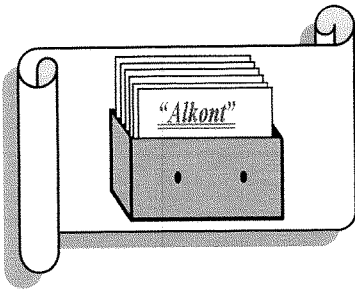


# **AUDIT FIRM** **"ALKONT"**

**Non-Governmental Organisation  
Transparency International -  
Moldova**

## **AUDIT OF FINANCIAL STATEMENTS** **/Part 2/**

**For the period January 1, 2007 – December, 31, 2007**



## AUDIT FIRM «ALKONT»

Chisinau, MD-2005 55 Sciusev str, Tel. +37322 24-17-04, Tel/Fax 21-26-73, E:-alkontek@yahoo.com  
c/b 222470301046 Banca Sociala BSOCMD2X, c/f 1003600126704, Licence №016472 of 14.07.05

### Independent Auditor's Statement

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

In addition to the Auditor's Statement of May 31, 2008, we have audited the accompanying financial statements of Transparency International Moldova NGO (further, "TIM") for the year that ended on December 31, 2007:

- Statement on the Execution of the total Budget of TIM for the period from January 1, 2007 up to and including December 31, 2007;
- Milestone Balance Sheet as of December 31, 2007;

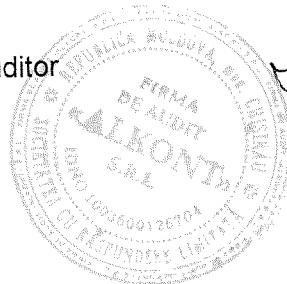
These financial statements are the responsibility of the TIM's management. Our responsibility is to express an opinion on the accompanying financial statements based on our audit.

In conducting this part of the audit, special attention was paid to the following:

- All the necessary supporting documents, records, and accounts have been kept in respect of all the Project's revenues and expenses;
- All the expenses are properly documented and comply with budgets prescribed by Grant Agreements;
  - All the assets acquired by means of the grants exist;
  - All the assets on Milestone Balance Sheet belong to TIM and refer to the period from January 1, 2007 up to and including December 31, 2007;

In our opinion, the financial statements of Transparency International - Moldova NGO referred to in the opening paragraph present fairly, in all the significant aspects, Statement on the Execution of the total Budget of TIM for the period from January 1, 2007 up to and including December 31, 2007 and its Milestone Balance Sheet as of December 31, 2007, in accordance with the accrual-basis method and requirements of the Grant Agreements: No.MOL-503837-0005116, 209-354.10 SOE/TI ALAC, No.7140670.

Director of the Audit Firm, Auditor



Alla Kulikovskaia

June 20, 2008

TRANSPARENCY INTERNATIONAL - MOLDOVA NGO

1. STATEMENT ON THE EXECUTION OF THE TOTAL BUDGET OF TIM

For the period from January 1, 2007 up to and including December 31, 2007

(All amounts are given in Euros)

	Oxfam Novib	ALAC	World Bank	PNUD Remaining execution fee	Total
Opening balance	0	0	24	1,320	1,344
Income Oxfam Novib	190,000	0	0	0	190,000
Income other donors	0	2,000	2,400	0	4,400
Expenditures	102,226	2,000	1,834	230	106,290
<b>Closing balance</b>	<b><u>87,774</u></b>	<b><u>0</u></b>	<b><u>590</u></b>	<b><u>1,090</u></b>	<b><u>89,454</u></b>

By December 31, 2007, the closing balance of TI-Moldova made up 89,454 Euros, including 1,600 Euros for the audit.

For more details see annexes /p. 6-8/ to statements included in the previous Auditor's Statement of May 31, 2008,.

TRANSPARENCY INTERNATIONAL - MOLDOVA NGO

2. MILESTONE BALANCE SHEET

As of December 31, 2007

(All amounts are given in Euros)

	Notes	31 Dec 2007	31 Dec 2006
<b>FIXED ASSETS</b>	4	6,063	7,959
<b>CURRENT ASSETS:</b>	3		
Inventory	3.1	23,272	19,840
Grants due	3.2	188,468	82,837
Cash	3.3	89,454	123,437
<b>TOTAL CURRENT ASSETS</b>		301,194	226,114
<b>CURRENT LIABILITIES:</b>			
Creditors and accruals	5	145	43
<b>Net Current Assets</b>		<b>301,049</b>	<b>226,071</b>
<b>Net Assets</b>		<b><u>307,112</u></b>	<b><u>234,030</u></b>
<b>ACCUMULATED FUNDS</b>			
General Purpose Fund Balance as of January 1, 2008		307,112	
Including surplus for the period /307,112-234,030/		73,082	

### 3. NOTES TO FINANCIAL STATEMENTS

For January 1, 2007 –December 31, 2007

#### 3. Current Assets

The balance value of current assets amounts to 301,194 Euros as of December 31, 2007 and is made up of the following items:

**3.1 Inventory** of methodological guides, brochures, posters and books in the amount of 387,336 lei (EUR 23,272), which are confirmed by stock lists.

Opening Balance (MDL)	Procured (MDL)	Used (MDL)	Closing Balance (MDL)	Total in Euros
336,756	369,869	319,289	387,337	<u>23,272</u>

**3.2 Short-term receivables – Grants due** from donor organization in the total amount of EUR 188,468:

- Nederlandse Organisatie voor Internationale Ontwikkelingssamenwerking (NOVIB) – Project “Civil Society Against Corruption” (MOL-503837-0005116), will grant EUR 152,928 in 2008.
- Academy for Educational Development, USA, Agreement No. 2926-16T “Monitoring preventing the implementation of TCP in the fiscal system” Project – EUR 35,540;

**3.3 Cash** at the disposal of TI-Moldova in the amount of 1,488,853 Moldovan lei (EUR 89,454) are supported by source documents: cash in bank accounts in MDL – 3,464, cash in bank accounts in EUR – 89,246, and cash in hand – 1 MDL.

#### 4. Fixed Assets

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

Intangible Fixed Assets	Opening Balance (MDL)	Procured (MDL)	Depreciation (MDL)	Balance Cost (MDL)	Balance Cost (EUR)
„1-C Contabilitate” Accounting Application	1		1	0	0
Video spots	7479	7,940	7,725	7,694	462
<b>Total</b>	<u>7,480</u>	<u>7,940</u>	<u>7,726</u>	<u>7,694</u>	<u>462</u>

**4.2 Tangible fixed assets** as of December 31, 2007 are represented in accounting by office equipment and furniture:

<b>Tangible Fixed Assets</b>	<b>Opening Balance (MDL)</b>	<b>Procured (MDL)</b>	<b>Depreciation (MDL)</b>	<b>Balance Cost (MDL)</b>	<b>Total in Euros</b>
Computers	63,804		20,182	43,622	2,621
Furniture	30,626		9,687	20,939	1,258
Other Office Equipment	33,179	5,963	10,494	28,648	1,722
<b>Total</b>	<b><u>127,609</u></b>	<b><u>5,963</u></b>	<b><u>40,363</u></b>	<b><u>93,209</u></b>	<b><u>5,601</u></b>

**5. Short-term liabilities** include the following payables according to supporting documents:

<b>Short-term liabilities</b>	<b>Total in MDL</b>	<b>Total in Euro</b>
Liabilities to Tax System	79	5
Other Liabilities for Services	2,334	140
<b>Total Short-Term Liabilities</b>	<b><u>2,413</u></b>	<b><u>145</u></b>

## CONCLUSIONS

Based on the assessment of accounting principles used, analysis of accounting estimates, evaluation of the overall presented financial statements, examination of project financial statements, we believe that our audit provides a reasonable basis for our opinion.

As a result of the final audit performed, the state of financial, tax, and management accounting records is considered to be satisfactory. Annual accounts give a true and fair idea of the financial situation of Transparency International Moldova NGO as of December 31, 2007 and comply with legal and charter stipulations.

Auditor, Director of Audit Firm  
Assistant Auditor

Alla Kulikovskaia  
Marina Sirghii

Date: 20.06.2008

