05.11.2010	13 500,00
Total		42 970,00

4.2 Expenditure

Description	April 1 - July 31, 2010		October 1 - December 31, 2010		TOTAL 2010	
	MDL	EUR	MDL	EUR	MDL	EUR
Local Salaries (Gross Amounts)						
Project Coordinator	69 989	4 200	38 318	2 400	108 307	6 600
Project Assistant	51 606	3 150			51 606	3 150
Legal Advisors	70 094	4 188	43 900	2 750	113 994	6 938
Public Relations	8 089	496	4 903	307	12 992	803
Bookkeeper/ accountant	29 160	1 750	1 437	900	30 597	2 650
Subtotal Human Resources	228 938	13 785	88 558	6 357	317 496	20 141
Local Travel						
NCParticipationAMM/IACC			32 223	2 018,24	32 223	2 018,24
Local Transportation	11 732,00	704,42	4 867	304,85	16 599	1 009,27
Subtotal Travel	11 732,00	704,42	37 090	2 323,09	48 822	3 027,51
Office Costs, Equipment and Supplies						
Office Rent	45 256	2 801,88	19 135	1 198,50	64 391	4 000,38
Consumables (Office Supplies Cleaning Materials etc.)	12 112	738,5	2 432	152,52	14 544	891,02
Other Services - tel./ fax electricity/ heating maintenance	10 081	627,05	7 236	453,21	17 317	1 080,26
Subtotal Equipment and Supplies	67 449	4 167,42	28 803	1 804,23	96 252	5 971,65
Other costs/services						
Maintaining the Toll-Free Hotline	13 808	840,00	2 394	149,95	16 202	1 343,83
Marketing Costs	78 888	5 020,02	14 363	899,60	93 251	18 486,35
Web Design and Maintenance	28 039	1 669,80	14 369	900,00	42 408	4 178,05
Books/ Journals/ Subscriptions	2 285	142,48	1 615	101,13	3 900	376,42
Miscellaneous (e.g. fees insurance)	10 704	675,33	2 123	132,96	12 827	1 033,28
Audit services	5 883	370,00	2 954	185,00	8 837	370,00
Printing the Informational Buletin of TI-Moldova	29 000	1 719,89			29 000	3 983,28
Printing stickers advertising the hot-line in public transportation 2000 peaces	5 980	376,10			5 980	1 190,25
Other (Banking charges/provisions)			1 377	86,22	1 377	
Other (One computer)			8 958	561,10	8 958	
Subtotal Other Costs/Services	174 586	10 813,63	48 153	3 015,96	222 740	13 829,59
TOTAL EXPENDITURE	482 706	29 470,00	202 604	13 500,00	685 310	42 970,00

**5. "Consolidating the petition system - a way to prevent corruption" Project
SOROS FOUNDATION MOLDOVA**

Description	Date	curs
Opening balance		
- SOROS		7 189
Total		7 189
Income:		
- SOROS	10.06.2010	8 600
Total available for used		15 789
Expenditure /p. 2.3-2.4 of MOL- 503837-0005116 project/		15 789
Closing Cash Balance		0

6. TIM - EXECUTION FEE AND OTHER GAINS

Description	Amount	
	MDL	EUR
Opening cash balance		942
Total funds received		1
Exchange rate difference		1
Uses of funds:		
Closing Cash Balance		943

7. Current Assets

The balance value of current assets amounts to 15 584 Euros as of December 31, 2010 and is made up of the following items:

7.1 Cash at the disposal of TI-Moldova in the amount of 15 185 Moldovan lei or **EUR 942,89** are supported by source documents: cash in bank accounts in MDL - 1 289,66, cash in bank accounts in EUR - 869,61, and cash in hand - 8,84 MDL.

	MDL	EUR	Total EUR
Opening cash balance	140285	87396	95362
Cash inflow	132874	62970	715571
Cash outflow	271860	149496	165990
Closing cash balance	1299	870	943

7.2 **Inventory** of methodological guides, brochures, posters and books in the amount of 85 383,91 lei (EUR 5 302), which are confirmed by stock lists.

Opening Balance (MDL)	Procured (MDL)	Used (MDL)	Closing Balance (MDL)	Total in Euros
308 093	303 089	525 798	85 394	5 303

7.3 **Short-term receivables - 150 406 MDL (EUR 9 339)**

Accounts prepayment	Closing Balance (MDL)	Total in Euros
IUVAS LTD	29 400	1 825
Moldtelecom/ORANGE	7 916	492
Uniunea scriitorilor	82 582	5 128
Audit Firm Alkont LTD	28 852	1 791
Other prepayments	1 656	103
Total	150 406	9 339

8. Fixed Assets

8.1 **Intangible fixed assets** are represented in accounting by „1-C Account” automated accounting application and video spots:

Intangible Fixed Assets	Opening Balance (MDL)	Procured (MDL)	Depreciation (MDL)	Balance Cost (MDL)	Balance Cost (EUR)
„1-C Account” Accounting Application	1 820		1 820	0	0
Video spots	89 116	4 703	89 704	4 115	256
Total	90 936	4 703	91 524	4 115	256

- 8.2 Tangible fixed assets as of December 31, 2010 are represented in accounting by office equipment and furniture:

Tangible Fixed Assets	Opening Balance (MDL)	Procured (MDL)	Depreciation (MDL)	Balance Cost (MDL)	Total in Euros
Computers	40 398	20 943	17 814	43 527	2 703
Furniture	8 511		2 095	6 416	398
Other Office Equipment	44 527		8 050	36 477	2 265
Total	93 436	20 943	27 959	86 420	5 366

- 9. Targeted Financing

The financial result per projects obtained as of 31 December 2010 from donations makes up EUR 943, and may be presented as follows:

Project	Opening Balance as of 01.01.2010	Incomes	Expenditures	Financial Result
"Civil Society Against Corruption" Project MOL-503837-0005116	87 231	20 000	107 231	0
Advocacy and Legal Advice Centres (ALAC) Project 209-354.10 SOE 7 / 2009	0	42 970	42 970	0
Consolidation of petition system Project: Soros Foundation Moldova /Grant Contract No.12880/	7 189	8 600	15 789	0
Balance of Transparency International Moldova funds	942	1		943
Total	95 362	71 571	165 990	943

10. Significant Accounting Policies

Basis

The financial statements are prepared on the cash receipts and disbursements basis, which means that revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred.

The main principle used in accounting is the principle of assessment according to the initial value.

The record of assets and economic operations is made in in-kind and monetary expression through a continuous reflection in accounting books and is correspondingly disclosed in financial statements.

Foreign currency

- Economic transactions are reflected in accounting books and, eventually, in financial statements in Euro and Moldovan Lei. Thus, the targeted financing (funds) received in EUR is recorded in Moldovan Lei at the official exchange rate as of the receipt date. Expenses are recorded in accounting books in Moldovan Lei and in financial statements in EUR at the official exchange rate as of the date of payment.

Assets and liabilities denominated in foreign currencies and presented in annual financial statements are converted into Moldovan Lei at the official exchange rate set by the National Bank of Moldova as of December 31, 2010.

Fixed Assets

Received fixed assets are reflected in accounting at the cost value, in compliance with the National Accounting Standard No.16.

In financial statements drawn up for donors, procurement of fixed assets is recorded as expenditure of targeted financing in the overall amount. In financial statements drawn up in compliance with the National Accounting Standards, procured fixed assets are presented as long-term tangible assets financed from the special real estate fund formed of donations.

Depreciation of fixed assets is calculated by the straight-line method on the basis of their operation life and is recorded under application of the special real estate fund.

Inventory

Inventory, as well as low-value and short-term assets (that cost up to 3,000 MDL) are presented in the financial reports for donors as expenditure, while in the financial statements drawn up in compliance with the National Accounting Standards as items with the same name under current assets on the balance sheet.

Accounts Receivable and Payable

Short-term receivables and liabilities are presented in the financial statements in compliance with the National Accounting Standard No.5 at their nominal value that includes taxes and fees stipulated by local legislation.

Net Assets

Net assets represent:

- Permanently restricted assets - balances of targeted financing according to projects; these assets cannot be used for other purposes than those stipulated by project budgets;
- Temporarily restricted assets - short-term investments;
- Unrestricted assets - balances of targeted financing left by the donor to be used to meet the needs of the organization and incomes obtained from gain on exchange rate from conversion of foreign currency;
- Real estate fund created based on investment of targeted financing in long-term assets.