

REPORT
OF THE INDEPENDENT AUDITOR
ON THE AUDIT
OF THE FINANCIAL STATEMENTS
OF THE PUBLIC ASSOCIATION
PARTNERSHIPS FOR EVERY CHILD
FOR THE PERIOD OF 2020

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INDEPENDENT AUDITOR'S REPORT

On the Financial Statements of the
Public Association "Partnerships for Every Child"
for the year of 2020

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 31st of December 2020, 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 aspects the financial position of the Association, as at 31st of December 2020 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 (ISA800). 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.

Basis of Accounting

These financial statements were prepared in conformity with the National Accounting Standards of the Republic of Moldova (NASs), which are a basis of accounting principles accepted in the Republic of Moldova, developed based on the EU Directives and the General concept framework for Financial Statements and IAS, and in accordance with the Order of the Ministry of Finance of the RM No. 188 dated 30 December 2014 "On the approval of instrumental guidance concerning the accounting peculiarities for non-commercial organizations".

Financial statements are drawn in conformity with the principle of *accrual accounting*. The accompanying supplementary information in Annex 1 "Explanatory financial report related to received and uses of the financing funds of projects", 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. Our opinion is not modified with respect to the matter.

Other information

Our audits were conducted for the purpose of forming an opinion on the Financial Statements prepared in conformity with the NASs as a whole, and in accordance with the Order of the Ministry of Finance of the RM No. 188 dated 30 December 2014 "On the approval of instrumental guidance concerning the accounting peculiarities for non-commercial organizations"

The accompanying supplementary information in Annex 1 "Explanatory financial report related to received and uses of the financing funds of projects" are presented for purposes of additional analysis and is not a required part of the financial statements. Management is responsible for the preparation and fair presentation of this information. Such information was derived using the cash method, and was used to prepare the financial statements prepared in accordance with the Agreements between the Public Association "Partnerships for every child" and Contracting Authorities. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and with other records used to prepare the financial statements themselves, and other additional procedures in accordance with International Auditing Standards accepted in the Republic of Moldova. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole and financial statements accepted by the Contracting Authorities.

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 NASs, 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. In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association'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.

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

Auditor, Bolea Elena

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The partner of audit mission

Auditor, Certan Irina

December, 16, 2022





FINANCIAL STATEMENTS

BALANCE SHEET

On 31.12.2020

The official exchange rate on 31.12.2019 (1 EUR – 19,2605 MDL)

The official exchange rate on 31.12.2020 (1 EUR – 21,1266 MDL)

No.	A S S E T S	Cod	Balance on			
			31.12.2019		31.12.2020	
			MDL	EURO	MDL	EURO
1	2	3	4	5	6	7
1.	Fixed assets					
	Intangible assets	010	5 544	288	5 182	245
	Tangible assets in execution	020				
	Land plots	030				
	Fixed assets	040	2 705 534	140 471	1 547 038	73 227
	Long term financial investments	050				
	Other fixed assets	060				
	Total fixed assets (rd.010 + rd.020 + rd.030 + rd.040 + rd.050 + rd.060)	070	2 711 078	140 758	1 552 220	73 472
2.	Current assets					
	Materials	080	36 069	1 873	15 972	756
	Small value and short term objects	090	47 701	2 477	42 986	2 035
	Production in progress and products	100				
	Trade receivables and advances provided	110	92 305	4 792	107 268	5 077
	Budget receivables	120	19 409	1 008	44 006	2 083
	Staff receivables	130				
	Other current receivables, of which	140				
	Receivables related to the special designation means	141				
	Cash	150	2 737 749	142 143	2 423 806	114 728
	Current financial investments	160				
	Other current assets	170	17 579	913	11 311	535
	Total current assets (rd.080 + rd.090 + rd.100 + rd.110 + rd.120 + rd.130 + rd.140 + rd.150 + rd.160 + rd.170)	180	2 950 812	153 206	2 645 349	125 214
	Total assets (rd.070 + rd.180)	180	5 661 890	293 964	4 197 569	198 686

The official exchange rate on 31.12.2019 (1 EUR – 19,2605 MDL)

The official exchange rate on 31.12.2020 (1 EUR – 21,1266 MDL)

No · ch.	OWNERS' EQUITY AND LIABILITIES		Balance on			
			31.12.2019		31.12.2020	
			MDL	EURO	MDL	EURO
1	2	3	4	5	6	7
3.	Own capital					
	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	2 711 078	140 758	1 552 220	73 472
	Self-financing fund	240	243 291	12 632	622 609	29 470
	Other funds	250				
	Total own capital (rd.200+rd.210+rd.220+rd.230+rd.240+rd.250)	260	2 954 369	153 390	2 174 829	102 943
4.	Long-term liabilities					
	Long-term purposeful financing and receipts	270	2 494 457	129 512	1 801 188	85 257
	Long-term financial liabilities	280				
	Other long-term liabilities	290				
	Total long-term liabilities (rd.270+rd.280+rd.290)	300	2 494 457	129 512	1 801 188	85 257
5.	Current liabilities					
	Current purposeful financing and receipts	310				
	Current financial liabilities	320			9	0
	Trade liabilities and advances received	330	1 085	56		
	Liabilities to staff	340				
	Liabilities for social and medical insurance	350				
	Liabilities to the budget	360	407	21	407	19
	Anticipated current proceeds	370	197 510	10 255	216 361	10 241
	Other current liabilities	380	14 062	730	4 775	226
	Total current liabilities (rd.310+rd.320+rd.330+rd.340+rd.350+rd.360+rd.370+rd.380)	390	213 064	11 062	221 552	10 487
	Total liabilities (rd.260+rd.300+rd.390)	400	5 661 890	293 964	4 197 569	198 686

PROFIT AND LOSS STATEMENT

From 01.01.2020 until 31.12.2020

The official exchange rate on 31.12.2019 (1 EUR – 19,2605 MDL)

The official exchange rate on 31.12.2020 (1 EUR – 21,1266 MDL)

Indicators	Cod row.	Reporting period			
		01.01.2019-31.12.2019		01.01.2020-31.12.2020	
		MDL	EURO	MDL	EURO
1	2	5	6	5	6
Proceeds related to special designation means	010	8 073 686	419 184	6 364 790	301 269
Expenses related to special designation means	020	8 117 311	421 449	6 437 818	304 726
Excess (deficit) related to special designation means (rd.010 – rd.020)	030	-43 625	-2 265	-73 028	-3 457
Other proceeds (except proceeds from the economic activity)	040				
Other expenses (except expenses from the economic activity)	050				
Excess (deficit) related to other activities(rd.040-rd.050)	060				
Proceeds from the economic activity	070	43 625	2 265	74 003	3 503
Expenses from the economic activity	080			975	46
Result: profit (loss) from the economic activity (rd.070-rd.080)	090	43 625	2 265	73 028	3 457
Expenses related to the income tax	100				
Net excess (net deficit) of the reporting period (rd.030+rd.060+rd.090-rd.100)	110	0	0	0	0

FINANCING SOURCES MODIFICATION STATEMENT
From 01.01.2020 until 31.12.2020

*The official exchange rate on 31.12.2019 (1 EUR ... 19,2605 MDL)
 Average official exchange rate of the National Bank of the RM for the 2020 year (1 EUR – 19,7436 MDL)
 The official exchange rate on 31.12.2020 (1 EUR – 21,1266 MDL)*

No. d/o	Indicators	Cod rd.	Balance on 31.12.2019		Increases		Decreases		Corrections related to currency exchange rate fluctuations	Balance on 31.12.2020	
			MDL	EURO	MDL	EURO	MDL	EURO		MDL	EURO
1	2	3	4	5	6	7	8	1	2	3	4
1	Special designation means										
	Special designation financing from the national budget	10	19 560	1 016	6 451	327	19 560	991	-46	6 451	305
	Special designation financing from the local budget	20								0	
	Grants	30	498 112	25 862	6 783 933	343 602	6 351 431	321 696	-3 718	930 614	44 049
	Financial and technical assistance	40	1 656 588	86 010	275 061	13 932	1 067 526	54 069	-4 970	864 123	40 902
	Other special designation financing and proceeds	50	320 197	16 625	1 589 396	80 502	1 909 593	96 720	-407	0	0
2	Total special designation means (rd.010 + rd.020 + rd.030 + rd.040 + rd.050)	60	2 494 457	129 512	8 654 841	438 362	9 348 110	473 475	-9 141	1 801 188	85 257
	Unassigned means										
	Donations	70									
	Financial aid	80									
	Other unassigned means	90									
3	Total unassigned means (rd.070 + rd.080 + rd.090)	100									
	Contributions of the founders and members										

Financial statements PA " Partnerships for Every Child "

	Membership fees and membership dues	110	0	0	0	19	400	400	20	1	0	0
	Other contributions	120										0
	Total contributions of the founders and members (rd.110+rd.120)	130	0	0	0	19	400	400	20	1	0	0
	Funds											0
	Initial contribution of the founders	140										
	Fixed assets fund	150	2 711 078	140 758	15 140	767	1 173 998	1 173 998	59 462	-8 591	1 552 220	73 472
	Self-financing fund	160	243 291	12 632	379 318	19 212			0	-2 373	622 609	29 470
	Other funds	170										
	Total funds (rd.140 + rd.150 + rd.160 + rd.170)	180	2 954 369	153 390	394 458	19 979	1 173 998	1 173 998	59 462	-10 964	2 174 829	102 943
	Other sources of financing	190			16 890	855	16 881	16 881	855		9	0
	Total sources of financing (rd.060 + rd.100 + rd.130 + rd.180+rd.190)	200	5 448 826	282 902	9 066 589	459 215	10 539 389	10 539 389	533 813	-20 104	3 976 026	188 200
4												
5												

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

The Director of the Organisation – Mamaliga Daniela

Chief-accountant - Caretnicova Angela



[Handwritten signature]

INTRODUCTION

General data

In conformity with the contract No. 0702/AFH/2 from the 07th of February 2022, 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 01st of January 2020 until the 31st of December 2020.

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 16th 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.

Methodology of the audit

The audit was done based on the following normative documents:

- International Standards on Audit (ISAs) adopted also in the Republic of Moldova (ISA 800);
- International Standard on Quality Control (ISQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements"
- The International Code of Ethics for Professional Accountants (IESBA).

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 2020.

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

Information on the audited subject

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

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 Director of the Organisation: Mrs. Mamaliga Daniela.

Chief-accountant: Mrs. Caretnicova Angela.

Number of employees: the number of employees on the 31st of December 2020 is of 24 persons, including the administrative staff - 5 persons.

Accounting principles. Basis of the Financial Statements

In the period of 2020 the Association held the accounting records on foot of the Law on accounting of the Republic of Moldova, no.287, from 15.12.2017, 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 30th 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 financial year of the Association starts on the 01st of January and ends on the 31st of December.

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 30nd of December 2019. 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 Financial Statements of the Association for the period from 01.01.2020 to 31.12.2020, 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.

We draw attention to the fact that **"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.

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 31st 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 31st 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 2020.

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 2019	Year 2020
Official course of NBM on the 31 st of December	19,2605	21,1266
Average annual rate	19,6741	19,7436

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;

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 2020, 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 and 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 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:

№	Name	Balance on 31.12.19		Balance on 31.12.20	
		MDL	EURO	MDL	EURO
1	WEB service	5 116	266	5 116	242
2	1C software	428	22	66	3
Total		5 544	288	5 182	245

Row.040

Balance value of the fixed assets:

no.	Name	Balance on 31.12.19		Balance on 31.12.20	
		MDL	EURO	MDL	EURO
1.	Estate	2 079 058	107 944	1 225 467	58 006
2.	Computers and office equipment	72 743	3 777	46 173	2 186
3.	Furniture	7 867	408	-	-
4.	Transportation means	528 805	27 455	275 398	13 036
5.	Air conditioners, parking systems, phones,	17 062	886	-	-
Total		2 705 534	140 471	1 547 038	73 227

During 2020, the Association sold the social apartment for 915 443 MDL (43 331 EUR) and two cars for 187 000 MDL (8 851 EUR). The revenues were included in the funds component for the core activity.

Average official exchange rate of the National Bank of the RM for the 2020 year (1 EUR = 19,7436 MDL)

The official exchange rate on 31.12.2020 (1 EUR – 21,1266 MDL)

Groups of fixed assets	Data on 31.12.2019						In the period of 2020				Exchange fluctuations		Data on 31.12.2020					
	Initial value		Amortisation		Balance value		Modification of the initial value		Modification of amortisation		Balance value	Initial value		Amortisation		Balance value		
	MDL	EURO	MDL	EURO	MDL	EURO	MDL	EURO	MDL	EURO	MDL	EURO	MDL	EURO	MDL	EURO	MDL	EURO
Estate, including:	3014032	156488	934975	48544	2079057	107944	-1147263	-58108	-293674	-14874	6704	1866769	88361	641301	30355	1225468	58006	
Social Apartment	1147263	59566	350530	17161	816723	42405	-1147263	-58108	-330530	-16741	1038	0	0	0	0	0	0	
Office	1866769	96922	604445	31383	1262224	65540			36856	1867	5667	1866769	88361	641301	30355	1225468	58006	
Computers and office equipment	993529	51584	903725	46921	89804	4663	-64450	-3264	-20818	-1054	267	929079	43977	882907	41791	46172	2185	
Furniture	273562	14203	265695	13795	7867	408	-3251	-165	4616	234	10	270311	12795	270311	12795	0	0	
Transportation means	2292763	119040	1763957	91584	528806	27455	-621698	-31489	-368291	-18654	1585	1671065	79098	1395666	66062	275399	13036	
Total:	6573886	341314	3868352	200844	2705534	140471	-1836663	-93026	-678167	-34349	8567	4737223	224230	3190185	151003	1547038	73227	

Row.080

Balance value of the material stocks:

№	Denumirea	Sold la 31.12.19		Sold la 31.12.20	
		MDL	EURO	MDL	EURO
1	Fuel	1 814	94	668	32
2	Orthopedic beds	31 020	1 611	-	-
3	Others	3 235	168	15 304	724
Total		36 069	1 873	15 972	756

Row.090

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

№	Name	Balance on 31.12.19		Sold la 31.12.20	
		MDL	EURO	MDL	EURO
1	OMVSD at the warehouse			-	
2	OMVSD in use	124 235	6 450	121 306	5 742
3	Amortization OMVSD	76 534	3 974	78 320	3 707
Total (row2-row3)		47 701	2 477	42 986	2 035

Row.110

Balance value of the trade liabilities and advances provided:

№	Name	Balance on 31.12.19		Balance on 31.12.20	
		MDL	EURO	MDL	EURO
1.	Advance payments which have been given inside the country, including	92 305	4 792	107 268	5 077
	<i>CONCEPT SRL</i>	0	0	82 573	3 908
	<i>Tirex Petrol SA</i>	3 011	156	13 057	618
	<i>SC Cernica-Com SRL</i>	66 300	3442	-	-
	<i>Metro 2 Cash and Carry Moldova SRL</i>	4 855	252	4 855	230
	<i>Maximum Electronic SRL</i>	9 599	498	-	-
	<i>Others</i>	8 540	443	6 783	321
2.	Advance payments which have been given outside the country	0	0	-	-
Total		92 305	4 792	107 268	5 077

Row120

Balance value of the budget liabilities:

№	Name	Balance on 31.12.19		Balance on 31.12.20	
		MDL	EURO	MDL	EURO
1	Stamp duty for legal actions	3 642	189	3 642	172
2	Estate tax	2 100	109	2 100	99
3	Income tax retained at the source of payment			3 293	156
4	Social Fund	4 203	218	17 265	817

№	Name	Balance on 31.12.19		Balance on 31.12.20	
		MDL	EURO	MDL	EURO
5	Income tax from salary	6 113	317	10 450	495
6	Contributions to medical insurances on the account	2 572	134	6 944	329
7	Others	779	40	312	15
Total		19 409	1 008	44 006	2 083

Row150

Balance value of cash:

№	Name	Balance on 31.12.19		Balance on 31.12.20	
		MDL	EURO	MDL	EURO
1	Cash money			-	
2	Current accounts in national currency	88 879	4 615	973 204	46 065
3	Current accounts in foreign currency	2 618 610	135 958	1 450 315	68 649
4	Other accounts (business-cards)	30 260	1 571	287	14
Total		2 737 749	142 143	2 423 806	114 728

Row.170

Balance value of other current assets:

№	Name	Balance on 31.12.19		Balance on 31.12.20	
		MDL	EURO	MDL	EURO
1	Foreseen expenses, including:	5 561	289	5 322	252
	<i>Insurance</i>	1 598	83	2 288	108
	<i>Subscriptions</i>	2 016	105	1 920	91
	<i>other</i>	1947	101	1 114	53
2	Tires, car batteries	12 018	624	5 989	283
Total		17 579	913	11 311	535

Row.260

Balance value of the equity (own capital):

№	Name	Balance on 31.12.19		Balance on 31.12.20	
		MDL	EURO	MDL	EURO
1	Tangible assets fund	2 705 534	140 471	1 547 038	73 227
2	Intangible assets fund	5 544	288	5 182	245
3	The self-financing fund	243 291	12 632	622 609	29 470
Total		2 954 369	153 390	2 174 829	102 943

Row.270

Balance value of the special purpose finance:

№	Name	Balance on 31.12.19		Balance on 31.12.20	
		MDL	EURO	MDL	EURO
1	Childhood Foundation	113 092	5 872	395 198	18 706
2	KMOP/Comisia Europeana / Kosovo, Greece	- 19 155	- 995	59 424	2 813
3	Kyrgyzstan (CRDL)-EU	1 675 743	87 004	863 686	40 881
4	OPM (UNICEF)	- 137 383	- 7 133	-	-
5	Persoane fizice si juridice (Core Funds)	339 756	17 640	6 451	305
6	Siol	522 403	27 123	241 658	11 439
7	P4EC St. Petersburg (UNICEF)	-	-	119 278	5 646
8	CRS (USAID)	-	-	115 493	5 467
Total		2 494 457	129 512	1 801 188	85 257

Row.330

Balance value of the current financial debts:

№	Name	Balance on 31.12.19		Balance on 31.12.20	
		MDL	EURO	MDL	EURO
1.	Current trade debts in the country, including:	1 085	56	-	-
	<i>Stronghold SRL</i>	1 085	56	-	-
Total		1 085	56	-	-

Row.360

Balance value of the liability to the budget

№	Name	Balance on 31.12.19		Balance on 31.12.20	
		MDL	EURO	MDL	EURO
1	Value added tax for importing services	-			
2.	Other tax	407	21	407	19
Total		407	21	407	19

Row.370

Balance value of the anticipated proceeds:

№	Name	Balance on 31.12.19		Balance on 31.12.20	
		MDL	EURO	MDL	EURO
1	Anticipated proceeds, related to settlements with legal entities	77 158	4 006	102 493	4 851
2	Anticipated proceeds, related to advances provided	36 069	1 873	15 972	756
3	Anticipated proceeds, related to OMVSD	47 701	2 477	42 986	2 035
4	Anticipated proceeds, related to anticipated expenses	5 561	289	5 322	252
5	Anticipated proceeds, related to contributions to social and medical insurance	12 888	669	34 659	1 641
6	Anticipated proceeds, related to taxes	6 114	317	8 940	423
7	Anticipated proceeds, related to tires and car batteries	12 018	624	5 989	283
Total		197 510	10 255	216 361	10 241

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:

№	Name	Balance on 31.12.19		Balance on 31.12.20	
		MDL	EURO	MDL	EURO
1	Moldovagaz SRL	3 685	191	1 253	59
2	TERMOELECTRICA SA	2 527	131	-	-
3	ICS Premier Energy SRL	2 366	123	2 095	99
4	UPS-Moldova SRL	2 209	115	-	-
5	Other	3 275	170	1 427	68
Total		14 062	730	4 775	226

EXPLANATORY NOTE TO THE PROFIT AND LOSS STATEMENT

The official exchange rate on 31.12.2019 (1 EUR – 19,2605 MDL)

The official exchange rate on 31.12.2020 (1 EUR – 21,1266 MDL)

Indicators	On 31.12.2019		On 31.12.2020	
	MDL	EURO	MDL	EURO
Proceeds from special purpose financing	8 073 686	419 184	6 365 890	301 321
Proceeds from the economic activity (from rent)	43 625	2 265	74 003	3 503
Total proceeds	8 117 311	421 449	6 439 893	304 824
General and administrative expenses, including:	2 980 294	154 736	2 383 587	109 679
Expenses related to salary and social and medical contributions	2 126 710	110 418	1 824 495	86 360
Expenses related to repairing and maintenance of tangible assets	10 815	562	56 287	2 664
Travelling costs	328 554	17 058	143 922	6 812
Banking expenses	40 251	2 090	82 826	3 920
Utility bills	57 339	2 977	46 357	2 194
Legal Services	164 089	8 519	27 415	1 298
Expenses for staff training	2 412	125	1 980	94
Fuel expenses	82 870	4 303	61 100	2 892
Material expenses	12 103	628	66 433	0
Prepaid expenses	0	0	9 650	457
Expenses for telecommunications	24 250	1 259	23 372	1 106
Taxes and fees	48 422	2 514	14 845	703
Other expenses	82 479	4 282	24 905	1 179
Expenses for charity, including:	5 137 017	266 713	4 055 331	191 954
Expenses related to salary and social and medical insurance contributions	3 432 629	178 221	3 509 564	166 121
Expenses of assessment, research, insurance	43 333	2 250	0	0
Activities	1 530 160	79 445	414 505	19 620
Utility bills	17 033	884	3 611	171
Other charity expenses	0	0	50 000	2 367
Financial assistance	445	23	77 651	3 676
Consulting	113 417	5 889	0	0
Taxes and fees	0	0	0	0
Total expenses	8 117 311	421 449	6 438 918	301 633
Expenses from economic activity	0	0	975	46

EXPLANATORY NOTE TO THE ANNEX 1

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

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 01.01.2020-31.12.2020.

As result of the audit of the evidence of collection and use of the financing sources was found that, in the period of 2020, 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 in 2020				Uses of received funds in 2020						
Data	Amount			Expenditure (according to budget)	Approved Budget			Amount spent		
	MDL	USD	EUR		MDL	USD	EUR	MDL	USD	EUR
TOTAL			45,165.00	CHILDHOOD FONDATION			42,922.07			31,338.11
3/27/2020			24,695.00	Project Staff (including taxes)			25,333.33			26,090.68
10/7/2020			20,470.00	Consultant/support services			3,534.92			2,310.29
				Printed/Audiovisual material			1,000.00			598.60
				Travel costs			700.00			293.06
				Workshops/Training			7,874.33			282.59
				Administration costs			3,479.49			1,762.89
				Audit			1,000.00			
TOTAL				EU Delegation in Kyrgyzstan			99,113.36			87,291.58
				Human Resources			52,578.36			46,241.50
				Travel			6,050.00			1,415.05
				Local office			0.00			0.00
				Direct costs, services			40,485.00			30,531.20
				Indirect costs			0.00			9,103.83
TOTAL			219,880.00	SIOL			312,204.00			233,995.85
1/27/2020			44,970.00	Human Resources			64,320.00			70,977.63
4/6/2020			74,970.00	Office costs			3,240.00			2,941.27
4/6/2020			49,970.00	Transportation			4,440.00			4,474.64
5/8/2020			49,970.00	Direct costs, services			235,175.86			152,437.63
				Bank charges			840.00			429.07

Financial statements PA "Partnerships for Every Child "

Received funds in 2020				Uses of received funds in 2020						
Data	Amount			Expenditure (according to budget)	Approved Budget			Amount spent		
	MDL	USD	EUR		MDL	USD	EUR	MDL	USD	EUR
				Administration costs			4,188.14			2,735.61
		20,210.30		OPM (UNICEF)		14,905.00			14,905.00	
8/18/2020		20,210.30		Consultant/support services		11,405.00			11,276.70	
				Travel costs		3,500.00			3,628.30	
		10,158.50		P4EC St. Petersburg (UNICEF)		3,383.39			3,308.47	
3/17/2020		8,000.00		Consultant/support services		1,050.00			1,133.39	
5/20/2020		2,158.50		Travel costs		2,333.39			2,175.08	
TOTAL	0.00	12,496.00		CRS (USAID)		5,768.00		5,786.75	5,786.75	
12/21/2020		12,496.00		Project staff		5,768.00			5,767.30	
				Bank charges					19.45	
	6,450.59			2%	19,559.85			19,559.85		
	5,950.00			Local Fundraising	1,040.00			1,039.75		
TOTAL	1,174,843.00	0.00	17,337.56	Core Funds	1,174,843.00		5,122.00	1,174,843.00		2,316.41

On behalf of the Association

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

The Director of the Organisation – Mamaliga Daniela

Chief Accountant - Caretnicova Angela

