



**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
<b>CURRENT ASSETS:</b>	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
<b>TOTAL CURRENT ASSETS</b>		<b>1 796 984</b>	<b>93 284</b>	<b>1 667 197</b>	<b>78 854</b>
<b>FIXED ASSETS:</b>	5				
Tangible Fixed Assets	5.1	19 397	1 007	24 030	1 137
<b>TOTAL FIXED ASSETS</b>		<b>19 397</b>	<b>1 007</b>	<b>24 030</b>	<b>1 137</b>
<b>Total Assets</b>		<b>1 816 381</b>	<b>94 291</b>	<b>1 691 227</b>	<b>79 991</b>
<b>LIABILITIES and NET ASSETS</b>					
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
<b>Total Net Assets and Liabilities</b>		<b>1 816 381</b>	<b>94 291</b>	<b>1 691 227</b>	<b>79 991</b>

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
<b>Balance at the Beginning of the Reporting Period</b>		
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
<b>Total as of January 01, 2020</b>	<b>1 765 897,31</b>	<b>91 684,92</b>
<b>Incomes 2020</b>		
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
<b>Total Incomes per Projects</b>	<b>2 297 495,69</b>	<b>117 119,73</b>
Exchange rate difference	77 165,53	13,94
<b>Expenditure 2020</b>		
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
<b>Total Expenditure</b>	<b>2 651 803,03</b>	<b>138 350,29</b>
<b>Balance at the End of the Reporting Period</b>		
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
<b>Balance at the December 31, 2020</b>	<b>1 488 755,50</b>	<b>70 468,30</b>

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

\* 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			
<b>NED</b>						
	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
	<b>subtotal</b>		<b>20 000,00</b>	<b>355 269,60</b>		<b>18 187,85</b>
<b>Embassy of Netherlands</b>						
	02.10.2020	48 750,00		971 100,00	19,9200	48 750,00
	<b>subtotal</b>	<b>48 750,00</b>		<b>971 100,00</b>		<b>48 750,00</b>
<b>Embassy of USA</b>						
	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
	<b>subtotal</b>		<b>45 209,00</b>	<b>759 827,64</b>		<b>39 374,73</b>
<b>Swiss Representation Chisinau</b>						
	04.08.2020			207 805,00	19,5480	10 630,50
	<b>subtotal</b>	<b>0,00</b>		<b>207 805,00</b>		<b>10 630,50</b>
<b>Transparency International - Moldova</b>						
				3 493,45		176,65
	<b>subtotal</b>			<b>3 493,45</b>		<b>176,65</b>
<b>TOTAL</b>		<b>€ 48 750,00</b>	<b>\$ 65 209,00</b>	<b>MDL 2 297 495,89</b>		<b>€ 117 119,73</b>



### 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		
	<b>Total sources available for 2020</b>	<b>2 259 371,27</b>			
	Exchange rate difference	89 724,80			
	<b>Expenditure:</b>				
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%
	<b>Total Expenditure</b>	<b>1 060 818,92</b>	<b>54 657,78</b>	<b>62 695</b>	<b>87%</b>
	<b>Balance as of December 31, 2020</b>	<b>1 288 277,25</b>	<b>60 978,93</b>		

/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
<b>Balance</b>			<b>14 903,49</b>	<b>860,57</b>			<b>773,79</b>
<b>Incomes: National Endowment for Democracy</b>	176 684,00	10 000,00	355 269,60	20 000,00	30 000	100%	18 187,85
<b>TOTAL</b>			<b>370 173,09</b>	<b>20 860,57</b>			<b>18 961,64</b>
<b>Expenditure:</b>							
Salaries	<b>135 454,43</b>	<b>7 746,87</b>	<b>302 902,91</b>	<b>17 484,77</b>	<b>25 232</b>	<b>100%</b>	<b>15 945,57</b>
<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 &	<b>7 000,00</b>	<b>400,29</b>	<b>13 882,00</b>	<b>801,53</b>	<b>1 200</b>	<b>100%</b>	<b>730,78</b>

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	
<b>Total Expenditure</b>	<b>159 739,24</b>	<b>9 139,43</b>	<b>352 837,17</b>	<b>20 412,47</b>	<b>30 000</b>	<b>99%</b>	<b>18 574,23</b>	
<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				
<b>Final balance</b>	<b>14 903,49</b>	<b>860,57</b>	<b>0</b>	<b>0</b>			<b>0</b>	

**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
<b>Income:</b>		<b>759 827,64</b>	<b>45 209,00</b>		<b>39 374,73</b>
<b>Expenditure:</b>					
<b>Personnel</b>	<b>14 726</b>	<b>236 624,54</b>	<b>14 207,35</b>	<b>96%</b>	<b>12 443,39</b>
<b>SUPPLIES (&lt; 5,000 per unit)</b>	<b>1 734</b>	<b>14 046,05</b>	<b>826,64</b>	<b>48%</b>	<b>738,64</b>
<b>Contractual (Consultant fees)</b>	<b>12 900</b>	<b>180 261,00</b>	<b>10 932,95</b>	<b>85%</b>	<b>9 479,40</b>
<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
<b>Other direct costs</b>	<b>16 262</b>	<b>235 470,16</b>	<b>13 927,32</b>	<b>86%</b>	<b>12 382,69</b>
<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