



Transparency International - Moldova

Financial Statements

for the period 1 January to 31 December 2016

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Abbreviations used within the report:

TI-S – Transparency International e.V. (Secretariat)
NIS – project National Integrity System Assessment
Col – Project Monitoring Conflict of Interests policy Grant Contract European Union
NED – National Endowment for Democracy
MFA Netherlands – Minister of Foreign Affairs of Kingdom of the Netherlands
PASOS – Policy Association for an Open Society
EEFM – East European Foundation Moldova

Independent Auditor's Report

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

1. We have audited the accompanying financial schedules comprising sources and use of targeted financing of Activities within 2016 and TI-Moldova administration costs in order to find out whether they satisfy the Grant Agreements concluded for approved activities in 2016 between donating agencies and Transparency International Moldova (TI-M).

2. We have audited the accompanying financial statements of the Transparency International Moldova (TI-M) as of December 31, 2016, and the corresponding documents on program implementation for the period January 1, 2016 – December 31, 2016.

Management of TI-M is responsible for the reliability of these financial statements. Our responsibility is to express an opinion on the corresponding financial statements based on our audit.

3. We have conducted our audit in compliance with the International Auditing Standards applicable to special-purpose audit engagements. These Standards require that we plan and perform the audit so as to obtain reasonable assurance about whether financial statements are free of material misstatement. An audit includes the examination of evidence that confirms the data of financial statements and information disclosure. It also implies assessment of the accounting principles used and analysis of significant accounting estimates made by the management, as well as evaluation of the overall presentation of financial statements.

4. In conducting the audit, special attention was paid to the following aspects:

- Design and operation of the accounting system within Projects, i.e. documentation, authorization of transactions, procurement of goods and services, business trip documentation, book-keeping and account reconciliation;
- Whether all the necessary supporting documents, records, and accounts were kept in respect of all Programs incomes and expenditure;
- Whether received funds were spent efficiently for Programs purposes in compliance with budgets and other clauses stipulated by Grant Agreements;

- Whether all the expenses were duly documented in compliance with the budgets stipulated by Grant Agreements;
- Whether all the expenses were incurred in compliance with the current legislation;
- Whether all the assets procured from grants exist.

We believe that our audit provides a reasonable basis for an opinion.

5. In our opinion, the financial statements referred to in paragraph 1 above present fairly, in all the significant aspects, the funds received and expenses incurred by the TI-M within January 1 – December 31, 2016, in compliance with the accrual method as described in chapter IV(8).

Director of Audit Firm, Auditor

June 27, 2017



Alla Kulikovskaia

TRANSPARENCY INTERNATIONAL MOLDOVA
I. Balance Sheets as of December 31, 2016

Assertions	Notes	December 31, 2016	
		MDL	EUR
CURRENT ASSETS:	3		
Cash	3.1	1 670 176	79 953
Inventory	3.2	5 925	284
Debtors and Prepayments	3.3	291159	13 938
TOTAL CURRENT ASSETS		1 967 260	94 175
FIXED ASSETS:	4		
Intangible Fixed Assets	4.1		
Tangible Fixed Assets	4.2	22 128	1 059
TOTAL FIXED ASSETS		22 128	1 059
Total Assets		1 989 388	95 234
LIABILITIES and NET ASSETS			
Targeted Financing	5	1 670 176	79 953
Liabilities	6	7 447	357
Net Assets	7	311735	14 924
Total Net Assets		1 989 388	95 234



Executive Director

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Chief Accountant

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TRANSPARENCY INTERNATIONAL MOLDOVA
II. FINAL PROGRESS REPORT
For 12 month period ended on December 31, 2016

Assertions	12 months period ended December 31, 2016	
	MDL	EUR
Balance at the Beginning of the Reporting Period		
TI-Secretariat, EC, ENPI/2012/310-064	73 863	3 439
EEFM Grant 357	13 004	605
PASOS ENPI 354-731	53 621	2 497
TIM member fee and Other	38 510	1 793
Total as of January 01, 2016	178 998	8 334
Incomes		
TI-Secretariat, funding Pr. G160458	509 906	23 758
EU, represented by the EC funding (Monitoring Col)	610 986	27 358
NED funding Project No. 2016-512	681 780	30 907
US Embassy Project No.SMD700-16-GR021	451 540	20 411
MFA Netherlands funded Project BKR/16/AF/01	342 974	15 300
MFA Netherlands funded Project 28994-AF-03	1342 838	60 000
PASOS ENPI 354-731	248 582	11 354
Total Incomes per Projects	4 188 606	189 088
Exchange rate difference	(91 633)	437
Expenditure		
TI-Secretariat, EC, ENPI/2012/310-064	77 100	3 439
TI-Secretariat, funding Pr. G160458	145 041	6 989
EU, represented by the EC funding (Monitoring Col)	610 986	27 358
NED funding Project No. 2016-512	434 188	18 899
US Embassy Project No.SMD700-16-GR021	361 050	16 233
MFA Netherlands funded Project BKR/16/AF/01	191 453	8 801
MFA Netherlands funded Project 28994-AF-03	473 543	21 733
PASOS funding Grant 354-731	299 429	13 849
EEFM Grant 357	13 004	605
Total Expenditure	2 605 795	117 906
Balance at the End of the Reporting Period		
TI-Secretariat, EC, ENPI/2012/310-064		0
TI-Secretariat, funding Pr. G160458	350 284	16 768
EU, represented by the EC funding (Monitoring Col)	0	0
NED funding Project No. 2016-512	250 844	12 008
US Embassy Project No.SMD700-16-GR021	87 273	4 178
MFA Netherlands funded Project BKR/16/AF/01	135 757	6 499
MFA Netherlands funded Project 28994-AF-03	799 378	38 267
PASOS funding Grant 354-731	34	2
EEFM Grant 357	0	0
TIM member fee and Other	46 605	2 231
Total as of December 31, 2016	1 670 176	79 953

Executive Director
Chief Accountant



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TRANSPARENCY INTERNATIONAL MOLDOVA NGO
III. CASH FLOW STATEMENT
For 12 month period ended on Dacember 31, 2016

Assertions	Amount in MDL	Amount in EUR	Amount in USD
Opening Balance as of 1 January 2016	34 903,26	6 709,02	661,50
Cash Earnings			
Donations		137 769,55	57 006,00
Currency exchange	2 979 596,70	(85 848,53)	(48 154,50)
Total Cash Available for Activities	3 014 499,96		
Cash expenditure	2 605 795,24	1 985,00	
Exchange rate difference	111 897,41		
Closing Balance	296 807,31	56 645,04	9 513,00
Balance in EUR		79 952,91	

* 01.01.2016: 1 EUR = 21,4779, 1 USD=19,6585

** 31.12.2016: 1 EUR = 20,8895, 1USD =19,9814

/Detailed cash flow report in annex 1/



Executive Director _____

Chief Accountant _____



TRANSPARENCY INTERNATIONAL MOLDOVA
IV. NOTES TO THE FINANCIAL SCHEDULES
For 12 month period ended on December 31, 2016

1. INCOMES

Within the reporting period, TI-M received donations from:

Agency	Date of receipt	Amount sent,	Amount sent,	MDL available for use	EUR/MDL Exchange rate applied	Total in EUR
		EUR	USD			
NED						
	10.05.2016		15 220	301 643,66	22,6432	13 321,60
	23.09.2016		9 513	188 404,01	22,2497	8 467,71
	19.12.2016		9 513	191 732,61	21,0283	9 117,84
	subtotal		34 246	681 780,28		30 907,15
Embassy of USA						
	02.03.2016		7 600	152 004,56	21,7516	6 988,20
	09.06.2016		7 600	150 175,24	22,4710	6 683,07
	30.09.2016		7 560	149 359,9	22,1611	6 739,73
	subtotal		22 760	451 539,70		20 411,00
Embassy of Netherlands						
	30.05.2016	15 300		342 973,98	22,4166	15 300,00
	19.08.2016	60 000		1 342 838,00	22,3806	60 000,00
	subtotal	75 300		1 685 811,98		75 300,00
PASOS						
	28.07.2016	11 354		248 582,21	21,8938	11 354,00
	subtotal	11 354		248 582,21		11 354,00
TI-Secretariat						
	28.11.2016	23 757,55		509 905,92	21,4629	23 757,55
	subtotal	23 757,55		509 905,92		23 757,55
EU COI						
	22.02.2016	27 358		610 986,21	22,3330	27 358,00
	subtotal	27 358		610 986,21		27 358,00
TOTAL INCOMES		137 769,55	57 006	4 188 606,30		189 087,70

2. PROGRAMME ACTIVITIES

During the 12 month period ended on December 31, 2016 Transparency International – Moldova Public Association has implemented 7 projects:

1. “A Case-Based Approach to Fighting Grant Corruption” Project (Grant Agreement: with Transparency International e. V. (Secretariat) signed on November 26, 2016 for the period of October 2016 – September 2017.
2. “Engaging Civil Society in Monitoring of Conflict of Interest Policies” Project COI (Grant contract no.213-313-750) EU-funded for the Moldova for the period July1, 2013 to June 30, 2015 – final stage.
3. “Monitoring Conflict of Interest Policy” Project No 2016-512 funded by National Endowment for Democracy (NED) USD 32 246 for the period of 2016;
4. “Increasing the Capacity of Vulnerable Strata of Population to Withstand Corruption” Project No.SMD700-16-GR021 funded by U.S Embassy - USD 22 760 for the period of February 2016 – March 2017.
5. “Building Living Space for poor: Protect the Unprotected” Grant No. BKR/16AF/01 concluded with Minister of Foreign Affairs through Embassy of the Kingdom of the Netherlands in Bucharest for the period of May 2016 – April 2017.
6. “Building a State of Law and Democracy in Moldova: The Contribution of Civil Society” Grant No. 28994-AF-03 concluded with Minister of Foreign Affairs through Embassy of the Kingdom of the Netherlands in Bucharest for the period of July 2016 – December 2018.
7. “Partners in Empowerment” Project awarded to PASOS by European Commission through grant contract no. 354-731 under the grant call EuropeAid/135811/DH/ACT/Multi-ENPI/2014/206 within which TI Moldova recognised as a project co-applicant.

2. PROJECTS

2.1 "National Integrity System Assessments in European Neighbourhood East region" Project (Grant contract: ENPI/2012/310-064)

For the period of 2016

Items	Donation	
	MDL	EUR
Balance at the beginning NIS:	73 863,14	3 439,03
<i>Exchange rate difference</i>	3 237,16	
Total sources available for 2016	77 100,30	3 439,03
Refund to NIS	77 100,30	3 439,03
Balance as of 31.12.2016	0	0

2.2 "A Case-Based Approach to Fighting Grand Corruption" Project G160458

For the period 2016

Items	Donation	
	MDL	EUR
Incomes	509 905,92	23 757,55
<i>Exchange rate difference</i>	-14 580,68	
	495 325,24	23 757,55
A Build the capacity	0	0
A1 Training for civil 8nvesti and mass-media		
B Monitor the asset recovery	131 076,80	6 320,00
B1 Two monitoring reports	131 076,80	6 320,00
D Other Project Costs	13 964,62	669,13
D1 Project manager	13 916,62	666,82
D8 Bank charges	48	2,31
Total direct costs	145 041,42	6 989,13
Balance as of 31.12.2016	350 283,82	16 768,42

2.3 "Engaging Civil Society in Monitoring of Conflict of Interest Policies" Project Col (EU-funded Grant contract no. ENPI 213/313-750)

For the period of 2016

Items	Donation / Expenditure	
	MDL	EUR
Balance at the beginning:	0	0
Incomes:	610 986,21	27 358,00
Expenditure and Sources transferred in other countries	610 986,21	27 358,00
Transparency International –Ukraine, the Ukrainian Public Policy Institute	108 499,69	4 976,00
Transparency International – Ukraine	60 028,06	2 753,00
Stefan Batory Foundation (Poland)	58 894,22	2 701,00

Transparency International – Armenia (TI-Armenia), Eurasia Partnership Foundation (Armenia);	91 186,84	4 182,00
Transparency International – Armenia Anticorruption Center	82 639,43	3 790,00
Bank costs	6 060,66	278,00
Audit	67 500,00	3 133,00
Salary	67 539,92	3 186,00
Unforeseen	54 538,87	2 359,00
Exchange rate difference	14 098,52	
Balance as of December 31, 2016	0	0

2.4 “Monitoring Conflict of Interest Policy” Project NED No 2016-512
For the period of 2016

Items	Expenditure		Budget	%%	EUR Equivalent
	MDL	USD	USD		
Balance at the beginning:	0,00	0,00			0,00
Incomes:					
National Endowment for Democracy	681 780,28	34 246,00			30 907,15
Total Donations	681 780,28	34 246,00			30 907,15
Expenses Incurred within Program Activities:					
Salaries	250 340,26	12 510,58	19 152	65	
Benefits, Allowances & Taxes	106 457,22	5 317,11	7 448	71	
Office Space & Utilities	24 013,98	1 199,50	1 800	67	
Supplies & Equipment	2 846,48	142,04	360	39	
Communications & Postage	4 954,95	247,56	400	62	
Travel & Per Diem		-	-		
Contractual / Consultant Services	37 443,96	1 875,95	8 180	23	
Other direct costs	8 131,31	399,37	710	56	
Total Expenditure	434 188,17	21 692,11	38 050	57	18 899
<i>Exchange rate difference</i>	<i>3 252,19</i>				
Balance as of December 31, 2016	250 844,30	12 553,89			12 008,15

2.5 “Increasing the Capacity of Vulnerable Strata of Population to Withstand Corruption” Project No SMD700-16-GR021
For the period of 2016

Items	Expenditure		Budget	%%	EUR Equivalent
	MDL	USD	USD		
Incomes:	451 539,70	22 760,00			20 411
Exchange rate difference	-3 217,04				
Total sources available for 2016	448 322,66	22 760,00			20 411
Expenditure					
Personnel	197 215,46	9 992,68	10 860	92	8 867
Trainer in legal issues	21 592,57	1 093,95	1 200	91	971
Organizer of the surveys	41 247,35	2 089,72	2 280	92	1 855

Local facilitators of Workshop	10 633,48	539,84	540	100	478
Project manager	123 742,06	6 269,17	6 840	92	5 564
Travel	15 400,00	782,97	780	100	692
Supplies	3 500,16	178,18	180	99	157
Contractual	133 808,30	6 790,02	10 020	68	6 016
Legal advice	118 245,00	6 000,00	9 000	67	5 316
Advertising the hot-line	15 563,30	790,02	1 020	77	700
Other direct costs	9 655,41	489,97	480	102	434
Coffee-breaks and workshop	6 104,01	309,85	300	103	274
Telephone/Internet	3 551,40	180,12	180	100	160
Indirect Costs	1 470,57	158,48	440	36	66
Bank charges	1 470,57	158,48	240	66	66
Audit*			200	0	0
Total expenditure	361 049,90	18 392,30	22 760	81	16 233
Balance as of December 31, 2016	87 272,76	4 367,70			4 177,83

**2.6 "Building Living Space for Poor: Protect the Unprotected" Grant No. BKR/16/AF/01
For the period of 2016**

No.	Items	Expenditure		Budget	%%
		MDL	EUR	EUR	
	Incomes:	342 973,98	15 300,00		
	Exchange rate difference	- 15 763,48			
	Total sources available for 2016	327 210,50	15 300,00		
	Expenditure				
1	Fees	127 495,51	5 850,09	8 760	67
1.1.	Project Manager	87 325,36	4 010,06	6 000	67
1.2.	Accountant	40 170,15	1 840,03	2 760	67
3	Communication	2 595,00	118,87	280	42
3.1.	Preparing and publishing one digest for mass-media	-	-	100	-
3.2.	Communication (telephone, internet, fax)	2 595,00	118,87	180	66
4	Supplies	-	-	120	-
4.1.	Office supplies	-	-	120	-
5	Activities	48 272,24	2 199,86	4 920	45
5.1.	Conducting the survey (Sociological expert, PR expert)	37 358,83	1 699,93	1 700	100
5.2.	Conducting of focus group (Sociological expert, PR expert)	10 913,41	499,93	500	100
5.3.	Elaborating three draft laws / proposals (Legal expert)	-	-	2 000	-
5.4.	Organizing three round-tables expert (PR expert)	-	-	150	-
5.5.	Conference room rent and coffee-breaks	-	-	150	-
5.6.	Preparing the scenarios for one TV and one radio programs (Sociological expert and PR expert, air time-subcontractor)	-	-	420	-

6	Facility rent	11 581,90	533,43	800	67
6.1.	Rent office (25% of total)	11 581,90	533,43	800	67
10	Other indirect costs	1 508,54	98,92	420	24
10.1.	Bank charges	1 508,54	98,92	120	82
10.2.	Audit	-	-	300	-
	Total expenditure	191 453,19	8 801,17	15 300	58
	Balance as of December 31, 2016	135 757,31	6 498,83		

**2.7 "Building a State of Law and Democracy in Moldova: The Contribution of Civil Society"
Grant No. 28994-AF-03
For the period of 2016**

No.	Items	Expenditure		Budget	%%
		MDL	EUR	EUR	
	Incomes from MATRA received	1 342 838,00	60 000,00		
	Exchange rate difference	-69 916,43			
	Total sources available for 2016	1 272 921,57	60 000,00		
	Expenditure				
1	Fees				
1.1.	Project assistant	132 129,20	6 010,50	12 000	50
1.2.	Project manager	105 701,12	4 808,30	9 600	50
1.3.	Accountant	46 244,96	2 103,66	4 200	50
2	Copying, printing, publishing				
2.1.	Copying, printing			360	0
3	Communication				
3.1.	Tel/free Hot-line / Internet	6 022,80	274,13	1 200	23
4	Supplies				
4.1.	Office supplies	2 035,37	93,13	360	26
5	Activities				
5.1.	Conducting a study of state capture			10 000	0
5.2.	Conducting a study of mass-media capture			7 000	0
5.3.	Conducting a study of political migration				
5.4.	Conducting a study of public administration reform and distribution of wealth and resources based on political color				
5.5.	Monitoring the re-setting of the anti-corruption system			1 300	0
5.6.	Monitoring public procurement	105 950,00	5 000,00	5 000	0
5.7.	Conducting periodical surveys and omnibuses to assess the popularity of concrete policy initiatives				
5.8.	Summarizing the results of various investigations on the integrity of various candidates for positions with public dignity	17 496,00	801,47	800	100
5.9.	Compiling multilateral assessments			1000	0
5.10.	Providing expertise of emerged	11 022,78	504,94	250	202

	concrete legal documents				
5.11.	Providing expert assessments of policy initiatives			300	0
5.12.	Round tables			900	0
5.13.	Working out public policy digests for a wide strata of population	11 025,58	499,80	500	100
5.14.	Organizing press-conferences	1 800,00	82,00	600	14
5.15.	Broadcasting TV and radio programs			700	0
5.16.	Other	182,30	8,35	500	2
6	Facility rent				
6.1.	Office rent	30 337,00	1 383,05	2 760	50
7	Office equipment				
7.1.	Spare parts and repairs				
8	Travel expenses				
8.1.	Car rent			120	0
9	Accommodation and boarding expenses				
10	Other indirect costs				
10.1.	Bank charges	3 596,17	163,68	480	34
10.2.	Annual audit			800	0
	Total Expenditure	473 543,28	21 733,01	60 730	28
	Balance as of December 31, 2016	799 378,29	38 266,99		

**2.8 "Partners in Empowerment" Project awarded to PASOS by European Commission through grant contract no. 354-731
For the period of 2016**

Items	Expenditure	
	MDL	EUR
Balance at the beginning:	53 621,30	2 496,58
Incomes from PASOS received	248 582,31	11 354,00
Exchange rate difference	-2 740,71	
Expenditure:		
1. Human Resources		
1.1 Salaries (gross amounts, local staff)		
1.1.2 Administrative/ support staff		
Country coordinator	131 148,50	6 037,55
Local expert coordinator	62 436,44	2 877,75
Financial manager	21 727,00	1 000,37
Regional workshop	37 615,67	1 704,38
Subtotal Human Resources	252 927,61	11 620,05
2. Travel	16 230,00	743,12
4. Local office		
4.3 Consumables – office supplies	4 190,00	211,48
4.4 Other services (tel/electricity, heating etc.)	2 090,93	94,74
Subtotal Local office	6 280,93	306,22
5. Other costs, services		

5.6 Financial services	1 373,85	146,15
5.7 Expert mentors fees	22 616,27	1033,4
Subtotal Other costs, services	23 990,12	1 179,55
7. Total direct eligible costs of the Action	299 428,66	13 848,94
Balance as of December 31, 2016	34,24	1,64

**2.9 "Pro-Europe – Pro-Democracy" Project (East European Foundation Grant 357)
For the period of 2016**

Items	Expenditure	
	MDL	EUR
Balance at the beginning:	13 004,11	605,49
Audit services	12 000,00	558,66
Bank charger	6,00	0,36
Refund to FHI	998,11	46,47
Expenditure	13 004,11	605,49
Balance as of December 31, 2016	0,00	0,00

2.10 TIM – EXECUTION FEE and Other

Description	12 months period ended January 31, 2016	
	MDL	EUR
Opening cash balance	38 510,37	1 793,02
Expenses		
Foreign Exchange Gane	8095,15	438,03
Closing Cash Balance	46 605,52	2 231,05

3. Current Assets

The balance value of current assets amounts to MDL 1,967,260 or 94,175 Euros as of December 31, 2016 and is made up of the following items:

3.1 Cash at the disposal of TI-Moldova on 31.12.2016 in the amount of:

Amounts		Total in EUR
cash in bank accounts in MDL	MD 296 807,31	14 208,44
cash in bank accounts in EUR	€ 56 645,04	56 645,04
cash in bank accounts in USD	\$ 9 513,00	9 099,45
Total in EUR		79 952,91

3.2 Inventory is consists of a large sun umbrella in the amount of 5 925 lei (EUR 284), which are confirmed by stock lists.

Opening Balance (MDL)	Procured (MDL)	Used (MDL)	Closing Balance (MDL)	Total in Euros
Inventory – 5 925	21 095	21 095	5 925	284

3.3 Short-term receivables – 291 159 MDL (EUR 13 938)

Accounts prepayment	Closing Balance (MDL)	Total in Euros
Prepayments – Institute for Development and Social Initiatives	131 077	6 275
PASOS – co-funding 28994-AF-03	104 448	5 000
Local organization:		
Moldgell, Moldtelecom, Orange	3 317	159
Moldova – telephone/internet		
Writers Union – for rent	49 696	2 379
Bank card	2 621	125
Total	291 159	13 938

4. Long Term Assets

4.1 Tangible fixed assets as of December 31, 2016 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	27 041	0	6 031	21 010	1 006
Furniture	3 105	0	2 430	675	32
Other Office Equipment	1 177	0	734	443	21
Total	31 323		9 195	22 128	1 059

5. Targeted Financing

The financial result per projects obtained as of 31 December 2016 from donations makes up EUR 79 953, and may be presented as follows:

Projects	Opening Balance as of 01.01.2016	Incomes	Expenditure/Refund	Exchange rate difference	Financial Result
ENPI/2012/310-064	3 439	0	3 439	0	0
Col ENPI 2013/313-750	0	27 358	27 358	0	0
TI-S Pr. G160458	0	23 758	6 989	0	16 768
NED Grant 2014-459	0	30 907	18 899	0	12 008
SMD700-16-GR021	0	20 411	16 233	0	4 178
EEFM Grant 357	605	0	605	0	0

BKR/16/AF/01	0	15 300	8 801	0	6 499
Gr.28994-AF-03	0	60 000	21 733	0	38 267
Pasos ENPI 354-731	2 497	11 354	13 849	0	2
TI-M member fees and other	1 793	0	0	438	2 231
Total Targeted Financing	8 334	189 088	117 906	438	79 953

6. Short-term liabilities

Short-term liabilities – MDL 7 282 (EUR 349) include the Liabilities for taxes and other 165 MDL (8 EUR).

7. Increase in Net Assets

Increase in net assets in the amount of EUR 14 924 were formed by: long-term assets left at the disposal of TIM, balance of short-term assets, difference on exchange rate:

	Total in EUR
Unrestricted Assets:	
Property fund – investments of targeted financing in long-term assets (p.4)	1 059
– inventory (p.3.2)	284
- Debtors and Prepayments (p. 3.3)	13 938
–minus liabilities (p. 6)	-357
Total	14 924

8. Significant Accounting Policies

Basis

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

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 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 and USD 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 average exchange rates per period of activity.

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, 2016 – 20,8895 MDL for 1 Euro and 19,9814 MDL for 1 USD.

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, 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 10,000 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.

TI-Moldova 2016 CONSOLIDATED CASH FLOW REPORT

ANNEX 1

2016	NIS / T-Secretariat		Embassy/USA		COI		NED		Pasos		MFA Netherlands		mem fees		Total			
	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR		
Balance opening	73 863,14	3 439,03			0,00	0,00	0,00	0,00	53 621,30	2 496,58	0,00	0,00	13 004,11	605,46	38 510,37	1 793,02	178 998,92	8 334,10
NIS ENPI/2012/310-064	73 863,14	3 439,03															73 863,14	3 439,03
EEFM Grant 357									53 621,30	2 496,58	0,00	0,00	13 004,11	605,46			13 004,11	605,46
Pasos ENPI 354-731																	38 510,37	1 793,02
Member fees and other																	0,00	0,00
Incomes 2016	509 905,92	23 757,55			610 986,21	27 358,00	681 780,28	30 907,15	248 582,21	11 354,00	1 685 811,98	75 300,00			38 510,37	1 793,02	4 188 606,30	189 087,70
Ti-S Project G160458	509 905,92	23 757,55			610 986,21	27 358,00	681 780,28	30 907,15	248 582,21	11 354,00	1 685 811,98	75 300,00			38 510,37	1 793,02	4 188 606,30	189 087,70
Col ENPI 2013/313-750																	509 905,92	23 757,55
Pr. SMD/00-16-GR021					610 986,21	27 358,00											610 986,21	27 358,00
Pr. BKR/16/AF/01																	451 539,70	20 411,00
Grant no. 28994-AF-03																	342 973,98	15 300,00
NED Grant 2016-512																	1 342 838,00	60 000,00
Pasos ENPI 354-731																	681 780,28	30 907,15
Available for use in 2016:	583 769,06	27 186,58			451 539,70	20 411,00	610 986,21	27 358,00	248 582,21	11 354,00	1 685 811,98	75 300,00	13 004,11	605,46	38 510,37	1 793,02	4 354 601,11	196 816,33
Exchange rates difference	-11 343,52				-3 217,04				302 203,51	13 850,56	1 685 811,98	75 300,00	13 004,11	605,46	38 510,37	1 793,02	4 354 601,11	196 816,33
Expenditures 2016	222 141,72	10 428,16			361 049,90	16 233,17	610 986,21	27 358,00	-2 740,61	13 848,94	664 996,47	30 534,18	13 004,11	605,46	0,00	0,00	2 605 795,24	117 906,91
NIS ENPI/2012/310-064 refund	77 100,30	3 439,03															77 100,30	3 439,03
Ti-S Project G160458	145 041,42	6 999,13															145 041,42	6 999,13
Col ENPI 2013/313-750																	610 986,21	27 358,00
Pr. SMD/00-16-GR021																	361 049,90	16 233,17
Pr. BKR/16/AF/01																	191 453,19	8 801,17
Grant no. 28994-AF-03																	473 543,28	21 733,01
NED Grant 2016-512																	434 188,17	18 899,00
Pasos ENPI 354-731																	299 428,66	13 848,94
EEFM Grant 357																	13 004,11	605,46
Balance per 31.12.2016	350 283,82	16 768,42			87 272,76	4 177,83	610 986,21	27 358,00	34,24	1,64	935 135,60	44 765,82	13 004,11	605,46	46 605,52	2 231,05	1 670 176,24	79 952,91
NIS ENPI/2012/310-064	0,00	0,00															0,00	0,00
Ti-S Project G160458	350 283,82	16 768,42															350 283,82	16 768,42
Col ENPI 2013/313-750																	0,00	0,00
Pr. SMD/00-16-GR021																	87 272,76	4 177,83
Pr. BKR/16/AF/01																	135 757,31	6 489,53
Grant no. 28994-AF-03																	799 378,29	38 266,99
NED Grant 2016-512																	250 844,30	12 008,15
EEFM Grant 357																	0,00	0,00
Pasos ENPI 354-731																	34,24	1,64
Member fees and other																	46 605,52	2 231,05
																	46 605,52	2 231,05