



# Transparency International - Moldova

## FINANCIAL SCHEDULES

For the period January 1, 2011 - January 31, 2012

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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, "TI-Moldova") for the period of time between 1<sup>st</sup> of January, 2001 and 31<sup>st</sup> of January 31, 2012:

- Balance Sheet as of January 31, 2012;
- Statement of special account for the period from 1<sup>st</sup> of January 2011 till 31<sup>st</sup> of January 2012;
- Cash Flow Statement as of January 31, 2012;
- Statements of sources and use of funds for the thirteen month period ending on January 31, 2012.

These financial statements are the responsibility of the TI-Moldova'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 to obtain reasonable assurance that 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 TI-Moldova as at January 31, 2012, and its statement of special account and statements of sources and uses of funds for the 13 month period then ended, funds received and expenses incurred by the Projects within the period of 1<sup>st</sup> January 2011 to 31<sup>st</sup> January 2012, in accordance with the cash receipts and disbursements basis and requirements of the Grant Agreements.

Director of the Audit Firm, Auditor

Alla Kulikovskaia



April 07, 2012

**TRANSPARENCY INTERNATIONAL MOLDOVA NGO**  
**Balance Sheets as of January 31, 2012**

(all amounts expressed in EUR)

Assertions	Notes	January 31, 2012	December 31, 2010
<b>CURRENT ASSETS:</b>	7		
Cash	7.1	1 247	943
Inventory	7.2	7 502	5 302
Debtors and Prepayments	7.3	5 286	9 339
<b>TOTAL CURRENT ASSETS</b>		<b>14 035</b>	<b>15 584</b>
<b>FIXED ASSETS:</b>	8		
Intangible Fixed assets	8.1	101	256
Tangible Fixed assets	8.2	4 387	5 366
<b>TOTAL FIXED ASSETS</b>		<b>4 488</b>	<b>5 622</b>
<b>Total Assets</b>		<b>18 523</b>	<b>21 206</b>

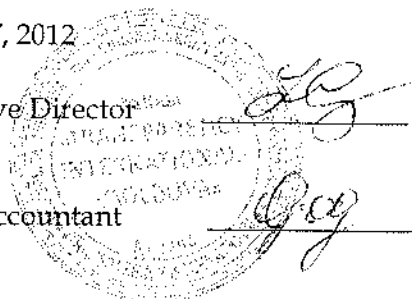
**LIABILITIES and NET ASSETS**

Targeted Financing	9	427	0
Net Assets	10	18 096	21 206
<b>Total Net Assets</b>		<b>18 523</b>	<b>21 206</b>

April 07, 2012

Executive Director

Chief Accountant



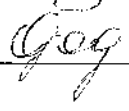
**TRANSPARENCY INTERNATIONAL MOLDOVA NGO**  
**STATEMENT OF SPECIAL ACCOUNT**  
For 13 month period ended on January 31, 2012

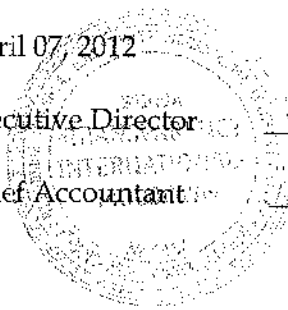
(all amounts expressed in EUR)

Assertions	13 months period ended January 31, 2012
<b>Cash Balance at the Beginning of the Reporting Period</b>	
TIM	943
<b>Total as of January 01, 2011</b>	<b>943</b>
<b>Cash Receipts</b>	
ALAC	36 158
Swiss Cooperation Office in Republic of Moldova	29 640
SOROS Foundation - \$16 720	12 116
Partnership for Transparency Fund - \$ 22 165	16 016
East Europe Foundation - \$ 21 351	15 428
Transparency ENCY international - \$7 835	5 662
TIM	2
<b>Total Cash Inflows per Projects</b>	<b>115 022</b>
<b>Cash Disbursements</b>	
Project No. 209-354.10 SOE 8/2010 ALAC	16 250
Project No. 209-354.10 SOE 7/2011	48 600
ALAC	18 960
GEM	29 640
“Supporting the implementation of National Anticorruption Strategy” Project	33 794
SOROS Foundation Moldova	12 116
Partnership for Transparency Fund	16 016
Transparency ENCY	5 662
East Europe Foundation Project Z11-0002	15 428
ALAC - other	521
TIM	125
<b>Total Cash Outflows</b>	<b>114 718</b>
<b>Cash Balance at the End of the Reporting Period</b>	
ALAC	427
TIM	820
<b>Total as of January 31, 2012</b>	<b>1 247</b>

April 07, 2012

Executive Director: 

Chief Accountant: 



**TRANSPARENCY INTERNATIONAL MOLDOVA NGO**  
**CASH FLOW STATEMENT**  
 For 13 month period ended on January 31, 2012

Assertions	Amount in MDL	Amount in Euro	Amount in USD
Opening Balance as of 1 January 2011	1 298,50	869,61	0
<b>Cash Earnings</b>			
Donations	944 190,48	36 158,09	30 000,00
<b>Total Cash Available for Activities</b>	<b>945 488,98</b>	<b>37 027,70</b>	<b>30 000,00</b>
<b>Cash Expenditure</b>	<b>933 911,54</b>	<b>36 529,61</b>	<b>30 000,00</b>
<b>Closing Balance</b>	<b>11 577,44</b>	<b>498,09</b>	<b>0</b>
<b>Balance in EUR</b>		<b>1 246,60</b>	

\* 01.01.2011 1 EUR = 15,0737

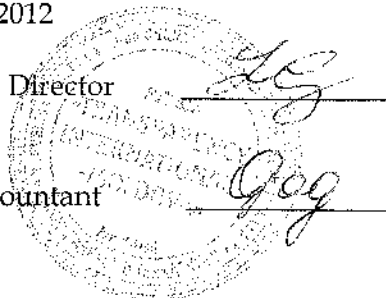
31.01.2012 1 EUR = 15,4674

/Detailed cash flow report in annex 1/

April 07, 2012

Executive Director

Chief Accountant



**TRANSPARENCY INTERNATIONAL MOLDOVA NGO  
STATEMENTS OF SOURCES AND USERS OF FUNDS  
For 13 month period ended on January 31, 2012**

**Partnership for Transparency Fund (PTF) and Soros Foundation Moldova  
FONDED PROJECT "Supporting the implementation of the National Anticorruption  
Strategy"**

(For period February 01, 2011 - January 01, 2012)

Description	12 months period ended January 31, 2012		
	PTF	Soros Foundation	Total
	USD	USD	USD
<b>Total funds received</b> (Notes 3.1)	30 000	16 720	46 720
<b>Uses of Funds</b> (Notes 3.2)			
Program Staff	6 600	6 600	13 200
Secretariat	1 978	2 339	4 317
Activities	21 422	7 781	29 203
<b>Total funds uses</b>	30 000	16 720	46 720
<i>Closing Cash Balance</i>	0	0	0

**ADVOCACY AND LEGAL ADVICE CENTRES PROJECT № 209-354.10 SOE 8/2010**

(For period January 01, 2011 - April 30, 2011)

Description	4 months period ended April 30, 2011	
	MDL	EUR
<b>Funds received for project 209-354.10</b>		
SOE/8/2010 TI ALAC (Notes 4.1)	197 035,76	12 030,00
<b>Total funds received</b>	68 304,60	4 170,00
<b>Uses of Funds for project</b> (Notes 4.2)	265 340,36	16 200,00
Human Resources	183 316,00	11 246,15
Travel	6 625,00	403,23
Office costs, Equipment & Supplies	16 318,00	987,28
Other Costs/Services	59 388,00	3 613,34
<b>Total funds uses for project 209-354.10</b>	265 647,00	16 250,00
Exchange rate difference	533,27	
<i>Closing Cash Balance</i>	-773,37	-50,00

**ADVOCACY AND LEGAL ADVICE CENTRES PROJECT No 209-354.10 SOE 7/2011**

Description	8 months period ended December 31, 2011	
	MDL	EUR
<b>Total funds received for project 209-354.10</b> SOE/7/2011 TI ALAC (Notes 5.1)	802 720,50	48 600,00
<b>Uses of Funds for project (Notes 5.2)</b>		
Human Resources	504 017,53	30 395,35
Travel	13 220,00	801,28
Office costs, Equipment & Supplies	54 490,20	3 265,38
Other Costs/Services	230 992,77	14 137,99
<b>Total funds uses for project 209-354.10</b>	<b>802 720,50</b>	<b>48 600,00</b>
<b>Closing Cash Balance</b>	<b>0</b>	<b>0</b>

**ADVOCACY AND LEGAL ADVICE CENTRES - Other**

Description	MDL	EUR
<b>Total funds received for other activities</b>	15 195,83	998,09
<b>Uses of Funds for project</b>		
Equipment - computer	7849	521,09
Coverage of the negative balance of the project No 209-354.10 SOE 8/2010	773,37	50,00
<b>Closing Cash Balance</b>	<b>6573,46</b>	<b>427,00</b>

**East-Europe Foundation PROJECT No. Z11-00002**

Description	6 months period ended July 31, 2011	
	MDL	USD
<b>Total funds received for project Z10-0002</b> (Notes 6.1)	252 314,70	21 351,00
<b>Uses of Funds for project (Notes 6.2)</b>		
Human Resources	87 787,77	7 416,07
Fees	87 702,49	7 426,37
Informational campaign	7 496,79	640,75
Focus grup:	7 152,00	600,00
Poll	14 304,00	1 200,00
Report translation	1 518,00	129,74
Publishing report	15 500,00	1 324,79
Administration costs	30820,80	2610,48
<b>Total funds uses for project Z10-0002</b>	<b>252 281,86</b>	<b>21 348,20</b>
Directed to the TIM execution fee	32,84	2,80
<b>Closing Cash Balance</b>	<b>0</b>	<b>0</b>

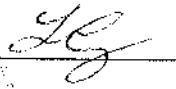


**TIM - EXECUTION FEE AND OTHER GAINS**

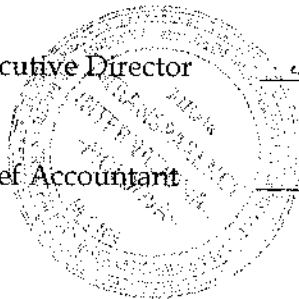
Description	13 months period ended January 31, 2012	
	MDL	EUR
Opening cash balance	15 185	943
Income	33	2
Total funds received	15 218	945
Administrative costs	2 510	125
Total Expenses	2 510	125
<b>Closing Cash Balance</b>	<b>12 708</b>	<b>820</b>

April 7, 2012

Executive Director



Chief Accountant

**TRANSPARENCY INTERNATIONAL MOLDOVA NGO**  
**NOTES TO THE FINANCIAL SCHEDULES**  
**For 13 month period ended on January 31, 2012**

## **1. General**

Transparency International - Moldova NGO (TI-Moldova), as the National Chapter of the international anti-corruption movement Transparency International, was registered in Republic of Moldova on June 14, 2000.

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

The main objectives of TI-Moldova are:

- Periodical evaluation of the impact of corruption on the economic, social and democratic development of the country;
- Supporting state institutions in the elaboration of anticorruption policies and monitoring their implementation;
- Promoting public awareness campaign and diminishing the tolerance towards corruption;
- Supporting investigative journalism.

## **2. Projects**

During the 13 month period ended on January 31, 2012 Transparency International - Moldova ONG has implemented 5 projects:

1. "Supporting the Implementation of the National Anticorruption Strategy" Project co-funded by the Partnership for Transparency Fund (PTF) /Grant agreement 24.02.2011/ USD 22 165 and

Soros Foundation Moldova /Grant contract Nr.13309 from 31.01.2011/USD 16 720;

Transparency International ENCY provided USD 7 835 to cover the expenses until PTF transfers its last tranche.

2. "Advocacy and Legal Advice Centres (ALACs)" Project Nb.209-354.10 SOE 8/2010/EUR 16 200.

3. "Advocacy and Legal Advice Centres (ALACs)" Project Nb.209-354.10 SOE 7/2011 was co-funded with EUR 18 960 by the Swiss Cooperation Office in Republic of Moldova was funded MDL 497 000 (or EUR 29 640).

4. "Advocacy and Legal Advice Centres (ALACs)" was funded EUR 500 for the purchase of computer and EUR 498,09 for future projects.

5. "Monitoring the implementation of Court decisions: if the MIA" Project No. Z11-00002 - funded by East-Europe Foundation/ MDL 252 314,70 (USD 21 351).

### 3. PROJECT "Supporting the implementation of National Anticorruption Strategy"

#### 3.1 Financing

Within 1 January 2011 - 31 January 2012, the Project received the following financing from the donors:

Description	Date	USD
<b>Income:</b>		
SOROS Foundation	09.02.2011	8 360
SOROS Foundation	23.08.2011	8 360
<b>Total SOROS Foundation</b>		<b>13 720</b>
Partnership for Transparency Fund	28.02.2011	7 500
Partnership for Transparency Fund	01.09.2011	7 165
Partnership for Transparency Fund	22.11.2011	7 500
<b>Total Partnership for Transparency Fund</b>		<b>22 165</b>
Financial assistance - Transparency ENCY international	29.12.2011	7 835
<b>Total available for used</b>		<b>46 720</b>

#### 3.2 Expenditure

Description	PTF		Soros Foundation		Total Project
	MDL	USD	MDL	USD	USD
<b>A. Program Staff</b>					
Program manager	56 244	4 799,89	55 693	4 799,98	9 599,87
Finance Staff / bookkeeper	21 079	1 799,96	20 884	1 799,71	3 599,67
<b>Total A</b>	<b>77 323</b>	<b>6 599,85</b>	<b>76 577</b>	<b>6 599,69</b>	<b>13 199,54</b>
<b>B. Secretariat</b>					
Office rent	15 737	1 340,02	19 354	1 660,00	3 000,02
Office supplies			7 967	679,14	679,14
Communication	7 527	638,12			638,12
<b>Total B</b>	<b>23 264</b>	<b>1 978,14</b>	<b>27 321</b>	<b>2 339,15</b>	<b>4 317,29</b>
<b>C. Activities</b>					
<i>Verifying the reports of public institutions</i>					
Monitoring expert	54 876	4 748,79			4 748,79
<i>Providing expertise of legislation</i>					
Legal expert			50416	4296,58	4296,58
<i>Conducting mini-exit polls</i>					
Sociologist	37 532	3 200,04			3 200,04
<i>Publishing the monthly Informational Bulletin</i>					
Editor			34862	2991,31	2991,31
Printing	43 050	3 691,38			3 691,38
Dessaminatind	49 344	4 250,97			4 250,97
<i>Media compaign</i>					
Press-conference			3020	257,11	257,11
Club			2 680	236,17	236,17
<i>Organizing a contest for investigative journalists</i>					
Local expert in charge for the organization of contest	5 800	500,00			500,00
Remuneration of the evaluation commission	7 046	598,14			598,14

Premium for the winners	9 905	840,83			840,83
Editing and publishing yearbook "Jurnalists against Corruption"	30 510	2 589,98			2 589,98
Award ceremony, media event	11 642	1 002,16			1 002,16
<b>Total C.</b>	<b>249 705</b>	<b>21 422,29</b>	<b>90978</b>	<b>7781,17</b>	<b>29203,18</b>
<b>Total Project</b>	<b>350 293</b>	<b>30 000,00</b>	<b>194876</b>	<b>16 720,00</b>	<b>46 720,00</b>

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

##### 4.1. Financing

Within the period from January 1, 2011 up to and including April 30, 2011, the Project received the following financing from donors:

Description	Date	EUR
Advocacy and Legal Advice Centres (ALAC)		
2 <sup>nd</sup> instalment	10.02.2011	12 030,00
3 <sup>rd</sup> instalment	05.03.2011	4 170,00
<b>Total</b>		<b>16 200,00</b>

##### 4.2 Expenditure

Description	January 1- April 30,2011		
	MDL	EUR	USD
<b>Local Salaries (Gross Amounts)</b>			
Project Coordinator	52 376	3 213,19	4 449,83
Legal Advisors	111 299	6 828,02	9 455,87
Bookkeeper/ accountant	19 641	1 204,95	1 668,69
<b>Subtotal Human Resources</b>	<b>183 316</b>	<b>11 246,15</b>	<b>15 574,38</b>
<b>Local Travel</b>			
Local Transportation	6 625	403,23	558,42
<b>Subtotal Travel</b>	<b>6 625</b>	<b>403,23</b>	<b>558,42</b>
<b>Office Costs, Equipment and Supplies</b>			
Office Rent	13 052	789,73	1 093,67
Consumables (Office Supplies Cleaning Materials etc.)	1 819	110,27	152,71
Other Services - tel./ fax electricity/ heating maintenance	1 447	87,27	120,86
<b>Subtotal Equipment and Supplies</b>	<b>16 318</b>	<b>987,28</b>	<b>1 367,25</b>
<b>Other costs/services</b>			
Maintaining the Toll-Free Hotline			
Marketing Costs	33 483	2 031,38	2 813,18

Web Design and Maintenance	16 650	1 016,48	1 407,69
Books/ Journals/ Subscriptions	228	14,93	20,68
Miscellaneous (e.g. fees insurance)	4 165	253,91	351,63
Audit services	2 656	162,15	224,56
Other (Banking charges/provisions)	2 206	134,49	186,25
<b>Subtotal Other Costs/Services</b>	<b>59 388</b>	<b>3 613,34</b>	<b>5 003,98</b>
<b>TOTAL EXPENDITURE</b>	<b>265 647</b>	<b>16 250,00</b>	<b>22 504,03</b>

**5. ADVOCACY AND LEGAL ADVICE CENTRES**  
**"Empowering citizens to stand up to corruption" PROJECT: 209-354.10 SOE 7/2011**

### 5.1. Financing

Within the period from May 1, 2011 up to and including December 31, 2011, the Project received the following financing from donors:

Description	Date	EUR	MDL
<b>Advocacy and Legal Advice Centres (ALAC)</b>			
1 <sup>st</sup> instalment	12.07.2011	12 120,00	
2 <sup>rd</sup> instalment	22.09.2011	3 210,00	
3 <sup>rd</sup> instalment	23.11.2011	3 630,00	
<b>Total ALAC</b>		<b>18 960,00</b>	
<b>Swiss Cooperation Office in Republic of Moldova</b>			
1 <sup>st</sup> instalment	20.04.2011		347 000,00
2 <sup>rd</sup> instalment	03.11.2011		150 000,00
<b>Total</b>		<b>18 960,00</b>	<b>497 000,00</b>

<b>Total in Euro</b>	<b>42 600,00</b>
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### 5.2 Expenditure

Description	GFM funds		SDC funds		Total Project	
	MDL	EUR	MDL	EUR	MDL	EUR
<b>Local Salaries (Gross Amounts)</b>						
Project Coordinator			107 308,25	6 399,62	107 308,25	6 399,62
Project Assistant	102 667,63	6 396,69			102 667,63	6 396,69
Legal Advisors			227 996,34	13 597,19	227 996,34	13 597,19
Public Relation	25 803,30	1 601,91			25 803,30	1 601,91
Bookkeeper/ accountant			40 242,01	2 399,94	40 242,01	2 399,94
<b>Subtotal Human Resources</b>	<b>128 470,93</b>	<b>7 998,60</b>	<b>375 546,60</b>	<b>22 396,75</b>	<b>504 017,53</b>	<b>30 395,35</b>
<b>Local Travel</b>						
Local Transportation	6 513,00	401,29	6 707,00	399,99	13 220,00	801,28
<b>Subtotal Travel</b>	<b>6 513,00</b>	<b>401,29</b>	<b>6 707,00</b>	<b>399,99</b>	<b>13 220,00</b>	<b>801,28</b>
<b>Office Costs, Equipment and Supplies</b>						
Office Rent			26 828,70	1 600,00	26 828,70	1 600,00

Consumables (Office Supplies Cleaning Materials etc.)	7 051,87	436,27	6 703,00	399,75	13 754,87	836,02
Other Services - tel./ fax electricity/ heating maintenance			13 906,63	829,36	13 906,63	829,36
<b>Subtotal Equipment and Supplies</b>	<b>7 051,87</b>	<b>436,27</b>	<b>47 438,33</b>	<b>2 829,11</b>	<b>54 490,20</b>	<b>3 265,38</b>
<b>Other costs/services</b>						
Capacity Building- Public	33 731,41	2 095,51			33 731,41	2 095,51
Maintaining the Toll-Free Hotline	4 262,98	257,20	7 763,20	463,03	12 026,18	720,23
Marketing Costs	12 448,50	751,16	13 422,00	800,46	25 870,50	1 551,62
Web Design and Maintenance			33 477,26	1 996,51	33 477,26	1 996,51
Books/ Journals/ Subscriptions	3 364,00	206,73			3 364,00	206,73
Miscellaneous (e.g. fees insurance)	7 151,86	441,93	6 603,30	393,80	13 755,16	835,73
Audit services	3 458,40	220,00	3 353,60	200,00	6 812,00	420,00
Other (Banking charges/provisions)	2 428,84	151,31	2 688,71	160,35	5 117,55	311,66
Organising an anti-corr. Tel	96 838,71	6 000,00			96 838,71	6 000,00
<b>Subtotal Other Costs/Services</b>	<b>163 684,70</b>	<b>10 123,84</b>	<b>67 308,07</b>	<b>4 014,15</b>	<b>230 992,77</b>	<b>14 137,99</b>
<b>TOTAL EXPENDITURE</b>	<b>305 720,50</b>	<b>18 960,00</b>	<b>497 000,00</b>	<b>29 640,00</b>	<b>802 720,50</b>	<b>42 600,00</b>

**East Europe Foundation**  
**"Monitoring the implementation of Court decisions: if the MIA" PROJECT No. Z11-00002**

### 6.1. Financing

Donator	Date	MDL	Equivalent in USD
East Europe Foundation			
1 <sup>st</sup> instalment	09.02.11	135 888,00	11 400,00
2 <sup>rd</sup> instalment	20.05.11	116 426,70	9 951,00
<b>Total income</b>		<b>252 314,70</b>	<b>21 351, 0</b>

### 6.2 Expenditure

Description	MDL	USD
Salary		
Project director	52 772,28	4 454,72
Accountant	16 625,51	1 407,81
Insurance 26,5%	18 389,98	1 553,54
<b>Subtotal</b>	<b>87 787,77</b>	<b>7 416,07</b>

<b>Honorarium</b>		0,00	0,00
Expert		49 749,54	4 212,62
Consultant		19 580,50	1 658,03
Insurance 26,5%		18 372,45	1 555,72
	<b>Subtotal</b>	87 702,49	7 426,37
<b>Informational campaign</b>		0,00	0,00
Press conference		1 151,79	98,44
publication of the announcement		960,00	82,05
break coffee		5 385,00	460,26
TV and Radio program		0,00	0,00
	<b>Subtotal</b>	7 496,79	640,75
<b>Focus grup</b>		7 152,00	600,00
<b>Poll</b>		14 304,00	1 200,00
<b>Report translation</b>		1 518,00	129,74
<b>Report publishing</b>		15 500,00	1 324,79
<b>Administration costs:</b>			
	consumable	7 053,80	596,18
	office rent	14 172,00	1 200,00
	telefon/fax/Internet	5 965,62	506,13
	<b>Subtotal</b>	27 191,42	2 302,31
Bank costs		1 289,39	108,17
Audit services		2 340,00	200,00
<b>TOTAL Project</b>		<b>252 281,86</b>	<b>21 348,20</b>

**7. TIM - EXECUTION FEE AND OTHER GAINS**

Description	Amount	
	MDL	EUR
Opening cash balance		943,00
Income - Project Z10-00002		2,18
<b>Total funds received</b>		<b>945,18</b>
Uses of funds:		125,18
<b>Closing Cash Balance</b>		<b>820,00</b>

## 7. Current Assets

The balance value of current assets amounts to MDL 217 079 or 14 035 Euros as of January 31, 2012 and is made up of the following items:

7.1 Cash at the disposal of TI-Moldova in the amount of 19 281,60 Moldovan lei or EUR 1 246,60 are supported by source documents: cash in bank accounts in MDL - 11 569,29, cash in bank accounts in EUR - 498,09, and cash in hand - 8,15 MDL.

7.2 Inventory of methodological guides, brochures, posters and books in the amount of 116 037 lei (EUR 7 502), which are confirmed by stock lists.

Opening Balance (MDL)	Procured (MDL)	Used (MDL)	Closing Balance (MDL)	Total in Euros
85 394	143 652	142 999	116 037	7 502

### 7.3 Short-term receivables - 81 760 MDL (EUR 5 286)

Accounts prepayment	Closing Balance (MDL)	Total in Euros
Moldtelecom/ORANGE/Molcell	14 747	953
Uniunea scriitorilor	57 678	3 729
Audit Firm Alkont LTD	6 812	440
Other prepayments	2 523	164
<b>Total</b>	<b>81 760</b>	<b>5 286</b>

## 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)	Depreciation (MDL)	Balance Cost (MDL)	Balance Cost (EUR)
„1-C Account” Accounting Application	0	0	0	0
Video spots	4 115	2 547	1 568	101
<b>Total</b>	<b>4 115</b>	<b>2 547</b>	<b>1 568</b>	<b>101</b>



8.2 Tangible fixed assets as of January 31, 2012 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	43 527	7 849	19 122	32 254	2 085
Furniture	6 416		2 058	4 358	282
Other Office Equipment	36 477		5 231	31 246	2 020
<b>Total</b>	<b>86 420</b>	<b>7 849</b>	<b>26 411</b>	<b>67 858</b>	<b>4 387</b>

### 9. Targeted Financing

The financial result per projects obtained as of 31 January 2012 from donations makes up EUR 427, and may be presented as follows:

Projects	Opening Balance as of 01.01.2011	Incomes	Expenditure	Financial Result
Advocacy and Legal Advice Centres (ALAC) Project 209-354.10 SOE 8 / 2010		€ 16 200	€ 16 250	€ -50
Project 209-354.10 SOE 7/ 2011:				
- ALAC		€ 18 960	€ 18 960	0
- GFM		€ 29 640	€ 29 640	0
ALAC other		€ 998	€ 521	€ 477
<b>Total ALAC and GFM</b>		<b>€ 65 798</b>	<b>€ 65 371</b>	<b>€ 427</b>
"Supporting the implementation of National Anticorruption Strategy" Project:				
- Soros Foundation		\$ 16 720	\$ 16 720	0
- PTF		\$ 22 165	\$ 22 165	0
- Transparency ENCY		\$ 7 835	\$ 7 835	0
<b>Total Project</b>		<b>\$ 30 000</b>	<b>\$ 30 000</b>	<b>0</b>
East Europe Foundation Project Z11-0002		\$ 21 351	\$ 21 351	0
Balance of Transparency International Moldova funds	€ 943	€ 2	€ 125	€ 820

### 10. Increase in Net Assets

Increase in net assets in the amount of EUR 18 096 was formed by: long-term assets left at the disposal of TIM, balance of short-term assets difference on exchange rate:

	<u>Total in EUR</u>
Unrestricted Assets:	
Property fund - investments of targeted financing in long-term assets (p.8)	4 488
- inventory (p.7.2)	7 502
- receivables (p. 7.3)	5 286
- TIM - Execution fee	820
<b>Total</b>	<b>18 096</b>

## 11. 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 recognised 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 January 31, 2012 - 15,4674 MDL for 1 Euro. \$/EUR - 0.7226 - at the average rate for the 13 audited months.

### **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 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.

TIM 2011 CONSOLIDATED CASH FLOW REPORT

	ALAC		GFM		Series Foundation		PTF		Transparency FNCY		East Europe Foundation		TIM exceptions fee		Total	
	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR
<b>Balance opening 2011</b>																
<b>Incomes 2011</b>	686 257	36 199	497 000	29 840	194 866	16 720	259 428	22 165	91 994	7 835	262 315	21 351	15 185	943	15 185	943
Project No. 209-354.10 SOE 8/2010	265 340	16 203											33	2		
Project No. 209-354.10 SOE 7/2011	305 721	19 996	497 000	29 840												
National Anticorruption Strategy Project																
East Europe Found. Project Z11-0002					194 866	16 720	259 428	22 165	91 994	7 835						
Other	15 196	998									252 315	21 351	33	2		46 720
<b>Available for use in 2011:</b>	686 257	36 199	497 000	29 840	194 866	16 720	259 428	22 165	91 994	7 835	262 315	21 351	15 218	945	15 229	1 000
<b>Expenditures</b>	579 683	36 731	497 000	29 840	194 866	16 720	259 428	22 165	91 994	7 835	262 316	21 351	2 510	135	1 877 796	86 488
Project No. 209-354.10 SOE 8/2010	266 113	16 253													266 113	16 253
Project No. 209-354.10 SOE 7/2011	305 721	19 996	497 000	29 840											802 721	48 900
National Anticorruption Strategy Project																
East Europe Found. Project Z10-0002					194 866	16 720	259 428	22 165	91 994	7 835	252 282	21 348			546 288	0
Other	7 849	321									33		2 510	125	10 392	21 348
<b>Balance per 31.01.2012</b>	6 574	427	0	0	0	0	0	0	0	0	0	0	12 708	620	19 282	1 247

TIM 2011 CONSOLIDATED CASH FLOW REPORT (TOTAL in EUR)

	ALAC		GFM		Series Foundation		PTF		Transparency FNCY		East Europe Foundation		TIM exceptions fee		Total	
	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR	MDL	EUR
<b>Balance opening 2011</b>																
<b>Incomes 2011</b>	686 257	36 199	497 000	29 840	194 866	16 720	259 428	22 165	91 994	7 835	262 315	21 351	15 185	943	15 185	943
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<b>Balance per 31.01.2012</b>	6 574	427	0	0	0	0	0	0	0	0	0	0	12 708	620	19 282	1 247