



PUBLIC ASSOCIATION

**“TRANSPARENCY INTERNATIONAL
MOLDOVA” (TI-M)**

FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2020

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Abbreviations used within the report:

TI-S – Transparency International e.V. (Secretariat)

NED – National Endowment for Democracy

MFA Netherlands – Minister of Foreign Affairs of Kingdom of the Netherlands

Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of the projects financed according to the agreements between donating agencies Transparency International e.V. (Secretariat), National Endowment for Democracy, Minister of Foreign Affairs of Kingdom of the Netherlands, and Transparency International - Moldova (TI-M) which comprise the financial reports for the period 01.01.2020-31.12.2020 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the expenses of EUR 138,350 incurred by the projects for the period 01.01.2020 - 31.12.2020, in accordance with the approved project budgets and for approved purposes of the projects; in compliance with relevant Transparency International - Moldova (TI-M) regulations and rules, policies and procedures. The projects execution is in conformity with the project objectives and adheres to the contract conditions. The projects are economically conducted and the financial resources are used at destination.

Basis for opinion

We have conducted our audit in compliance with the International Auditing Standards applicable to special-purpose audit engagements. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Transparency International - Moldova (TI-M) and donator organisations in accordance with the ethical requirements that are relevant to our audit of the financial statements in Republic of Moldova, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of accounting and restriction on distribution and use

Our report is intended solely for the management of the projects, Transparency International - Moldova (TI-M) and financing organisations and should not be distributed to or used by parties other than the projects, TI-M and donators. Our opinion is not modified in respect of this matter.

Other aspects

According to the audit contract and terms of reference we have also issued a Management Letter.

Responsibilities of Management and those charged with governance for the financial statements.

Management of TI-M is responsible for the preparation and fair presentation of the financial statement of the projects in accordance with the requirements of the donators for the project implementation, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

Those charges with governance are responsible for overseeing the financial reporting process of TI-M.

Auditor's Responsibilities for the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statement.

As a part of an audit in accordance with IAS 800/805, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charges 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.

Director of Audit Firm, Auditor
July 20, 2021



Alla Kulikovskaia

TRANSPARENCY INTERNATIONAL MOLDOVA
I. Balance Sheets as of December 31, 2020

| Assertions | Notes | December 31, 2019 | | December 31, 2020 | |
|---|-------|-------------------|---------------|-------------------|---------------|
| | | MDL | EUR | MDL | EUR |
| CURRENT ASSETS: | 4 | | | | |
| Cash | 4.1 | 1 765 897 | 91 685 | 1 488 755 | 70 418 |
| Inventory | 4.2 | 8 523 | 443 | 20 834 | 976 |
| Debtors and Prepayments | 4.3 | 22 564 | 1 156 | 157 608 | 7 460 |
| TOTAL CURRENT ASSETS | | 1 796 984 | 93 284 | 1 667 197 | 78 854 |
| FIXED ASSETS: | 5 | | | | |
| Tangible Fixed Assets | 5.1 | 19 397 | 1 007 | 24 030 | 1 137 |
| TOTAL FIXED ASSETS | | 19 397 | 1 007 | 24 030 | 1 137 |
| Total Assets | | 1 816 381 | 94 291 | 1 691 227 | 79 991 |
| LIABILITIES and NET ASSETS | | | | | |
| Targeted Financing | 6 | 1 765 897 | 91 685 | 1 488 755 | 70 418 |
| Liabilities | 7 | 1 156 | 600 | 189 | 9 |
| Net Assets | 8 | 49 328 | 2 006 | 202 283 | 9 564 |
| Total Net Assets and Liabilities | | 1 816 381 | 94 291 | 1 691 227 | 79 991 |

Executive Director _____

Chief Accountant _____



TRANSPARENCY INTERNATIONAL MOLDOVA
II. FINAL PROGRESS REPORT
For 12 months period ended on December 31, 2020

| Assertions | 12 months period ended December 31, 2020 | |
|---|---|-------------------|
| | MDL | EUR |
| Balance at the Beginning of the Reporting Period | | |
| MFA Netherlands funded ProjectBKR-19-MATRA-01 | 1 288 271,27 | 66 886,70 |
| Swiss Representation Project No.81062661 | 240 077,45 | 12 464,66 |
| TI-Secretariat Project No.81062662 | 180 584,60 | 9 375,90 |
| NED funding Project No. 2019-1118 | 14 903,49 | 773,79 |
| TIM member fee and Other | 42 060,50 | 2 183,87 |
| Total as of January 01, 2020 | 1 765 897,31 | 91 684,92 |
| Incomes 2020 | | |
| MFA Netherlands funded Project BKR-19-MATRA-01 | 971 100,00 | 48 750,00 |
| Swiss Representation Project No.81062661 | 207 805,00 | 10 630,50 |
| NED funding Project No. 2019-1118 | 355 269,60 | 18 187,85 |
| U.S. Department of State Project No.SINLEC20GR3113 | 759 827,64 | 39 374,73 |
| TIM member fee and Other | 3 493,45 | 176,65 |
| Total Incomes per Projects | 2 297 495,69 | 117 119,73 |
| Exchange rate difference | 77 165,53 | 13,94 |
| Expenditure 2020 | | |
| MFA Netherlands funded ProjectBKR-19-MATRA-01 | 1 060 818,82 | 54 657,78 |
| Swiss Representation Project No.81062661 | 371 492,41 | 19 479,34 |
| TI-Secretariat Project No.81062662 | 179 454,53 | 9 389,84 |
| NED funding Project No. 2019-1118 | 360 678,66 | 18 961,64 |
| U.S. Department of State Project No.SINLEC20GR3113 | 666 401,75 | 35 044,12 |
| TIM member fee and Other | 12 956,86 | 817,57 |
| Total Expenditure | 2 651 803,03 | 138 350,29 |
| Balance at the End of the Reporting Period | | |
| MFA Netherlands funded ProjectBKR-19-MATRA-01 | 1 288 277,25 | 60 978,92 |
| Swiss Representation Project No.81062661 | 76 390,04 | 3 615,82 |
| TI-Secretariat Project No.81062662 | 0,00 | 0,00 |
| NED funding Project No. 2019-1118 | 0,00 | 0,00 |
| U.S. Department of State Project No.SINLEC20GR3113 | 91 491,12 | 4 330,61 |
| TIM member fee and Other | 32 597,09 | 1 542,95 |
| Balance at the December 31, 2020 | 1 488 755,50 | 70 468,30 |

Executive Director




Chief Accountant



TRANSPARENCY INTERNATIONAL MOLDOVA NGO
III. CASH FLOW STATEMENT
For 12 months period ended on December 31, 2020

| Assertions | Amount in MDL | Amount in EUR | Amount in USD |
|---|----------------------------|---------------------------|---------------------------|
| Opening Balance as of January, 01 2020 | <u>376 667,95</u> | <u>71 707,13</u> | <u>471,50</u> |
| Cash Inflows | | | |
| Donations | 207 805,00 | 48 750,00 | 65 209,00 |
| Member fees and other | 3 493,45 | | |
| Total Incomes and balance as of 01.01.2020 | <u>584 472,95</u> | <u>120 457,13</u> | <u>65 680,50</u> |
| Cash Outflows | | | |
| Exchange EUR and USD in MDL | 2 331 186,30 | <u>(64 876,00)</u> | <u>(65 680,50)</u> |
| Exchange rate difference | 77 165,53 | | |
| Total Cash Available for Activities | <u>2 996 318,23</u> | | |
| Total Expenditure | <u>2 681 803,03</u> | | |
| Closing Balance as of December 31, 2020 | <u>314 515,20</u> | <u>55 581,13</u> | <u>0</u> |
| Total Cash Balance in EUR | | 70 468,30 | |

* 01.01.2020: 1 EUR = 19,2605, 1 USD =17,2093

** 31.12.2019: 1 EUR = 21,1266 1 USD =17,2146

/Detailed cash flow report in annex 3/

Executive Director _____

Chief Accountant _____



TRANSPARENCY INTERNATIONAL MOLDOVA
IV. NOTES TO THE FINANCIAL SCHEDULES
For 12 months period ended on December 31, 2020

1. PROGRAMME ACTIVITIES

During the 12 month period ended on December 31, 2020 the Association Transparency International – Moldova has implemented 4 projects:

1. “Building a State of Law and Democracy in Moldova: The Contribution of Civil Society” Grant No. 4000003249 concluded with Minister of Foreign Affairs through Embassy of the Kingdom of the Netherlands in Bucharest for the period of October 2019 – September 2020.
2. “Strengthening Anti-Corruption Policies” Project No 2019-1118 funded by National Endowment for Democracy (NED) for the period of September 2019 – August 2020;
3. “Civil Engagement to improve Local Governance” Project No.81062661 funded by the Swiss Confederation Secretariat of the Transparency International e.V. for the period of November 2019 – May 2021;
4. “Mobilizing Civil Society to Monitor and Report on State Integrity and Anticorruption Activities in Moldova” Project No. SINLEC20GR3113 funded by U.S. Department of State for the period May 12, 2020 – May 11, 2022

2. INCOMES

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

| Agency | Date of receipt | Amount sent, | | MDL equivalent | EUR/MDL Exchange rate applied | Total in EUR |
|---|-----------------|--------------------|---------------------|-------------------------|-------------------------------|---------------------|
| | | EUR | USD | | | |
| NED | | | | | | |
| | 15.01.2020 | | 8 000,00 | 139 117,60 | 17,3897 | 7 188,09 |
| | 13.04.2020 | | 8 000,00 | 147 432,00 | 17,7292 | 7 456,38 |
| | 13.07.2020 | | 4 000,00 | 68 720,00 | 17,7292 | 3 543,38 |
| | subtotal | | 20 000,00 | 355 269,60 | | 18 187,85 |
| Embassy of Netherlands | | | | | | |
| | 02.10.2020 | 48 750,00 | | 971 100,00 | 19,9200 | 48 750,00 |
| | subtotal | 48 750,00 | | 971 100,00 | | 48 750,00 |
| Embassy of USA | | | | | | |
| | 07.08.2020 | | 7 342,00 | 122 024,04 | 16,6200 | 7 316,07 |
| | 11.08.2020 | | 21 010,00 | 347 958,60 | 16,5616 | 17 896,80 |
| | 24.11.2020 | | 16 857,00 | 289 845,00 | 17,1943 | 14 161,85 |
| | subtotal | | 45 209,00 | 759 827,64 | | 39 374,73 |
| Swiss Representation Chisinau | | | | | | |
| | 04.08.2020 | | | 207 805,00 | 19,5480 | 10 630,50 |
| | subtotal | 0,00 | | 207 805,00 | | 10 630,50 |
| Transparency International - Moldova | | | | | | |
| | | | | 3 493,45 | | 176,65 |
| | subtotal | | | 3 493,45 | | 176,65 |
| TOTAL | | € 48 750,00 | \$ 65 209,00 | MDL 2 297 495,89 | | € 117 119,73 |

3. PROJECTS

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3.1 "Building a State of Law and Democracy in Moldova: The Contribution of Civil Society" Project BKR-19-MATRA-01 (4000003249) For the period of 2020

| No. | Items | Expenditure | | Budget | %% |
|-----|---|---------------------|------------------|---------------|------------|
| | | MDL | EUR | EUR | |
| | Balance 01.01.2020 | 1 288 271,27 | 66 898,34 | | |
| | Incomes: | 971 100,00 | 48 750,00 | | |
| | Total sources available for 2020 | 2 259 371,27 | | | |
| | Exchange rate difference | 89 724,80 | | | |
| | Expenditure: | | | | |
| 1 | Fees | 461 402,10 | 23 578,11 | 25 200 | 94% |
| 2 | Copying, printing, publishing | | | 300 | 0 |
| 3 | Communication | 10 048,28 | 512,40 | 720 | 71% |
| 4 | Office Supplies | 7 398,49 | 381,31 | 360 | 106% |
| 5 | Activities | 520 829,01 | 27021,58 | 32 230 | 84% |
| 6 | Office rent | 46 924,00 | 2 408,17 | 2 400 | 100% |
| 7 | Spare parts and repair | | | 25 | 0 |
| 8 | Car rent | | | 360 | 0 |
| 9 | Bank charges | 6 588,94 | 356,20 | 300 | 119% |
| 10 | Audit | 7 628,00 | 400,00 | 800 | 50% |
| | Total Expenditure | 1 060 818,92 | 54 657,78 | 62 695 | 87% |
| | Balance as of December 31, 2020 | 1 288 277,25 | 60 978,93 | | |

/Detailed financial report in annex 1/

3.2 "Strengthening Anti-Corruption Policies" Project NED No 2019-1118 For the period September- December 2020

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| Period | 2019 | | 2020 | | Total Project Budget | %% | Total Project |
|--|-------------------|-----------------|-------------------|------------------|----------------------|-------------|------------------|
| | MDL | USD | MDL | USD | USD | | EUR |
| ITEMS | 1 | 2 | 3 | 4 | 5=2+4 | 6=(2+4)/5 | 7 |
| Balance | | | 14 903,49 | 860,57 | | | 773,79 |
| Incomes: National Endowment for Democracy | 176 684,00 | 10 000,00 | 355 269,60 | 20 000,00 | 30 000 | 100% | 18 187,85 |
| TOTAL | | | 370 173,09 | 20 860,57 | | | 18 961,64 |
| Expenditure: | | | | | | | |
| Salaries | 135 454,43 | 7 746,87 | 302 902,91 | 17 484,77 | 25 232 | 100% | 15 945,57 |
| <i>Project manager</i> | 47 273,82 | 2 701,36 | 99 597,61 | 5 763,22 | 8 103 | 104% | 5 243,07 |
| <i>Accountant</i> | 16 745,51 | 957,62 | 35 290,79 | 2 042,06 | 2 873 | 104% | 1 857,80 |
| <i>Expert 1</i> | 47 933,97 | 2 741,12 | 101 487,17 | 5 871,77 | 8 254 | 104% | 5 342,54 |
| <i>Expert 2</i> | 10 901,89 | 624,75 | 14 124,45 | 804,81 | 1 875 | 76% | 743,55 |
| <i>Expert 3</i> | 12 599,24 | 722,02 | 52 402,89 | 3 002,91 | 4 127 | 90% | 2 758,62 |
| Office Space & | 7 000,00 | 400,29 | 13 882,00 | 801,53 | 1 200 | 100% | 730,78 |

| | | | | | | | | |
|--|-------------------|-----------------|-------------------|------------------|---------------|------------|------------------|---|
| Utilities | | | | | | | | |
| Supplies & Equipment | 1 302,00 | 74,40 | 4 493,40 | 257,97 | 360 | 92% | 236,54 | |
| Communications & Postage | 1 524,99 | 87,14 | 4 683,69 | 270,03 | 360 | 99% | 246,56 | |
| Contractual / Consultant Services | 11 622,27 | 664,13 | 9 139,84 | 533,32 | 1200 | 100% | 481,14 | ✓ |
| Other direct costs | 2 835,55 | 166,59 | 17 735,33 | 1 064,85 | 1 648 | 75% | 933,63 | ✓ |
| <i>Organizinga focus group</i> | | | | | 500 | 0% | 0,00 | |
| <i>Room rental, Press conference</i> | 1 340,00 | 76,79 | 2 340,00 | 139,32 | 200 | 108% | 123,18 | |
| <i>Holding a TV debate on corruption</i> | | | 6 580,00 | 400,00 | 400 | 100% | 346,39 | |
| <i>Publication on policy digest</i> | | | 5 757,50 | 350,00 | 200 | 175% | 303,09 | |
| <i>Refrehmentts, round table 1</i> | | | | | 60 | 0% | 0,00 | |
| <i>Refrehmentts, round table 2</i> | | | | | 100 | 0% | 0,00 | |
| <i>Bank fees</i> | 1 495,55 | 89,80 | 3 057,83 | 175,53 | 188 | 141% | 160,97 | |
| Total Expenditure | 159 739,24 | 9 139,43 | 352 837,17 | 20 412,47 | 30 000 | 99% | 18 574,23 | |
| <i>return of residual funds</i> | | | 7 841,49 | 453,79 | | | 387,41 | |
| <i>Exchange rate difference</i> | -2 134,95 | | -9 494,43 | -5,69 | | | | |
| Final balance | 14 903,49 | 860,57 | 0 | 0 | | | 0 | |

3.3 "Mobilizing Civil Society to Monitor and Report on State Integrity and Anticorruption Activities in Moldova" Project No.SINLEC-20-GR3113
funded by the U.S. Department of State for the period of May - December 2020.

just

| | Budget USD | MDL | USD | %% | EUR |
|---|---------------|-------------------|------------------|------------|------------------|
| Income: | | 759 827,64 | 45 209,00 | | 39 374,73 |
| Expenditure: | | | | | |
| Personnel | 14 726 | 236 624,54 | 14 207,35 | 96% | 12 443,39 |
| SUPPLIES (< 5,000 per unit) | 1 734 | 14 046,05 | 826,64 | 48% | 738,64 |
| Contractual (Consultant fees) | 12 900 | 180 261,00 | 10 932,95 | 85% | 9 479,40 |
| <i>Sub-contractor API (Contest for investigative journalists)</i> | 9 500 | 156 769,00 | 9 530,03 | 100% | 8 244,02 |
| <i>Sub-contractor API (Monitoring the openness of anti-corruption and justice system)</i> | 2 000 | | | 0% | |
| <i>Expert (legal) consltation 50x100</i> | 1 400 | 23 492,00 | 1 402,92 | 100% | 1 235,38 |
| Other direct costs | 16 262 | 235 470,16 | 13 927,32 | 86% | 12 382,69 |
| <i>Assessing the evaluation by the Chamber of Accounts of NAC, NIA, MIA by TIM</i> | 6 000 | 65 980,00 | 4 000,00 | 67% | 3 469,70 |
| <i>Round tables for Civil Society</i> | 2 060 | 25 189,03 | 1 376,69 | 67% | 1 324,62 |
| <i>TV Debatably TIM and TV-8</i> | 4 800 | 74 736,00 | 4 409,84 | 92% | 3 930,15 |
| <i>2.5 Publishing policy digests in Ziarul de Garda 6 x 600</i> | 600 | 28 781,00 | 1 680,40 | 280% | 1 513,51 |
| <i>2.6 Diminishing the public tolerance to corruption via satirical promotional materials</i> | 1 200 | 18 830,00 | 1 144,68 | 95% | 990,21 |

| Maintenance costs | | | | | |
|---|---------------|-------------------|------------------|------------|------------------|
| Office rent for project staff members and maintenance (35%), 150 USD x 24 | 1 145 | 17 589,00 | 1 050,36 | 92% | 924,95 |
| Telephone+Internet for staff members (40%) 24x 45 USD | 343 | 3 305,00 | 200,91 | 59% | 173,80 |
| Bank charges for the transactions made within the project | 114 | 1 060,13 | 64,44 | 57% | 55,75 |
| TOTAL PROJECT | 45 622 | 666 401,75 | 39 894,26 | 87% | 35 044,12 |
| exchange rate difference | | -1 934,77 | | | |
| Balance as of December 31, 2020 | | 91 491,12 | 5 314,74 | | 4 330,61 |

3.4 "Civil Engagement to improve Local Governance" Project No.81062661
funded by the Swiss Confederation and Secretariat of the Transparency International e.V. for the period of November 2019 – May 2021;

| Items | For period 2020 | | Total | Budget | %% |
|---|-------------------|-------------------|-------------------|----------------|------------|
| | SDC | TIS | MDL | MDL | |
| Balance | 240 077,45 | 180 584,60 | 420 662,05 | | |
| Income | 207 805,00 | | 207 805,00 | | |
| Total available for project activity | 447 882,45 | 180 584,60 | 628 467,05 | | |
| Expenditures | | | | | |
| Personnel costs (inc. medical and social insurance) | 217 179,82 | | 217 179,82 | | |
| Total personnel costs | 217 179,82 | | 217 179,82 | 425 345 | 51% |
| Operational costs | | | - | | |
| 1. Training for local NGOs and activists | | 26 240,00 | 26 240,00 | 31 090 | 84% |
| 2. Small grants for local NGOs | 125 190,50 | 147 265,00 | 272 455,50 | 272 430 | 100% |
| 3. Workshops in locations | 3 945,37 | | 3 945,37 | 13 740 | 29% |
| 3.1 Conference room rent | | | - | | |
| 4. TV programs | - | - | - | 25 010 | 0% |
| 5. Anti-corruption event for youth | - | - | - | 9 970 | 0% |
| 5.1 two trainers and one logistical person | | | - | | |
| 6. Publication of policy digests | - | - | - | 15 000 | 0% |
| Total operational costs | 129 135,87 | 173 505,00 | 302 640,87 | 367 240 | 82% |
| Transport costs | - | - | - | | |
| Car rent to travel to the localities | | | - | | |
| Office costs | 25 176,72 | | 25 176,72 | 73 580 | 34% |
| Total project | 371 492,41 | 173 505,00 | 544 997,41 | 866 165 | 63% |
| Other expenditure | | 5 949,53 | 5 949,53 | | |
| exchange rate difference | | - 1 130,07 | - 1 130,07 | | |
| Balance in MDL | 76 390,04 | 0,00 | 76 390,04 | | |
| Balance in EUR | | | 3 615,82 | | |

/Detailed financial report in annex 2/

3.5 TIM – EXECUTION FEE and Other

| Description | 12 months period ended January 31, 2020 | |
|---|---|-----------------|
| | MDL | EUR |
| Opening cash balance | 39 033,23 | 2 026,69 |
| Balance Grant no.28994-AF-03 | 3 027,27 | 157,18 |
| Other incomes | 3 493,45 | 176,65 |
| Total sources available for 2020 | 45 553,95 | 2 360,52 |
| Office Expenses | 12 956,86 | 817,57 |
| Closing Cash Balance | 32 597,09 | 1 542,95 |

4. Current Assets

The balance value of current assets amounts to MDL 1,667,197 or 78,854 Euros as of December 31, 2020 and is made up of the following items:

4.1 Cash at the disposal of TI-Moldova on 31.12.2020 in the amount of:

| Amounts | Bank Accounts balance | Total in MDL | Total in EUR |
|------------------------------|-----------------------|---------------------|------------------|
| Cash in bank accounts in MDL | MDL 314 158,10 | 314 158,10 | 14 870,27 |
| Patty cash | MDL 357,10 | 357,10 | 16,90 |
| Cash in bank accounts in EUR | € 55 581,13 | 1 174 240,30 | 55 581,13 |
| Cash in bank accounts in USD | \$ 0 | | |
| Total Cash Balance | | 1 488 755,50 | 70 468,30 |

4.2 Inventory is consists of a large sun umbrella for outside public events in the amount of EUR 986, which are confirmed by stock lists.

| Opening Balance (MDL) | Procured (MDL) | Used (MDL) | Closing Balance (MDL) | Total in Euros |
|-----------------------|----------------|------------|-----------------------|----------------|
| Inventory – 5 924,40 | 14 910,00 | 0 | 20 834,40 | 986,17 |

4.3 Short-term receivables – MDL 157 607,95 (EUR 7 460,17)

| Accounts prepayment | Closing Balance (MDL) | Total in Euros |
|--|-----------------------|-----------------|
| Local organization: | | |
| PA Media Alternative | 74 736,00 | 3 537,53 |
| Ziarul de garda LTD | 18 854,00 | 892,43 |
| Moldgell, Moldtelecom, Orange Moldova – telephone/internet | 6 359,01 | 301,00 |
| Writers Union – for rent | 57 658,94 | 2 729,21 |
| Total | 157 607,95 | 7 460,17 |

5. Long Term Assets

Tangible fixed assets as of December 31, 2020 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 | 7 415,04 | 11 124,00 | 2 989,20 | 15 549,84 | 736,03 |
| Furniture | 110,84 | 0 | 110,84 | 0,00 | 0,00 |
| Other Office Equipment | 11 871,53 | 0 | 3 391,74 | 8 479,79 | 401,38 |
| Total | 19 397,41 | 11 124,00 | 6 491,78 | 24 029,63 | 1 137,41 |

6. Targeted Financing

The financial result per projects obtained as of 31 December 2020 from donations makes up EUR 70 468,30, and may be presented as follows:

| Donators | Opening Balance as of 01.01.2020 | Incomes | Expenditure | Exchange rate difference | Closing Balance as of 31.12.2020 |
|---------------------------------|---|----------------|--------------------|---------------------------------|---|
| MFA Netherlands funded | 66 887 | 48 750 | 54 658 | | 60 979 |
| NED funding | 774 | 18 188 | 18 962 | | |
| Swiss Representation | 12 464 | 10 630 | 19 479 | 1 | 3 616 |
| TI-Secretariat | 9 376 | | 9 390 | 14 | |
| U.S. Department of State | | 39 375 | 35 044 | | 4 331 |
| TIM member fee and Other | 2 184 | 177 | 817 | - 2 | 1 542 |
| Total Targeted Financing | 91 685 | 117 120 | 138 350 | 13 | 70 468 |

7. Short-term liabilities

Short-term liabilities – include the Liabilities for taxes - MDL 189,04 or (EUR 8,95).

8. Increase in Net Assets

Increase in net assets in the amount of EUR 9,564, were formed by: long-term assets left at the disposal of TI-M, balance of short-term assets:

| Unrestricted Assets: | Total in EUR |
|---|---------------------|
| Property fund – investments of targeted financing in long-term assets (p.5) | 1 137 |
| – inventory (p.4.2) | 976 |
| - Debtors and Prepayments (p. 4.3) | 7 460 |
| –minus liabilities (p. 7) | (9) |
| Total | 9 564 |

9. 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, 2020 – 21,1266 MDL for 1 Euro and 17,2146 MDL for 1 USD.

Fixed Assets

Received fixed assets are reflected in accounting at the cost value, in compliance with the International Accounting Standards.

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 6,000 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 International Accounting Standard IAS 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.

"Building a State of Law and Democracy in Moldova: The Contribution of Civil Society"
Project BKR-19-MATRA-01 (4000003249)
For the period of 2020

| Budget items | For the period Year 2020 | | Budget | %% |
|---|--------------------------|------------------|------------------|-------------|
| Balance at the beginning of the reporting period | 1 288 271,27 | 66 898,34 | | |
| INCOME | 971 100,00 | 48 750,00 | | |
| Expenditure: | | | | |
| Fees | 461 402,10 | 23 578,11 | 25 200 | 94% |
| Project manager | 234 039,62 | 11 959,30 | 12 000 | |
| Project assistant | 114 764,23 | 5 859,33 | 7 200 | |
| Accountant | 81 913,67 | 4 179,44 | 4 200 | |
| IT-person | 30 684,58 | 1 580,04 | 1 800 | |
| Copying, printing, publishing | 0 | | 300 | 0% |
| Communication | 10 048,28 | 512,40 | 720 | 71% |
| Office supplies | 7 398,49 | 381,31 | 360 | 106% |
| Activities | 520 829,01 | 27 021,57 | 32 230,00 | 84% |
| Evaluating the National Bank of Moldovan through the prism of national integrity system | 40 550,88 | 2 127,24 | 2 700 | |
| Monitoring the implementation of the National Integrity and Anticorruption Strategy | 26 768,50 | 1 375,29 | 1 200 | |
| Monitoring transparency of state enterprises | 62 908,50 | 3 250,57 | 4 300 | |
| Compiling multilateral assessments and providing concise alternative reports on the implementation of various policy programs by the National Platform of EaP CSF | 5 828,43 | 305,63 | 1 590 | |
| Providing expertise of concrete emerged legal documents | 4 767,50 | 250,00 | 500 | |
| Issuing monthly Public policy Observers | 101 751,67 | 5 263,19 | 7 000 | |
| Summarizing the journalistic investigations on candidates for positions with public dignity | 1 905,00 | 100,00 | 400 | |
| Training for local NGO | 3 736,25 | 186,81 | 0 | |
| Small grants for local NGO | 189 990,00 | 9 913,63 | 10 000 | |
| Mentoring local NGO | 26 119,50 | 1 350,00 | 1 800 | |
| Round tables | 13 332,50 | 686,18 | 500 | |
| Publishing policy digests in "Ziarul de Garda" for a wide strata of population | 22 955,00 | 1 166,81 | 600 | |
| Organizing press-conferences | 7 340,00 | 382,03 | 340 | |
| Broadcasting TV and radio programs | | | 800 | |
| Other | 12 875,28 | 664,19 | 500 | |
| Office rent | 46 924,00 | 2 408,17 | 2 400 | 100% |
| Spare parts and repair | | 0 | 25 | 0% |
| Car rent | | 0 | 360 | 0% |
| Bank charges | 6 588,94 | 356,22 | 300 | 119% |
| Audit | 7 628,00 | 400 | 800 | 50% |
| Total Expenditure | 1 060 818,82 | 54 657,78 | 62 695,00 | 87% |
| Balance at the end of the reporting period | 1 228 277,25 | 60 978,92 | | |

1578,92

| | | | | | | | | | | | | | |
|---------------------------------|------|------|------|------|-----------|----------|--------------|-----------|-----------|----------|-----------|--------------|-----------|
| Balance per 31.12.2020 | 0,00 | 0,00 | 0,00 | 0,00 | 76 390,04 | 3 615,82 | 1 288 277,25 | 60 978,92 | 91 491,12 | 4 330,61 | 32 597,09 | 1 488 755,50 | 70 468,30 |
| BKR-19-MATRA-01 (4000003249) | | | | | | | | | | | | | |
| Project. No.81062661 | | | | 0,00 | 76 390,04 | 3 615,82 | 1 288 277,25 | 60 978,92 | | | | 1 288 277,25 | 60 978,92 |
| NED Grant 2019-1118 | 0,00 | 0,00 | | | | | | | | | | 76 390,04 | 3 615,82 |
| Pr.N: SINLEC20GR3113 | | | | | | | | | 91 491,12 | 4 330,61 | | 0,00 | 0,00 |
| Member fees and other | | | | | | | | | | | 32 597,09 | 32 597,09 | 1 542,95 |

Executive Director




Chief accountant

Nadejda Ojog