

**REPORT**

**OF THE INDEPENDENT AUDITOR**

**ON THE AUDIT**

**OF THE FINANCIAL STATEMENTS**

**OF THE PUBLIC ASSOCIATION**

**PARTNERSHIPS FOR EVERY CHILD**

**FOR THE PERIOD OF 2017**

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***Audit Firm «Concept» S.R.L.***  
*Of.122, 14 M. Costin str., m. Chisinau, Moldova*  
*License series A MMII No.054427 from 27.03.2007.*  
*Tel. 22-447-319, 22-438-108, 22-448-664*  
*e-mail: [audit@concept.md](mailto:audit@concept.md), web: [www.concept.md](http://www.concept.md)*

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## **INDEPENDENT AUDITOR'S REPORT**

On the Financial Statements of the  
Public Association "Partnerships for Every Child"  
for the year of 2017

To the management of  
PA "Partnerships for Every Child"

Mrs. Daniela Mamaliga

### **Opinion**

We have audited the financial statements of the Public Association "Partnerships for every child", which comprise the Balance Sheet for the year ended on the 31<sup>st</sup> of December 2017, as well as the corresponding Statement on the Profit and Loss, Financing Sources Modification Statement, related to the exercise closed on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects the financial position of the Company, as at 31<sup>st</sup> of December 2017 and its financial performance and its cash flows for the year then ended in accordance with the National Accounting Standards, developed based on the EU Directives and the General concept framework for Financial Statements, IAS 1 "Presentation of the Financial Statements".

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Public Association "Partnerships for every child" within the meaning of the Code of Ethics for Professional Accountants (Code IESBA), issued by the International Ethics Standards Board for Accountants in conjunction with the ethical requirements relevant to the audit of the financial statements of the Republic of Moldova, and we have fulfilled our other ethical responsibilities under the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other information**

The Company's Financial Statements for the previous financial year ended on 31<sup>st</sup> of December 2016 were audited by our audit firm and an unmodified opinion was issued on those Statements on 18<sup>th</sup> of May 2017.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with NAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Management are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole 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 these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements that is part of this auditor's report is located at CONCEPT's website at [www.concept.md](http://www.concept.md).

The partner of audit mission from audit firm "Concept" S.R.L. is Certan Irina.

**Legal address:** of. 122, 14 Miron Costin str.,  
Chisinau, Republic of Moldova

**License:** Series A MMII No. 054427 from  
27.03.2007 valid until 27.03.2022, issued by  
State Licensing Chamber of RM

**Phone:** +373-22-448-664

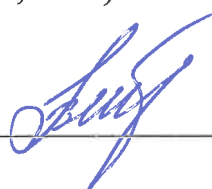
**Fax:** +373-22-438-108

**e-mail:** [audit@concept.md](mailto:audit@concept.md),

**web:** [www.concept.md](http://www.concept.md)

Auditor, Bolea Elena

(Qualified from June 23, 2006,  
Qualification Certificate Series AG No.  
000059 issued by the Ministry of  
Finance of the Republic of Moldova on  
June 5, 2018).



July 31, 2018

## FINANCIAL STATEMENTS

## BALANCE SHEET

On 31.12.2017

The official exchange rate on 31.12.2017 (1 EUR – 20,4099 MDL)

The official exchange rate on 31.12.2016 (1 EUR – 20,8895 MDL)

No. ch.	A S S E T S	Cod rd.	Balance on			
			31.12.2017		31.12.2016	
			MDL	EURO	MDL	EURO
1	2	3	4	5	6	7
1.	<b>Fixed assets</b>					
	Intangible assets	010	136 281	6 677	84 988	4 068
	Tangible assets in execution	020		-		-
	Land plots	030		-		-
	Fixed assets	040	3 749 569	183 713	4 313 896	206 510
	Long term financial investments	050		-		-
	Other fixed assets	060		-		-
	<b>Total fixed assets</b> (rd.010 + rd.020 + rd.030 + rd.040 + rd.050 + rd.060)	070	<b>3 885 850</b>	<b>190 390</b>	<b>4 398 884</b>	<b>210 579</b>
	<b>Current assets</b>					
	Materials	080	32 194	1 577	279 767	13 393
	Small value and short term objects	090	48 613	2 382	47 609	2 279
	Production in progress and products	100		-		-
	Trade receivables and advances provided	110	460 352	22 555	1 074 664	51 445
2.	Budget receivables	120	559 451	27 411	15 158	726
	Staff receivables	130		-		-
	Other current receivables, of which	140	400	20	96 470	4 618
	Receivables related to the special designation means	141		-		-
	Cash	150	4 630 852	226 892	11 834 104	566 510
	Current financial investments	160		-		-
	Other current assets	170	143 691	7 040	391 295	18 732
	<b>Total current assets</b> (rd.080 + rd.090 + rd.100 + rd.110 + rd.120 + rd.130 + rd.140 + rd.150 + rd.160 + rd.170)	<b>180</b>	<b>5 875 553</b>	<b>287 878</b>	<b>13 739 067</b>	<b>657 702</b>
	<b>Total assets</b> (rd.070 + rd.180)	<b>190</b>	<b>9 761 403</b>	<b>478 268</b>	<b>18 137 951</b>	<b>868 281</b>

No. ch.	OWNERS' EQUITY AND LIABILITIES		Balance on			
			31.12.2017		31.12.2016	
			MDL	EURO	MDL	EURO
1	2	3	4	5	6	7
3.	<b>Own capital</b>					
	Corrections of the results of the previous years	200				
	Net excess (net deficit) of the reporting period	210				
	Initial contribution of the founders	220				
	Fixed assets fund	230	3 885 850	190 390	4 398 884	210 579
	Self-financing fund	240		-		-
	Other funds	250		-		-
	<b>Total own capital</b> (rd.200+rd.210+rd.220+rd.230+rd.240+rd.250)	<b>260</b>	<b>3 885 850</b>	<b>190 390</b>	<b>4 398 884</b>	<b>210 579</b>
4.	<b>Long-term liabilities</b>					
	Long-term purposeful financing and receipts	270	4 630 852	226 892	11 834 104	566 510
	Long-term financial liabilities	280		-		-
	Other long-term liabilities	290		-		-
	<b>Total long-term liabilities</b> (rd.270+rd.280+rd.290)	<b>300</b>	<b>4 630 852</b>	<b>226 892</b>	<b>11 834 104</b>	<b>566 510</b>
5.	<b>Current liabilities</b>					
	Current purposeful financing and receipts	310		-		-
	Current financial liabilities	320	230 517	11 294	9 926	475
	Trade liabilities and advances received	330		-		-
	Liabilities to staff	340		-		-
	Liabilities for social and medical insurance	350		-		-
	Liabilities to the budget	360	-	-	580	28
	Anticipated current proceeds	370	893 011	43 754	1 760 442	84 274
	Other current liabilities	380	121 173	5 937	134 015	6 415
	<b>Total current liabilities</b> (rd.310+rd.320+rd.330+rd.340+rd.350+rd.360+rd.370+rd.380)	<b>390</b>	<b>1 244 701</b>	<b>60 985</b>	<b>1 904 963</b>	<b>91 192</b>
	<b>Total liabilities</b> (rd.260+rd.300+rd.390)	<b>400</b>	<b>9 761 403</b>	<b>478 268</b>	<b>18 137 951</b>	<b>868 281</b>

**PROFIT AND LOSS STATEMENT**

From 01.01.2017 until 31.12.2017

Average official exchange rate of the National Bank of the RM for the 2017 year (1 EUR – 20,8282 MDL)

Average official exchange rate of the National Bank of the RM for the 2016 year (1 EUR – 20,0548 MDL)

Indicators	Cod row.	Reporting period			
		01.01.2017-31.12.2017		01.01.2016-31.12.2016	
		MDL	EURO	MDL	EURO
1	2	3	4	5	6
Proceeds related to special designation means	010	22 673 299	1 088 587	31 668 756	1 435 912
Expenses related to special designation means	020	22 673 299	1 088 587	31 682 012	1 436 513
<b>Excess (deficit) related to special designation means (rd.010 – rd.020)</b>	<b>030</b>	-	-	<b>(13 256)</b>	<b>(601)</b>
Other proceeds (except proceeds from the economic activity)	040				-
Other expenses (except expenses from the economic activity)	050				-
<b>Excess (deficit) related to other activities(rd.040-rd.050)</b>	<b>060</b>				-
Proceeds from the economic activity	070			13 256	601
Expenses from the economic activity	080				-
<b>Result: profit (loss) from the economic activity (rd.070-rd.080)</b>	<b>090</b>			<b>13 256</b>	<b>601</b>
Expenses related to the income tax	100				
<b>Net excess (net deficit) of the reporting period (rd.030+rd.060+rd.090-rd.100)</b>	<b>110</b>				

## FINANCING SOURCES MODIFICATION STATEMENT

From 31.12.2016 until 31.12.2017

The official exchange rate on 31.12.2016 (1 EUR – 20,8895 MDL)  
 Average official exchange rate of the National Bank of the RM for the 2017 year (1 EUR – 20,8282 MDL)  
 The official exchange rate on 31.12.2017 (1 EUR – 20,4099 MDL)

No.	Indicators	Cod rd.	Balance on 31.12.2016		Increases		Decreases		Corrections related to currency exchange rate fluctuations	Balance on 31.12.2017	
			MDL	EURO	MDL	EURO	MDL	EURO		MDL	EURO
1	2	3	4	5	6	7	8	9	10	11=4+6-8	12=5+7-9+10
1	Special designation means										
	Special designation financing from the national budget	010									
	Special designation financing from the local budget	020									
	Grants	030	2 425 785	116 125	3 666 557	176 038	4 608 412	221 258	1 802	1 483 930	72 706
	Financial and technical assistance	040	9 360 597	448 100	12 987 617	623 559	19 255 593	924 496	4 363	3 092 621	151 526
	Other special designation financing and proceeds	050	47 722	2 284	113 876	5 467	107 297	5 152	60	54 301	2 661
	Total special designation means (rd.010 + rd.020 + rd.030 + rd.040 + rd.050)	060	11 834 104	566 509	16 768 050	805 065	23 971 302	1 150 906	6 225	4 630 852	226 892
2	Unassigned means										
	Donations	070									
	Financial aid	080									
	Other unassigned means	090									
	Total unassigned means (rd.070 + rd.080 + rd.090)	100									
	Contributions of the founders and members										
3	Membership fees and membership dues	110			400	19		-	1	400	20

Auditing firm „Concept” S.R.L.



Financial statements PA "Partnerships for Every Child"

No.	Indicators	Cod rd.	Balance on 31.12.2016		Increases		Decreases		Corrections related to currency exchange rate fluctuations	Balance on 31.12.2017		
			MDL	EURO	MDL	EURO	MDL	EURO		MDL	EURO	
1	2	3	4	5	6	7	8	9	10	11=4+6-8	12=5+7-9+10	
	Other contributions	120										
	Total contributions of the founders and members (rd.110+rd.120)	130			400	19		-	1	400	20	
	Funds											
	Initial contribution of the founders	140										
	Fixed assets fund	150	4 398 884	210 579	78 558	3 772	591 592	28 403	4 443	3 885 850	190 390	
	Self-financing fund	160				-		-	-			
	Other funds	170										
	Total funds (rd.140 + rd.150 + rd.160 + rd.170)	180	4 398 884	210 579	78 558	3772	591 592	28403	4 443	3 885 850	190 390	
	Other sources of financing	190										
5	Total sources of financing (rd.060 + rd.100 + rd.130 + rd.180+rd.190)		16 232 988	777 088	16 847 008	808 856	24 562 894	1 179 309	10 669	8 517 102	417 302	

On behalf of the Association the „Financial Statements” were signed by:

The Interim-Director of the Organisation – Mamaliga Daniela

Chief-accountant - Caretnicova Angela

## INTRODUCTION

### General data

In conformity with the contract No. 0711/AFH/1 from the 07<sup>th</sup> of November 2017, signed between the Audit firm "Concept" SRL and PA "Partnerships for Every Child" we, the audit firm "Concept" SRL, were contracted to carry out an audit of the Financial Statements of the PA "Partnerships for Every Child" for the period 01<sup>st</sup> of January 2017 until the 31<sup>st</sup> of December 2017.

The auditor's objective is to formulate an opinion on the submitted Financial Statements of the PA "Partnerships for Every Child", based on the evaluation of the conclusions, drawn following the obtained audit evidence.

### Information on the auditor

The Audit firm "Concept" SRL operates on the audit market starting with the year 1995 (from 07.04.1995 – the Audit Firm "Concept-Audit" SA, reorganized from 16.01.1997 into the Audit firm "Concept" S.R.L.), registered with the State Registration Chamber of the Republic of Moldova on the 16<sup>th</sup> of January 1997, under the registration number 1002600011317, registration certificate series MD, number 0006422. The firm has a valid license for the auditing of the companies (general audit), series A MMII, No. 054427 from 27.03.2007, issued by the Licensing Chamber of the Republic of Moldova, is a Member of the Association of Auditors and Audit Companies from the Republic of Moldova (AFAM) from April 1997.

The audit was carried out by the following qualified specialists from the audit firm "Concept" SRL:

Nr	Name, surname of the specialist	Position	Date on qualification
1.	Bolea Elena	auditor	Qualified from June 23, 2006, Qualification Certificate Series AG No. 000059 issued by the Ministry of Finance of the Republic of Moldova on June 5, 2018
3.	Dodi Svetlana	Expert-accountant	University Diploma ASEM

### Information on the audited subject

AO "Partnerships for Every Child" (hereinafter called Association) (IDNO 1010620002091) in conformity with Registration Certificate MD 002286, from the 30<sup>th</sup> of March 2010, issued by the Ministry of Justice of the Republic of Moldova, was constituted on the 26<sup>th</sup> of March 2010. The Association is constituted in a public,

non-governmental, independent, non-profit organisational form, which follows the public interest and operates in conformity with the provisions of the Constitution of the Republic of Moldova, Law of the Republic of Moldova no. 837-XIII and of the Statutes.

### *Vision*

A world in which every child enjoys the right to childhood in a safe and caring family, protected from poverty, violence and exploitation.

### *Mission*

The aim of the Association is to provide a safe and protected environment to children who are or risk being separated from the family and community. The Association empowers, children, their families, the communities and authorities to create opportunities for a better life.

The Association is constituted by the free manifestation of will, of the associated persons, in order to realize together the following aims:

- Promotion and protection of the rights and interests of children in difficulty of any nature;
- Awareness raising in the society on problems of children and families in difficulty;
- Reduction of poverty, vulnerability to physical and mental illnesses among children and parents;
- Promotion of training for various groups of beneficiaries: children, families, practitioners, service providers, decision makers, NGOs, etc.
- Safety and Health Protection children and their families;
- Implementation of charity activities;
- Capacity building for various constituents in the development, implementation, monitoring and evaluation of social policies designated for children and families in difficulty as well as in the development of the social services for children and families;
- Development and provisions of social services for various groups of children and families in need;
- Consolidation of the civil society in the provision of the social services and undertaking of the advocacy actions;
- Development of social services designated for children and families at risk, promoting the care of families in family environment.

In order to realize the set goals, the Association undertakes the following activities:

- Studies and researches, development of concepts and ideas on the social protection of children and families and promotion of the fundamental rights and freedoms of the child;
- Organization and participation to seminars, conferences, gatherings, lessons, etc., in order to realise the Statutes' aims, involving qualified specialists, in the priority areas of operation of the Association;
- Development of training programs for various groups of constituents, from the area of social protection of the child and family;
- Editing scientific publications, other publications, on the topic of children and families in need;
- Provision of assistance to the socially-vulnerable persons, especially children, in the form of social services, humanitarian aid, charity and other activities;
- Sets up, supports and promotes various social services: schools, day placement centres for children, etc.;
- Trains various groups of social services' providers, social workers and assistants, pedagogues, etc.;
- Supplies food, clothing, books and other products;
- Initiates the drawing, publishing, reproduction or broadcasting of some newspapers, magazines, books, leaflets or other documents, films or printings;
- Organizes (by own means or together with third parties) exhibitions, gatherings, lecturing, seminars and courses;
- etc.

The financial means of the AO "Partnerships for every child" are:

- fees and dues of the members;
- sponsorships and voluntary donations made by individuals and companies, from the country and from abroad;
- state subventions, proceeds obtained from securities, cash deposits;
- proceeds realized from own economic activity;
- proceeds obtained following the use or sale of property;
- other sources not prohibited by law.

Based on the application submitted to the Fiscal Inspectorate on the date of the 24<sup>th</sup> of September 2012, the Association is exempted from paying the income (corporate) tax.

The organisational structure of the Association includes the following bodies:

- General Assembly;
- Administrative Council;
- President;
- Censor.

*The office of the organization:* 75 Mihai Cogalniceanu str., municipality of Chisinau.

*The Interim Director of the Organisation:* Mrs. Mamaliga Daniela.

*Chief-accountant:* Mrs. Caretnicova Angela.

*Number of employees:* the number of employees on the 31<sup>st</sup> of December 2017 is of 24 persons. The administrative staff - 5 persons.

### **Methodology of the audit**

The audit was done based on the following normative documents:

- International Audit Standards adopted also in the Republic of Moldova:
  - ISA 700 – Forming an opinion and reporting on the financial statements;
  - ISA 800 - Special considerations – the audit of the Financial Statements drawn in conformity with the general framework with special goal;
  - ISA 500 – Audit evidence;
  - ISA 200 – General objectives of the independent auditor and implementation of an audit in conformity with the International Standards on Auditing;
  - ISA 230 – Audit documentation;
  - other;
  - ISQC 1 Quality control for the firms performing audits and reviews of Financial Statements, as well as other missions of ensuring and related service;
  - The Code of ethics of the accounting professionals.

In conformity with the International Standards on Auditing, the audit presumes the testing of evidence confirming the sums and information from the statements. The audit includes also the evaluation of the accounting principles used and of estimations, made by the management of the organization. During the audit mission, we have reviewed the internal control, exclusively to find the amount of works necessary to express the audit opinion on the accuracy of the financial report, for the period January - December 2017.

## **QUALITY FEATURES AND BASIC PRINCIPLES**

### **Basis of the Financial Statements**

The Financial Statements of the Association for the period from 01.01.2017 to 31.12.2017, include:

- 1) the Balance Sheet;
- 2) the Profit and Loss Statement;
- 3) the Statements on the modification of the financing sources;
- 4) Explanatory note to the Financial Statements.

The financial year of the Association starts on the 01<sup>st</sup> of January and ends on the 31<sup>st</sup> of December.

*Functional currency of the Financial Statements, presented by the Association:*

The information reflected in the Financial Statements of the Association is presented, in conformity with the current legislation of the Republic of Moldova, in national currency MDL (Moldovan lei).

*The currency of presentation of the Financial Statements annexed to the Auditor's Report:*

In order to be presented in a manner to be understood by creditors and donors of the Association, the information from the Financial Statements presented in the present Auditor's Report is reflected in Moldovan lei and in EURO (euro):

- The Balance Sheet Items were converted at the official exchange rate of the National Bank of the RM on the date of the 31<sup>st</sup> of December of the closing period of the respective balance;
- The profits and losses were converted at the average official exchange rate of the National Bank of the RM for the respective finance year;
- The balances from the financing sources modification statement were converted at the official exchange rate of the National Bank of the RM on the date of the 31<sup>st</sup> of December of the closing period of the respective Balance Sheet, the modifications registered during the reporting period at the average official exchange rate of the National Bank of the RM for the year of 2017.

For the periods included into the Report, the exchange rates for MDL to the EURO, taken as basis for the presentation of the Report, are the following:

Indicators	Year 2016	Year 2017
Official course of NBM on the 31 <sup>st</sup> of December	20,8895	20,4099
Average annual rate	22,0548	20,8282

**Accounting principles**

In the period of 2017 the Association held the accounting records on foot of the Law on accounting of the Republic of Moldova, no.113-XVI, from 24.04.2007, National Accounting Standards, developed based on the EU Directives and the General concept framework for Financial Statements and IAS, General chart of accounts, Methodical guidelines on the particularities of accounting in the non-commercial organizations, approved by the Order of the Ministry of Finance of the Republic of Moldova, No. 188 ,from the 30<sup>th</sup> of December 2014, developed with the

goal to regulate the specifics of accounting in non-commercial organizations, in correspondence with the provisions of the National Accounting Standards.

The indicators of the Financial Statements were found, based on methods and proceedings, foreseen in the accounting policies, approved by the order of the Director of the Association, from the 30<sup>nd</sup> of December 2016. During the reporting period weren't done any modifications in the accounting policies of the entity.

Financial Statements are drawn in conformity with the following main principles:

- 1) Continuity of the activity;
- 2) Accrual accounting;
- 3) Separation of the patrimony and debts;
- 4) Non-compensation;
- 5) Consistency of presentation.

The principle of **accrual accounting** imposes the recognition of the elements of Financial Statements, except the elements of the cash flow statements, as they accrue, regardless the moment of collection/cash payment or compensation in another form.

*"The explanatory Financial report on the receipt and use of financing sources for projects"*, annexed to the present Auditor's Report (**Annex 1**), is drawn by the management of the Association, using the **cash method** – accounting basis, in conformity with which the accounting elements are recognised as collected or paid in cash, or compensated in another form.

### **Accounting policies**

The modality for the presentation of classification of elements for the Financial Statements was done taking into account the methods and proceedings of the accounting policies, developed by the Association.

### *Fixed assets*

In the Financial Statements, tangible and intangible assets are evaluated at the accounting value (value at which an asset is recognised in the balance sheet, after deducting the amortization and losses of the cumulated depreciations).

Tangible and intangible assets are recognised by registered items.

The durations of use of the intangible assets are set depending on the type and modality of their use. The durations of use of the intangible assets constitute:

- the 1C software – 5 years;
- website – 5 years;
- antivirus – 1 year;
- Lingvo – 3 years.

The fixed assets comprise tangible assets, the unit value of which exceeds the threshold of 6 000 MDL, provided by the current legislation.

The durations of use of the tangible assets constitutes:

- buildings and premises – 50 years;
- cars – 4-7 years;
- IT equipment and various facilities – 3-5 years;
- furniture – 3-5 years;
- computers – 3-5 years.

The amortization of the intangible and fixed assets is calculated using the linear method.

#### **- Depreciation of assets**

The Association tests annually for depreciation the intangible assets and tangible assets, by comparing their accounting values with the fair value, minus the selling costs. This test for depreciation is done at the end of the reporting period. The decision on the depreciation of assets is approved by the management of the Association, based on various external and internal information sources, on the fair value of assets (for example, stock newsletters, internal reports, own forecasts, documents confirming the exceptional event).

The loss from depreciation is recognised in the sum, in which the accounting value of the asset exceeds its fair value, minus selling costs. The loss from depreciation of an asset is registered as an accumulation of losses from depreciation, on a separate account.

The resumption of the loss from depreciation of an asset is recognised within the limits of the accounting value (after the deduction of amortization). The resumption of the loss from depreciation is registered as a correction of the asset value and as a diminishing of the losses from depreciation, accounted on a separate account.

In the reporting period of the year 2017, weren't found any losses from assets' depreciation.

#### ***Current assets***

##### **✓ Stocks**

The accounting of stocks is held in quantitative and value expression. The outgoing stocks are evaluated using the weighted average cost method. On the reporting date the stocks are evaluated at cost of entry.

The small value and short-term objects are evaluated at the accounting value – value which remains after the deduction of depreciation.

The small value and short-term objects comprise goods, the unit value of which doesn't exceed the value threshold, set by the current legislation – 6000 MDL. The small value and short-term objects are settled at current expenses, in conformity with the entry sources, in the moment of launch into operation, in the amount of 100%, if their cost doesn't exceed 1 000 MDL, if it exceeds the



threshold of 1 000 lei, expenses are recognised at 50% of their cost on the moment of launch into operation, 50% - when scrapping.

✓ *Receivables*

On the date of reporting receivables are evaluated at nominal value.

The Association accounts receivables within the following groups:

- provided advances;
- budget receivables;
- staff receivables;
- other receivables.

✓ *Cash*

On the date of reporting cash is evaluated at the nominal value.

Cash includes all money and their equivalents, and covers money of petty cash of the Association and from all bank accounts.

✓ *Differences in the currency exchange rates*

When receiving and using the special designation means in foreign currency, as well as on the date of reporting, the differences in the currency exchange rates, favourable or unfavourable, which appear, are registered as an increase or decrease of the financing and proceeds with special designation.

These differences refer to the cash balances, in the cash register and in the current accounts, in foreign currency, on the deposit accounts, for receivables and debts in foreign currency, related to the special designation means and are accounted on the date of the transaction and on the date of reporting.

✓ *Other current assets*

In the composition of other current assets the Association includes the expenses foreseen, supported in the current period, but which refer to the future reporting periods. These comprise costs of insurance, subscription, research, evaluation and development works, designated for the implementation of the programs of the Association, as well as other costs supported in the current period, but which refer to future periods. The expenses foreseen are accounted as current expenses, using the linear method. The expenses foreseen comprise also the value of tires, procured separately from the transportation means, in the current period, but which refer to future periods. The expenses foreseen, related to tires are accounted at current expenses, depending on the actual mileage of the transportation mean.

*Fixed assets fund*

In the composition of the fixed assets fund is registered the sum of financing and proceeds with special designation and of the unassigned means, used for the procurement/creation of fixed assets (tangible and intangible assets, etc.), further costs capitalised in the value of the intangible assets.

In the accounts, the recognition of the fixed assets fund takes place when launching into operation of tangible and intangible assets received/procured from the account of special designation means and is accounted as decrease of financing and proceeds with special designation and increase of the fixed assets fund.

The decrease of the fixed assets fund takes place while calculating the amortisation of the entered intangible assets, on the account of special designation means and of the unassigned ones and is accounted as decrease of the fixed assets fund and increase in the value of amortisation of the fixed assets.

### *Special purpose financing and proceeds*

The initial recognition of the special purpose (designation) means is done based on accrual accounting. Special designation means are recognised in case of existence of a grounded certainty that:

- means shall be received by the Association;
- the conditions related to the use of these shall be fulfilled;
- the value of the means may be found in a credible manner.

The special designation means, used to cover/compensate current expenses, are registered simultaneously as increase of the expenses, related to the special designation means and of the liabilities, and decrease of the financing and proceeds with special designation and increase of the proceeds related to the special designation means.

The special designation means, received in the form of fixed assets or used for the procurement/creation of such assets, are registered as decrease of the financing and proceeds with special designation and increase of the fixed assets fund.

Expenses and proceeds, related to the special designation means, are recognised and registered simultaneously, in the same period and in the same amount.

### *Contributions of founders of the Association*

The contributions of the founders represent the membership dues. The membership dues are received in a monetary form and are evaluated at their nominal value.

The dues and other contributions of the founders (donations, sponsorships, etc.) are accounted depending on their designation, similar to the special designation financing.

### *Foreseen Proceeds*

The foreseen proceeds account is used to reflect the use of special designation means, for the procurement/manufacturing of stocks and other current assets, as well as to provide advances to suppliers, entrepreneurs, etc. The value of the unused stocks and advances, provided at the end of the period, is registered as decrease of the

financing and proceeds with special designation and increase of the foreseen proceeds. While using stocks and settling provided advances, the foreseen proceeds are settled at current proceeds.

### *Proceeds from financing*

Proceeds from financing are reflected in the accounting by registering the decrease of the financing sources by each budget line. Proceeds, related to the special designation means, are recognised and registered simultaneously with the related supported expenses, in the same period and in the same amount.

### *Other proceeds and expenses, except those from the economic activity*

Other proceeds and expenses of the Association comprise:

- excesses and lacks (losses) of assets, identified following the inventory;
- debts and liabilities, settled in relation with the expiry of the limitation period;
- proceeds and expenses, following the sale of unused assets;
- proceeds from lease on irregular bases of the assets of the non-commercial organisation;
- proceeds from the recovery of material damages;
- other proceeds and expenses, which are not related to the special missions or specific statutes economic activities.

Other proceeds are accounted as increase of the fixed and current assets and increase in the current proceeds.

Other expenses are accounted as simultaneous increase of the current expenses and debts and/or decrease of the fixed and current assets.

### *Proceeds and expenses of the economic activity*

Besides the special designation missions, the Association also carries out economic activity. The proceeds from the economic activity of the Association comprise proceeds from the provision of lease services.

The expenses for the economic activity comprise expenses, related to obtaining proceeds from the economic activity.

The resulting from the economic activity profit (loss) is found at the end of the reporting period and is settled at the increase or decrease of the self-financing fund of the Association.

## EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

## EXPLANATORY NOTES TO THE BALANCE SHEET

Row.010

The balance value of the intangible assets represents:

no.	Name	Balance on 31.12.17		Balance on 31.12.16	
		MDL	EURO	MDL	EURO
1	WEB service	122 763	6 015	62 175	2976
2	1C software	10 216	501	15 283	732
3	Kaspersky Internet Security	3 247	159	4230	202
4	Web-site	-	-	3 300	158
5	Digital signature package	55	3	0	0
<b>Total</b>		<b>136 281</b>	<b>6 677</b>	<b>84 988</b>	<b>4 068</b>

Row.040

Balance value of the fixed assets:

no.	Name	Balance on 31.12.17		Balance on 31.12.16	
		MDL	EURO	MDL	EURO
1	Estate	2 197 118	107 650	2 256 147	108 004
2	Cars, equipment,	278 270	13 634	401 713	19 230
3	Transportation means	1 222 582	59 901	1 569 548	75 136
4	Librarian fund	0	0	1 106	53
5	Other	51 599	2 528	85 382	4 087
<b>Total</b>		<b>3 749 569</b>	<b>183 713</b>	<b>4 313 896</b>	<b>206 510</b>

## Registration of the movement of fixed assets in the year 2017

Groups of fixed assets	Data on 31.12.2016						In the period of 2017				Exchange fluctuations	Data on 31.12.2017					
	Initial value		Amortisation		Balance value		Modification of the initial value		Modification of amortisation			Initial value		Amortisation		Balance value	
	MDL	EURO	MDL	EURO	MDL	EURO	MDL	EURO	MDL	EURO		MDL	EURO	MDL	EURO	MDL	EURO
Estate, including:	3 014 032	144 285	757 885	36 281	2 256 147	108 004			59 030	2 834	2 480	3 014 032	147 675	816 915	40 025	2 197 117	107 650
	1 147 263	54 921	264 008	12 638	883 255	42 282			22 174	1 065	972	1 147 263	56 211	286 182	14 022	861 081	42 189
Social Apartment	1 866 769	89 364	493 877	23 642	1 372 892	65 722			36 856	1 770	1 508	1 866 769	91 464	530 733	26 004	1 336 036	65 460
Office																	
Computers and office equipment, including:	826 759	39 578	544 698	26 075	282 061	13 503	- 87 957	- 4 223	- 8 923	- 428	239	738 802	36 198	535 775	26 251	203 027	9 947
Comp. IBM SYSTEM 3400 M3 server	97 884	4 686	60 603	2901	37 281	1 785			13 980	671	28	97 884	4 796	74 583	3 654	23 301	1 142
Printer copier scanner Bizhub 360	87 795	4 203	87 795	4203	0	0				-		87 795	4 302	87 795	4 302	-	-
Computer ASUS 150B-Sams/din EU Stela	32 495	1 556	0	0	32 495	1 556			6 499	312	3 142	32 495	1 592	6 499	318	25 996	1 274
Furniture	255 358	12 224	179 101	8 574	76 257	3 650	- 2 800	- 134	21 857	1 049	62	252 558	12 374	200 958	9 846	51 600	2 528
Transportation means, including:	2 290 288	109 638	720 740	34503	1 569 548	75 136	-	-	346 965	16 658	1 424	2 290 288	112 215	1 067 705	52 313	1 222 583	59 901
Car MERCEDES VITO CRK 612	323 667	15 494	123 302	5 903	200 366	9 592		-	46 238	2 220	180	323 667	15 858	169 540	8 307	154 127	7 552
Car TOYOTA AVENSIS 1.8 A/T	298 031	14 267	298 031	14 267	0	0		-		-		298 031	14 602	298 031	14 602	-	-
Car TOYOTA RAV-4 LIVE 2.0 CVT JYL168	490 759	23 493	105 163	5 034	385 596	18 459		-	70 108	3 366	365	490 759	24 045	175 271	8 588	315 488	15 458
Car FORD Tourneo Custom	595 824	28 523	85118	4075	510 706	24 448		-	85 117	4 087	491	595 824	29 193	170 235	8 341	425 589	20 852
Car MERCEDES VITO IEW 895	582 006	27 861	109126	5224	472 880	22 637		-	145 502	6 986	389	582 006	28 516	254 628	12 476	327 378	16 040
Libraire Fund	1 106	53	0	0	1 106	53	- 1 106	- 53		-		-	-	-	-	-	-
Air conditioners, parking systems, phones, etc.	415 754	19 903	286 977	13 738	128 777	6 165	- 50 882	- 2 443	2 653	127	92	364 872	17 877	289 630	14 191	75 242	3 687
Total:	6 803 297	325 681	2 489 401	119 171	4 313 896	206 510	-142745	- 6 853	421 582	20 241	4 298	6 660 552	326 339	2 910 983	142 626	3 749 569	183 713

Auditing firm „Concept” S.R.L.

Row.080

Balance value of the material stocks:

no.	Name	Balance on 31.12.17		Balance on 31.12.16	
		MDL	EURO	MDL	EURO
1	Computers Parts	0	0	9 543	457
2	Fuel	1 285	63	1 373	66
3	Packages	23 721	1 162	-	-
4	Other	7 188	352	268 851	12 870
<b>Total</b>		<b>32 194</b>	<b>1 577</b>	<b>279 767</b>	<b>13 393</b>

Row.090

Balance value of the small value and short duration objects (OMVSD):

no.	Name	Balance on 31.12.17		Balance on 31.12.16	
		MDL	EURO	MDL	EURO
1	OMVSD at the warehouse	0	0	0	0
2	OMVSD in use	152 470	7 470	225 175	10 779
3	Wear OMVSD	103 857	5 089	177 566	8 500
<b>Total</b>		<b>48 613</b>	<b>2 382</b>	<b>47 609</b>	<b>2 279</b>

Row.110

Balance value of the trade liabilities and advances provided:

no.	Name	Balance on 31.12.17		Balance on 31.12.16	
		MDL	EURO	MDL	EURO
1.	<i>Advance payments which have been given inside the country, including:</i>	<b>222 490</b>	<b>10 901</b>	<b>601 975</b>	<b>28 817</b>
	<i>Apa Canal SA Chisinau</i>	5 688	279	4 436	212
	<i>LAGUNA' Hotel</i>	26 800	1 313	26 800	1 283
	<i>Metro Cash &amp; Carry Moldova SRL</i>	18 781	920	18 780	899
	<i>Tirex-Petrol' SA</i>	31 149	1 526	38 526	1 844
	<i>Orange Moldova S.A.</i>	10 929	535	10 910	522
	<i>Olmosdon SRL</i>	13 878	680	-	-
	<i>Directorate of Social Assistance and Family Protection Nisporeni</i>	87 000	4 263	180 000	8 617
	<i>Directorate of Social Assistance and Family Protection Calarasi</i>	0	0	130 024	6 224
	<i>Others</i>	28 265	1 385	192 499	9 215
2.	<i>Advance payments which have been given outside the country, includin</i>	<b>237 862</b>	<b>11 654</b>	<b>472 689</b>	<b>22 628</b>
	<i>HealthProm</i>	0	0	429 678	20 569
	<i>Mellow Parenting Ltd</i>	53 643	2 628	43 011	2 059
	<i>Kate Cairns Associates Ltd</i>	91 467	4 482	-	-
	<i>Crowe Clark Whitehill LLP</i>	92 752	4 544	-	-
<b>Total</b>		<b>460 352</b>	<b>22 555</b>	<b>1 074 664</b>	<b>51 445</b>

## Row120

## Balance value of the budget liabilities:

no.	Name	Balance on 31.12.17		Balance on 31.12.16	
		MDL	EURO	MDL	EURO
1	Income tax from salary	176 157	8 631	5 816	278
2	Stamp duty for legal actions	3 642	178	3 642	174
3	Tax for water	60	3	60	3
4	Tax for road use	669	33	669	32
5	Estate tax	950	47	950	45
6	Income tax retained at the source of payment	3 342	164	3 961	190
7	Value added tax VAT	2 179	107	-	-
8	Contributions to medical insurances on the account of the employees	44 046	2 158	-	-
9	Contributions to medical insurances on the account of the Association	44 320	2 171	-	-
10	Social Fund	225 235	11 036	-	-
11	Pension Fund	58 791	2 881	-	-
12	Others	60	3	60	3
<b>Total</b>		<b>559 451</b>	<b>27 411</b>	<b>15 158</b>	<b>726</b>

We note that in the auditor's report of the previous year, according to the data of the Association's financial statements, the balances of the social and medical insurance contributions as well as the balance of the VAT surplus were reflected in the balance sheet position of other current receivables, row 140 of financial statements.

## Row140

## Balance value of other liabilities:

no.	Name	Balance on 31.12.17		Balance on 31.12.16	
		MDL	EURO	MDL	EURO
1	Other liabilities related to proceeds, including:	400	20	-	-
	<i>Membership Fees</i>	400	20	-	-
2	Excess payment of VAT	-	-	2 178	104
3	Contributions to medical insurances on the account of the Association	-	-	2 437	117
4	Contributions to medical insurances on the account of the employees	-	-	2 163	104
5	Social Fund	-	-	87 108	4 170
6	Pension Fund	-	-	2 584	124
<b>Total</b>		<b>400</b>	<b>20</b>	<b>96 470</b>	<b>4 618</b>

Row150

Balance value of cash:

no.	Name	Balance on 31.12.17		Balance on 31.12.16	
		MDL	EURO	MDL	EURO
1	Petty cash	2 761	135	4 205	201
2	Current accounts in national currency	175 961	8 621	2 081 075	99 623
3	Current accounts in foreign currency	4 452 130	218 136	9 721 532	465 379
4	Other accounts (business-cards)	0	0	27 292	1 306
<b>Total</b>		<b>4 630 852</b>	<b>226 892</b>	<b>11 834 104</b>	<b>566 510</b>

**CASH FLOW**

for the period 31.12.2016 - 31.12.2017:

Indicators	Cod Row	MDL	EURO
<b>Cash flow from the operating activities</b>			
Money proceeds from donations and charity	1	16 726 764	803 083
Proceeds from sales	2		-
Payments for stocks and services	3	4 952 222	237 765
Payments in donations and charity	4		-
Payments to employees and social and medical insurance bodies	5	14 920 568	716 364
Payment of the income tax retained from salary payments	6	1 907 354	91 576
Other proceeds	7	-	-
Other payments	8	2 149 872	103 219
<b>Net cash flow from the operating activities Row (1+2-3-4-5-6+7-8)</b>	<b>9</b>	<b>- 7 203 252</b>	<b>- 345 841</b>
<b>Cash flow from the investment activities</b>			
Proceeds from the sales of fixed assets	10		-
Payments related to entries of fixed assets	11		-
Interest rates collected	12		-
Dividends collected	13		-
Other proceeds (payments)	14		-
<b>Net cash flow from the investment activities Row(9-10+11+12+13)</b>	<b>15</b>	<b>-</b>	<b>-</b>
<b>Cash flow from the financial activities</b>			
Proceeds in the form of credits and loans	16		
Payments related to the reimbursement of credits and loans	17		
Dividends paid	18		
Proceeds from capital operations	19		
Other proceeds (payments)	20		
<b>Net cash flow from the financing activity Row(15-16-17+18+19)</b>	<b>21</b>	<b>-</b>	<b>-</b>
<b>Total net cash flow Row(9+15+21)</b>	<b>22</b>	<b>- 7 203 252</b>	<b>- 345 841</b>
Exchange rate difference, favourable (unfavourable)	23	-	6 223
Cash balance at the beginning of the reporting period	24	11 834 104	566 510
<b>Cash balance at the end of the reporting period Row (22+23+24)</b>	<b>25</b>	<b>4 630 852</b>	<b>226 892</b>



Row.170

Balance value of other current assets:

no.	Name	Balance on 31.12.17		Balance on 31.12.16	
		MDL	EURO	MDL	EURO
1	Foreseen expenses, including:	128 843	6 313	373 977	17 903
	<i>Insurance</i>	16 465	807	37 914	1 815
	<i>Subscriptions</i>	1 980	97	3 660	175
	<i>Research and evaluation expenses</i>	86 667	4 246	330 335	15 813
	<i>advertising services</i>	23 107	1 132	-	-
	<i>other</i>	624	31	2 068	99
2	Tires, car batteries	14 848	727	17 318	829
<b>Total</b>		<b>143 691</b>	<b>7 040</b>	<b>391 295</b>	<b>18 732</b>

Row.230

Balance value of the equity (own capital):

no.	Name	Balance on 31.12.17		Balance on 31.12.16	
		MDL	EURO	MDL	EURO
1	Intangible and tangible assets fund	3 885 850	190 390	4 398 884	210 579
2	Self-financing fund	-	-	-	-
<b>Total</b>		<b>3 885 850</b>	<b>190 390</b>	<b>4 398 884</b>	<b>210 579</b>

Row.270

Balance value of the special purpose finance:

no.	Name	Balance on 31.12.17		Balance on 31.12.16	
		MDL	EURO	MDL	EURO
1	USAID (donor)	-	-	8 105 039	387 996
2	Core Funds	311 826	15 278	1 201 831	57 533
3	Childhood Foundation	320 215	15 689	367 666	17 601
4	EU Deligation in RM	3 091 852	151 488	1 255 558	60 105
5	OAK Foundation	317 904	15 576	904 010	43 276
6	OPM	150 112	7 355	-	-
7	World Learning – USAID	769	38	-	-
8	Family and Childcare Center KMOP	438 174	21 469	-	-
<b>Total</b>		<b>4 630 852</b>	<b>226 892</b>	<b>11 834 104</b>	<b>566 510</b>

Row.320

Balance value of the current financial debts:

no.	Name	Balance on 31.12.17		Balance on 31.12.16	
		MDL	EURO	MDL	EURO
1.	Current trade debts in the country, inclusive:	27 634	1 354	9 926	475
	<i>LINDO SRL</i>	-	-	1 325	63
	<i>DARTAV SRL</i>	5 048	247	-	-
	<i>Tirex-Petrol' SA</i>	-	-	2 680	128
	<i>Metro 2 Cash &amp; Carry Moldova SRL</i>	3 322	163	2 619	125
	<i>FLY BOUTIQUE SRL</i>	-	-	1 732	83
	<i>Gligor Sergiu II</i>	4 427	217	-	-
	<i>MANGATA INVEST SRL</i>	3 900	191	-	-
	<i>Miscoi Cristina II</i>	6 960	341	-	-
	<i>Elenvas SRL</i>	2 443	120	-	-
	<i>other</i>	1 534	75	1 570	75
2.	Current trade debts abroad, inclusive:	202 883	9 940	-	-
	<i>HealthProm</i>	202 883	9 940	-	-
<b>Total</b>		<b>230 517</b>	<b>11 294</b>	<b>9 926</b>	<b>475</b>

Row.360

Balance value of the liability to the budget

no.	Name	Balance on 31.12.17		Balance on 31.12.16	
		MDL	EURO	MDL	EURO
1	Tax on improvement of the territory	-	-	580	28
<b>Total</b>		<b>-</b>	<b>-</b>	<b>580</b>	<b>28</b>

Row.370

Balance value of the anticipated proceeds:

no.	Name	Balance on 31.12.17		Balance on 31.12.16	
		MDL	EURO	MDL	EURO
1	Anticipated proceeds, related to settlements with legal entities	109 062	5 344	930 722	44 555
2	Anticipated proceeds, related to advances provided	32 194	1 577	279 767	13 393
3	Anticipated proceeds, related to OMVSD	48 613	2 382	47 609	2 279
4	Anticipated proceeds, related to anticipated expenses	128 843	6 313	373 977	17 903
5	Anticipated proceeds, related to contributions to social and medical insurance	548 549	26 877	100 108	4 792
6	Anticipated proceeds, related to taxes	10 902	534	10 941	524
7	Anticipated proceeds, related to tires and car batteries	14 848	727	17 318	829
<b>Total</b>		<b>893 011</b>	<b>43 754</b>	<b>1 760 442</b>	<b>84 274</b>

In the component of anticipated proceeds are included special purpose financing and proceeds, used by the Association to procure stocks of goods and materials, provide advances, and support current anticipated expenses.

Row.380

Balance value of other current liabilities:

no.	Name	Balance on 31.12.17		Balance on 31.12.16	
		MDL	EURO	MDL	EURO
1	Patision-Lux SRL	114 453	5 608	114 453	5 479
2	Servital Auto SRL	-	-	7 188	344
3	Moldovagaz' SRL	4 168	204	5 997	287
4	TERMOELECTRICA SA	2 073	102	2 465	118
5	Other	479	23	3 912	187
<b>Total</b>		<b>121 173</b>	<b>5 937</b>	<b>134 015</b>	<b>6 415</b>

In the component of other current liabilities is registered the debt to Patision – Lux SRL amounting to 5 479 Euro (114 453 MDL), for reconstruction works of the boarding school, from the city of Cahul. The debt is untouched, because of the non-ensuring, by the executor, of the quality and deadlines of works, which had to be done, in conformity with the contracts, signed with the entrepreneur. In 2013 PA "Partnerships for Every Child" did submit a request for summons against Patision - Lux SRL, on the cancellation of contracts and collection of penalties. On the date of 20.01.2014, an enforcement order was issued on the matter, moved by the Association, by which it was decided to collect from SRL Patision- Lux the sum of 5 653 Euro (121 413 MDL) as penalty and 170 Euro (3 642 MDL) as stamp duty, paid when moving the action. By the date of signing of this report the enforcement order wasn't executed.

## EXPLANATORY NOTE TO THE PROFIT AND LOSS STATEMENT

Indicators	La 31.12.2017		La 31.12.2016	
	MDL	EURO	MDL	EURO
<b>Total proceeds, including:</b>	<b>22 673 299</b>	<b>1 088 587</b>	<b>31 682 012</b>	<b>1 436 513</b>
Proceeds from special purpose financing	22 673 299	1 088 587	31 668 756	1 435 912
Proceeds from crediting the accounts of Orange		0	56	3
Proceeds from rent		0	13 200	599
<b>Total expenses</b>	<b>22 673 299</b>	<b>1 088 587</b>	<b>31 682 012</b>	<b>1 436 513</b>
<b>General and administrative expenses, including:</b>	<b>4 619 448</b>	<b>221 788</b>	<b>5 758 162</b>	<b>261 084</b>
Expenses related to salary and social and medical contributions	3 551 814	170 529	3 742 064	169 671
Expenses related to repairing and maintenance of tangible assets	95 792	4 599	146 295	6 633
Travelling costs	6 748	324	656 776	29 779
Banking expenses	123 647	5 937	167 912	7 613
Utility bills	83 003	3 985	75 297	3 414
Audit Services	164 803	7 912	162 011	7 346
Expenses for staff training	5 631	270	8 400	381
Fuel expenses	231 378	11 109	216 884	9 834
Material expenses	40 119	1 926	127 872	5 798
Prepaid expenses	112 486	5 401	137 744	6 246
Expenses for telecommunications	122 547	5 884	113 611	5 151
Taxes and fees	31 710	1 522	108 448	4 917
Other expenses	49 770	2 390	94 848	4 301
<b>Expenses for charity, including:</b>	<b>18 053 851</b>	<b>866 798</b>	<b>25 923 850</b>	<b>1 175 429</b>
Expenses related to salary and social and medical insurance contributions	13 015 676	624 906	15 943 840	722 919
Expenses of assessment, research, insurance	243 668	11 699	1 107 546	50 218
Travelling costs	66 943	3 214	839 502	38 064
Utility bills	21 124	1 014	36 998	1 678
Material expenses	0	0	268 097	12 156
Advertising expenses	17 845	857	0	0
Other charity expenses	4 613 343	221 495	7 632 156	346 054
Financial assistance	75 252	3 613	78 825	3 574
Other expenses	0	0	16 886	766

**EXPLANATORY NOTE TO THE FINANCING SOURCES MODIFICATION STATEMENT**

In conformity with the agreements, signed between the Association and the donors, the donors assume the obligation, related to the full or partial financing of the social projects. The Association received from financing sources, with designation stipulated in the budgets, approved by the donors. By contractual clauses, the Association assumes the obligation to use the financing, exclusively in the modality and for the purposes, which are stipulated in the budget of the financing agreements.

We did verify the accuracy and eligibility of the evidence of the sources received, as well as the use of the means received, in conformity with conditions of the financing agreements. We did review the original documents, the sums and disclosures, qualified as contributions to the projects' costs. The projects' expenses were supported in MDL. In the narrative reports, related to the projects' implementation, the sums spent in MDL are reflected in currency, by applying the exchange rate, corresponding to the last date when currency sale operations were done within the project.

The deciphering of the sources, received from donors and their use in the currency of the financing contracts, is presented in **Annex 1** to the present Auditor's Report. This Report is prepared using the cash method, and reflects sources received from the donors, in the currency of the finance agreements and sources used by expense lines in the process of implementation of the social projects during the reporting period 01.01.2017-31.12.2017.

As result of the audit of the evidence of collection and use of the financing sources was found that, in the period of 2017, the Association did comply, under all significant aspects, with the use of the financing sources, provided by donors, exclusively in the manner and for the designations, which are stipulated in the budgets of the financing agreements of the projects, no deviations were found.

## ANNEX 1

## Explanatory financial report related to received and uses of the financing funds of projects

Received funds 2017				Uses of received funds in 2017								
Data	Amount			Type of expenses (according to the budget)	Approved Budget			Amount spent				
	MDL	USD	GBP		EUR	MDL	USD	GBP	EUR			
TOTAL				CHILDHOOD FONDATION				95 911,56				92 687,90
14.03.2017				Project Staff (including taxes)				16 911,57				19 521,15
26.06.2017				Consultant/support services				26 928,86				25 634,96
03.10.2017				Printed/Audiovisual material				6 000,00				6 363,77
18.12.2017				Travel costs				1 483,27				1 399,05
				Furniture and Equipment				2 700,00				2 842,40
				Workshops/Training				32 765,45				29 654,16
				Administration costs				7 272,41				7 272,41
				Audit				1 850,00				
TOTAL		46 910,00		OAK Foundation		77 620,00				79 601,40		
14.07.2017		46 910,00		EvC Staff (including taxes)		45 671,00				44 169,48		
				Consultant/support services		2 177,00				2 067,20		
				Travel and conferences		1 638,00				1 015,17		
				Equipment and capital expenditure		1 801,00				360,65		
				Other direct costs		19 121,00				24 776,89		
				Indirect overhead		7 212,00				7 212,00		
TOTAL				EU Delegation				248 356,76				196 023,43
06.07.2017				Human Resources				110 148,00				104 375,90
				Travel				6 190,00				3 433,50
				Equipment and supplies								1 187,21
				Local office								6 108,85

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Received funds 2017				Uses of received funds in 2017									
Data	Amount			Type of expenses (according to the budget)	Approved Budget			Amount spent					
	MDL	USD	GBP		EUR	MDL	USD	GBP	EUR	MDL	USD	GBP	EUR
				Direct costs, services				117 740,00					69 648,01
				Indirect costs				14 278,76					11 269,96
TOTAL		419 000,00		USAID		846 426,30				843 591,11			
07.07.2017		55 000,00		Personnel		404 457,84				524 958,63			
21.08.2017		160 000,00		Consultants		46 526,21				129 083,14			
02.10.2017		204 000,00		Travel & Transportation		5 760,81				19 744,74			
				Equipment		-38 402,52				0,00			
				Other Direct Costs		70 034,22				34 511,21			
				Program Activities		358 049,74				135 293,38			
TOTAL				World Learning		2 005,00				1 109,81			
				Project staff		2 000,00				1105,07			
				Other Direct Costs		5,00				4,74			
TOTAL		18 110,36		OPM		22 287,00				18 110,36			
09.08.2017		7 694,50		Project staff		19 300,00				16 330,00			
19.12.2017		8 543,86		Workshops/Training		2 647,00				1 446,65			
26.12.2017		1 872,00		Local office		340,00				333,71			
TOTAL	87 988,00	8 241,47		ALTE SURSE	250 000,00					215 104,92			
	87 988,00	8 241,47								215 104,92			

On behalf of the Association  
 „Explanatory Report related to receipt and use of the financing sources of projects”  
 was signed by:

The Interim-Director of the Organisation – Mamaliga Daniela  
 Chief Accountant - Caretnicova Angela

