

AUDIT FIRM «ALKONT»

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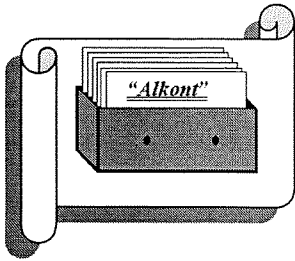
Transparency International - Moldova NGO

FINANCIAL STATEMENTS

For the period January 31, 2006 – January 31, 2007

Contents

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
BALANCE SHEET	3
STATEMENT OF SPECIAL ACCOUNT	4
STATEMENT OF SOURCES AND USED OF FUNDS – UNDP FUNDED PROJECT	5
STATEMENT OF SOURCES AND USED OF FUNDS – NOVIB FUNDED PROJECT	7
STATEMENT OF SOURCES AND USED OF FUNDS – EURASIA FUNDED PROJECT	8
STATEMENT OF SOURCES AND USED OF FUNDS – ALAC FUNDED PROJECT	9
STATEMENT OF SOURCES AND USED OF FUNDS – DFID FUNDED PROJECT	10
STATEMENT OF SOURCES AND USED OF FUNDS – WBG FUNDED PROJECT	11
STATEMENT OF SOURCES AND USED OF FUNDS – TIM FUNDED PROJECT	11
NOTES TO THE FINANCIAL STATEMENTS	12



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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, "TIM") for the year that ended on January 31, 2007:

- Balance Sheet as of January 31, 2007;
- Statement of special account for the period from 1st February 2006 up to and including 31st January 2007;
- Statement of sources and uses of funds for the for the twelve months period then ended

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.

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 so as to obtain reasonable assurance about whether 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 TIM as at January 31,2007, and its statement of special account and statements of sources and uses of funds for the 12 months period then ended, funds received and expenses incurred by the Projects within the period of 31st January 2006 to 31st January 2007, in accordance with the cash receipts and disbursements basis and requirements of the Grant Agreements: no.00013631, no.MOL-503837-0005116, no.K 06-0197, no.209-354.10, no.7140670 and DFID.

Director of the Audit Firm, Auditor



Alla Kulikovskaia

June 11, 2007

TRANSPARENCY INTERNATIONAL - MOLDOVA NGO

BALANCE SHEETS

AS AT JANUARY 31, 2007

(all amounts expressed in euro)

	Amounts as of 31 January	
	2007	2006
Assets		
Cash and bank balances		
Special account	109,467	11,338
	<u>109,467</u>	<u>11,338</u>
Liabilities and Accumulated Funds		
Project Financing:		
- Nederlandse Organisatie voor Internationale Ontwikkelingssamenwerking (NOVIB)	111,580	600
- United Nations Development Programme (UNDP)	-	8121
- Advocacy and Legal Advice Centres (ALAC)	(3,437)	-
- World Bank Group (WBG)	24	
- TIM	1,300	2617
	<u>109,467</u>	<u>11338</u>

June 11, 2007

Executive Director



Chief Accountant



TRANSPARENCY INTERNATIONAL - MOLDOVA NGO

STATEMENT OF SPECIAL ACCOUNT

For 12 months period ended January 31, 2007

(all amounts expressed in euro)

Assertions	12 months period ended January 31, 2007	January 31, 2006
Cash Balance at the Beginning of the Reporting Period		
UNDP	8,121	-
NOVIB	600	17,550
TIM	2,617	2,646
Total as of 01.02.2006	<u>11,338</u>	<u>20,196</u>
Cash Receipts		
UNDP	28,008	43,759
NOVIB	115,000	71,226
EURASIA - project K 06-0197	16,460	-
EURASIA - conference	3,182	-
ALAC	46,125	-
DFID	31,856	-
World Bank Group	600	-
TIM	3,376	4,301
Total Cash Inflows per Projects	<u>244,607</u>	<u>119,286</u>
Cash Disbursements		
UNDP	36,129	35,638
NOVIB	4,020	88,176
EURASIA - project K 06-0197	16,460	-
EURASIA - conference	3,182	-
ALAC	49,562	4,330
DFID	31,856	-
World Bank Group	576	-
TIM	4,693	-
Total Cash Outflows	<u>146,478</u>	<u>128,144</u>
Cash Balance at the End of the Reporting Period		
INDP	-	8,121
NOVIB	111,580	600
ALAC	(3,437)	-
World Bank Group	24	-
TIM	1,300	2,617
Total as of 31.01.2007	<u>109,467</u>	<u>11,338</u>

June 11, 2007

Executive Director



Chief Accountant



TRANSPARENCY INTERNATIONAL - MOLDOVA NGO

STATEMENT OF SOURCES AND USERS OF FUNDS FOR 12 MONTHS PERIOD ENDED
JANUARY 31, 2007

UNDP FUNDED PROJECT "STRENGTHENING THE NATIONAL CAPACITIES TO FIGHT
CORRUPTION IN REPUBLIC OF MOLDOVA" (No.00013631)

	12 months period ended January 31, 2007			January 31, 2006	
	Sources of financing			Total EUR	EUR
	Total USD	UNDP EUR	TIM EUR		
Opening Cash Balance	11,119.01	8,121	2,617*	10,738	
Total funds received					
For the purposes of project activities	35,291.00	27,630		27,630	43,759
Execution Fee*	3,580.00		2,802*	2,802	4,301
Other **	548.00	378		378	
Total funds received	39,419.00	28,008	2,802*	30,810	48,060
Uses of funds					
Activity 1					
Local consultants (UNDP-IPF/TRAC)**	67.20	-	54	54	5,014
Travel	-	-	-	-	1,221
Hospitality	-	-	-	-	384
Miscellaneous Expenses	-	-	-	-	41
Audio Visual and Print Production	-	-	-	-	2,870
Supplies	-	-	-	-	163
Total Activity 1	67.20	-	54	54	9,693
Activity 2					
Audio Visual and Print Production	-	-	-	-	5,634
Local consultants	-	-	-	-	6,122
Miscellaneous Expenses	-	-	-	-	62
Supplies	-	-	-	-	204
Total Activity 2	-	-	-	-	12,022
Activity 3 (Awareness Campaign)					
Local consultants	10,673.09	8,500	-	8,500	4,069
Contractual Services	6,680.90	5,321	-	5,321	2,384
Audio Visual and Print Production	2,277.51	1,814	-	1,814	4,525
Miscellaneous Expenses	217.61	173	-	173	46
Rental and Maintenance of Premises	-	-	-	-	950
Supplies	146.88	117	-	117	340
Hospitality	-	-	-	-	639
Communications and Audio Visual	1,260.38	1,004	-	1,004	390
Total Activity 3	21,256.37	16,929	-	16,929	13,343

Activity 4 (Project Management)					
Rental and Maintenance of Premises	2,906.93	2,315	-	2,315	610
Miscellaneous Expenses	4,599.15	-	3,663	3,663	-
Total Activity 4	<u>7,506.08</u>	<u>2,315</u>	<u>3,663</u>	<u>5,978</u>	<u>610</u>
Activity 5 (Information&Communication)					
Local consultants**	477.22	-	380	380	-
Total Activity 5	<u>477.22</u>	<u>-</u>	<u>380</u>	<u>380</u>	<u>-</u>
Activity 6 (Legal Support to key Groups)					
Local consultants	5,071.64	4,039	-	4,039	-
Contractual Services	592.07	472	-	472	-
Audio Visual and Print Production	2,103.18	1,675	-	1,675	-
Miscellaneous Expenses	56.04	44	-	44	-
Total Activity 6	<u>7,822.93</u>	<u>6,230</u>	<u>-</u>	<u>6,230</u>	<u>-</u>
Activity 7(Training for key Groups)					
Local consultants	8,036.38	6,400	-	6,400	-
Travel	4,248.96	3,384	-	3,384	-
Supplies	531.51	424	-	424	-
Hospitality	525.19	418	-	418	-
Miscellaneous Expenses	62.78	50	-	50	-
Total Activity 7	<u>13,404.82</u>	<u>10,676</u>	<u>-</u>	<u>10,676</u>	<u>-</u>
Activity 8 (Advance)					
Bank Charges**	3.39	-	3	3	-
Total Activity 8	<u>3.39</u>	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
Foreign exchange difference	-	(21)	19	(2)	(30)
Total funds used per activities	<u>50,538.01</u>	<u>36,129</u>	<u>4,119</u>	<u>40,248</u>	<u>35,638</u>
Execution Fee	-	-	-	-	4,301
Total finds used	<u>50,538.01</u>	<u>36,129</u>	<u>4,119</u>	<u>40,248</u>	<u>39,939</u>
Closing Cash Balance	-	-	<u>1,300</u>	<u>1,300</u>	<u>8,121</u>

* Execution fees, amount to a maximum of 10% of granted funds, represent funds without special purpose granted by donor for successful realisation of project.

** The amount of 547.81 USD has been paid by UNDP directly as payment for expenses of project, which were registered both as project income and expenditure;

June 11, 2007

Executive Director



Chief Accountant



TRANSPARENCY INTERNATIONAL - MOLDOVA NGO

STATEMENT OF SOURCES AND USERS OF FUNDS FOR 2 MONTHS PERIOD
ENDED JANUARY 31, 2007

NOVIB FONDED PROJECT "CIVIL SOCIETY AGAINST CORRUPTION" (MOL-
503837-0005116)

(all amounts expressed in euro)

	2 months period ended January 31, 2007
Opening Cash Balance	600
Total funds received	115,000
Uses of Funds	
Human Resources	3,060
Audit	600
Office costs	360
Total funds uses	<u>4,020</u>
Closing Cash Balance	<u>111,580</u>

June 11, 2007

Executive Director



Chief Accountant





TRANSPARENCY INTERNATIONAL - MOLDOVA NGO

STATEMENT OF SOURCES AND USERS OF FUNDS FOR THE PERIOD
 FROM OCTOBER 30, 2006 TO JANUARY 31, 2007
 EURASIA FUNDED PROJECT "ENSURING ETHICS IN PUBLIC SECTOR TO PREVENT
 CORRUPTION" (K 06-0197)

	3 months period ended January 31, 2007	
	Reporting currency USD	EUR
Opening Cash Balance	-	-
Total funds received for project K06-0197	20,668	16,460
Total funds received for conference	3,996	3,182
Uses of Funds for project K06-0197		
Salary Staff	8,801	7,009
Honorarium Experts	1,122	894
Office Costs	796	634
Travel & subsistence	210	167
Training	2,338	1,862
Promotional material	2,670	2,126
TV campaign	2,499	1,990
Monthly Informational Bulletin	2,150	1,713
Bank charges	82	65
Total funds uses for project K06-0197	20,668	16,460
Total funds uses for conference	3,996	3,182
Closing Cash Balance	-	-

June 11, 2007

Executive Director 

Chief Accountant 

TRANSPARENCY INTERNATIONAL - MOLDOVA NGO

STATEMENT OF SOURCES AND USERS OF FUNDS FOR THE PERIOD
FROM MAY 29, 2006 TO JANUARY 31, 2007


ADVOCACY AND LEGAL ADVICE CENTRES PROJECT: 209-354.10 SOE/TI (ALAC)

(all amounts expressed in euro)

	<u>8 months period ended January 31, 2007</u>
Opening cash balance	-
Financing:	
Donations	44,236
TI-S Additional	1,889
Total funds received	<u>46,125</u>
Uses of funds	
Human Resources	23,723
Travel	563
Office costs, Equipment & Supplies	5,187
Other Costs/Services	18,200
	<u>47,673</u>
Travel (TI-S Additional)	1,889
Total Expenses	<u>49,562</u>
Closing Cash Balance	<u>(3,437)</u>

June 11, 2007

Executive Director



Chief Accountant



TRANSPARENCY INTERNATIONAL - MOLDOVA NGO

STATEMENT OF SOURCES AND USERS OF FUNDS FOR THE PERIOD
FROM MARCH 1, TO JUNE 30, 2006

Department for International Development (DFID) Funded Project "Responding to the
Challenges of Corruption"

	4 months period ended JUNE 30, 2006	
	USD	EUR
Opening Cash Balance	-	-
Total funds received		
Donations	40,000	31,856
	40,000	31,856
Uses of Funds		
Building partnership	2,251	1,793
Strengthen abilities	17,100	13,618
Ensuring transparency	12,400	9,875
Audit	1,500	1,195
Management of the project	6,000	4,778
Exhibition of the anti-corruption caricatures	749	597
Total funds uses	40,000	31,856
Closing Cash Balance	-	-

June 11, 2007

Executive Director



Chief Accountant



TRANSPARENCY INTERNATIONAL - MOLDOVA NGO

STATEMENT OF SOURCES AND USERS OF FUNDS FOR THE PERIOD
FROM DECEMBER 13, 2006 TO JANUARY 31, 2007
WORLD BANK GROUP FUNDED PROJECT IN ACORDANCE WITH CONTRACT 7140670
(all amounts expressed in euro)

	1,5 months period ended January 31, 2007
Opening Cash Balance	-
Total funds received	600
Uses of Funds	
Consultants-interviewers	576
Total funds uses	576
Closing Cash Balance	<u>24</u>

STATEMENT OF SOURCES AND USERS OF FUNDS FOR 12 MONTHS PERIOD ENDED
JANUARY 31, 2007

TIM – EXECUTION FEE AND OTHER GAINS
(all amounts expressed in euro)

	FOR 12 MONTHS PERIOD ENDED JANUARY 31, 2007
Opening cash balance	2,617
Gains from rent	574
Execution fee	2,802
Total funds received	3,376
Uses of funds	
Project UNDP No.00013631	4,119
Office costs	574
Total Expenses	4,693
Closing Cash Balance	<u>1,300</u>

June 11, 2007

Executive Director



Chief Accountant



TRANSPARENCY INTERNATIONAL - MOLDOVA NGO

NOTES TO THE FINANCIAL SCHEDULES

For 12 months period ended January 31, 2007

1. General

Transparency International – Moldova ONG (TIM), as the National Chapter of the world anti-corruption organisation Transparency International, was registered in Republic of Moldova on June 14, 2000.

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

The purpose of activity of the Transparency International – Moldova is fighting against corruption and launching an anti-corruption movement.

The main goals of the activity per projects are to:

- Provide citizens with information and legal advice so as to enable them to pursue corruption-related complaints (as either victims or witnesses);
- Strengthen the ability and willingness of institutions to receive and act upon corruption-related complaints;
- Bring about systematic improvements (legal, administrative and institutional) in the fight against corruption;
- Supporting the state institutions in preventing corruption, diminishing the citizens' tolerance towards corruption, ensuring a higher involvement of civil society, and establishing a critical mass of civil society stakeholders who can collectively face the challenge of corruption.

2. Projects

During 12 months period ended January 31, 2007 Transparency International – Moldova ONG has implemented 6 projects funded by:

- United Nations Development Programme (UNDP) - Project "Strengthening the National Capacities to Fight Corruption in Republic of Moldova" (No.00013631), with total budget USD 327,000 and uses funds in 2006 – USD 50,538 (EUR 40,298), including execution fee (EUR 4,119).
- Nederlandse Organisatie voor Internationale Ontwikkelingssamenwerking (NOVIB) – Project "Civil Society Against Corruption" (MOL-503837-0005116), was funded EUR 115,000 in December 2006 and uses funds for 2 months – EUR 4,020.
- Eurasia Foundation (EURASIA) - Project "Ensuring Ethics in Public Sector to Prevent Corruption" (K 06-0197), with total budget USD 23,668; used funds– USD 20,668 (EUR 16,460) and the amount of USD 3,000 was paid by EURASIA directly as payment for audit services.

