

SPECIAL-PURPOSE STATEMENT
OF FINANCIAL POSITION

&

INDEPENDENT AUDITORS' REPORT

For period ended December 31, 2019

NNLE CIVIL DEVELOPMENT AGENCY (CIDA)

AGIC

AG International Consulting
Member of Prime Global
Audit & Business Advisory Services

certified member
 **PrimeGlobal**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOARD OF NNLE CIVIL DEVELOPMENT AGENCY (CIDA)

Opinion

We have audited the financial statement of Civil Development Agency (CIDA) (hereinafter "Organization"), which comprise the special-purpose statement of financial position as at December 31, 2019 and special-purpose statement of activities, special-purpose statement of cash flows and special-purpose statement of changes in funds for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special-purpose statement of the Organization for the year ended December 31, 2019 are prepared in all material respects, in accordance with the Financial Handbook of CIDA and other financial instructions and policies effective in the Organization.

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 Organization in accordance with the ethical requirements that are relevant to our audit of financial statements in Georgia, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter-Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 - Accounting Policy to the financial statements, which describes the basis of accounting. The special purpose financial statement is prepared to assist the Organization to comply with the Financial Handbook of CIDA and other financial instructions and policies effective in the Organization. As a result, the financial statement may not be suitable for any other purpose. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Financial Handbook of CIDA and other financial instructions and policies effective in the Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 descriptions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of exercising an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures, in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AG International Consulting
G. Mikabadze

Giorgi Mikabadze
Director

LLC AG International Consulting
Member of PrimeGlobal
License #SARAS-F-344253
Tbilisi, Georgia
Date: October 12, 2020 year

NNLE CIVIL DEVELOPMENT AGENCY (CIDA)
SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2019
Amounts Expressed in Georgian Lari

SPECIAL-PURPOSE STATEMENT OF FINANCIAL POSITION

	<u>Notes</u>	<u>December 31, 2019 Year</u>	<u>December 31, 2018 Year</u>
<u>Assets</u>			
<u>Non-current Assets</u>			
Property and equipment	4	53,887	83,459
Total Non-current Assets		53,887	83,459
<u>Current Assets</u>			
Cash and cash equivalents	5	733,787	1,006,149
Total Current Assets		733,787	1,006,149
Total Assets		787,674	1,089,608
<u>Accumulated Funds and Liabilities</u>			
<u>Accumulated Funds</u>			
Accumulated funds		787,674	1,089,608
Total Accumulated Funds		787,674	1,089,608
Total Accumulated Funds and Liabilities		787,674	1,089,608


 Salome Zurabishvili
 Executive Director

October 12, 2020
 Tbilisi, Georgia


 Temur Tkeshetashvili
 Financial Manager

October 12, 2020
 Tbilisi, Georgia

SPECIAL-PURPOSE STATEMENT OF ACTIVITIES

INCOMING RESOURCES	Notes	2019 Year
Income from fundraising	6	1,158,795
Other operation income	7	23,936
Total Incoming Resources		1,182,731.27
EXPENSES		
Program expenses		(590,933)
Salary expenses		(601,647)
Office rent expenses		(42,786)
Audit and consulting expenses		(39,386)
Vehicle expenses		(17,499)
Depreciation and amortization		(18,033)
Utility expenses		(15,272)
Travel and per diem		(15,910)
Stationary and other administrative expenses		(12,344)
Transportation expenses		(11,482)
Fuel expenses		(6,697)
Accommodation expenses		(4,181)
Communication expenses		(3,132)
Bank expenses		(930)
Other operating expenses		(5,544)
Total expenses		(1,380,234)
Net surplus/deficit on operating activities		(197,503)
Non operation income		32,565
Exchange rate gain (loss)		(136,996)
Net surplus/deficit before tax		(301,934)
Profit tax expenses		
SURPLUS/DEFICIT AFTER TAX		(301,934)


 Salome Zurabishvili
 Executive Director

October 12, 2020
 Tbilisi, Georgia


 Temur Tkeshelashvili
 Financial Manager

October 12, 2020
 Tbilisi, Georgia

NNLE CIVIL DEVELOPMENT AGENCY (CIDA)
SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2019
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SPECIAL-PURPOSE STATEMENT OF CASH FLOWS

	December 31, 2019 Year
Cash flows from operating activities	
surplus/deficit	(301,934)
Adjustments for non-cash income and expenses:	
Depreciation of property, plant and equipment	18,033
Profit / loss from the sale of fixed assets	(11,773)
Net foreign exchange differences	136,996
Operation Cash Flows Before Working Capital Changes	(158,677)
Net cash flows from operating activities	(158,677)
Cash flows from investing activities	
Purchase of fixed assets	(5,331)
Sale of fixed assets	28,642
Net cash flows used in investing activities	23,311
Net increase (decrease) in cash and cash equivalents	(135,366)
Net foreign exchange difference	(136,996)
Cash and cash equivalents at beginning of year	1,006,149
Cash and cash equivalents at end of year	733,787

NNLE CIVIL DEVELOPMENT AGENCY (CIDA)
SPECIAL PURPOSE FINANCIAL STATEMENTS
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SPECIAL-PURPOSE STATEMENT OF CHANGES IN ACCUMULATED FUNDS

NOTE 1: DESCRIPTION OF ACTIVITIES

	Accumulated Funds	Total
Balance at January 01, 2019	1,089,608	1,089,608
Gain/Loss for the year	(301,934)	(301,934)
Balance at December 31, 2019	787,674	787,674

NOTE 2: BASIS OF PRESENTATION

The financial statements have been prepared on an accrual basis and prepared in accordance with the NNLE Civil Development Agency's financial reporting policy. The amounts are expressed in Georgian Lari (GEL) and are rounded to the nearest Lari.

The preparation of the special purpose financial statements requires the use of estimates and judgments which affect the reported amounts of assets and liabilities. Although these estimates are based on management's best knowledge, judgment and experience, actual results may differ from these estimates.

NOTE 3: ACCOUNTING POLICY

3.1 Functional and presentation currency

Items denominated in the functional currency of the organization are measured using the average of the monthly exchange rates between the entity's currency and the functional currency. The financial statements are presented in Georgian Lari (GEL) which is the organization's functional and presentation currency.

3.2 Foreign currency

Transactions denominated in foreign currency are translated into GEL at the official exchange rate of National Bank of Georgia as the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into GEL at the official exchange rate of National Bank of Georgia at the reporting date. Exchange differences on monetary items are recognized in Statement of Activities in the period in which they arise.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF ACTIVITIES

NNLE Civil Development Agency is a local non-profit organization, which was founded in August 13, 2001, the legal address is Georgia, City Rustavi, XII m/d, Building 1, Apt. 111, registered with tax payer code: 216395595. NNLE Civil Development Agency is governed by board of members consisting from Agit Mirzoevi (ID 01002012375) - Board Member, Maia Dzirkvelishvili (ID 36001005691) - Board Member, Ekaterine Laliashvili (ID 60002004128) - Board Member, Valeri Chekheria (ID 01017011384) - Board Member, Giorgi Chekhani (ID 01011055533) - Board Member, Robert Michael Cowgill (ID 01008045616) - Board Member and Salome Zurabishvili (ID 01008041637) - Executive Director.

NNLE Civil Development Agency serves for the protection, popularization and implementation of the socio-economic rights of the Georgian population through cooperation with business organizations, international organizations, media, civil society, and the Government. CiDA facilitates improvement of the living environment and individual development of eco-migrants, IDPs, migrants, vulnerable groups living in villages, women, persons with disabilities, former prisoners, ethnic minorities, probationers and people in conflict with the law.

NOTE 2. BASIS OF PRESENTATION

The financial statements have been prepared in accordance with Financial Handbook of CIDA and other financial instructions and policies effective in the Agency, on the historical cost basis of accounting. The principal accounting policies adopted are set out below.

The preparation of the special-purpose financial statements requires the use of estimates and assumption that affect the reported amounts of assets and liabilities. Although these estimates are based on management's best knowledge of current events and actions actual results ultimately may differ from those estimates.

NOTE 3. ACCOUNTING POLICY

3.1 Functional and presentation currency

Items included in the financial statements of the Organization are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Georgian Lari ("GEL"), which is the Organization's functional and presentation currency.

3.2 Foreign currencies

Transactions denominated in foreign currency are translated into GEL at the official exchange rate of National Bank of Georgia on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated into GEL at the official exchange rate of National Bank of Georgia at the balance sheet date. Exchange differences on monetary items are recognized in Statement of Activities in the period in which they arise.

NNLE CIVIL DEVELOPMENT AGENCY (CIDA)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2019
Amounts Expressed in Georgian Lari

Foreign currency is translated at the National Bank of Georgia rate of exchange at the given date (year end for the statements). According to official information from National Bank of Georgia the rate of Exchange of GEL to EUR, USD and SEK were:

	December 31, 2019 Year	December 31, 2018 Year
Gel/1 USD	2.8677	2.6766
Gel/1 EUR	3.2095	3.0701
Gel/10 SEK	3.0700	2.9929

3.3 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Depreciation is charged using the straight-line method at rates 10-20%. Depreciation charge for a period is recognized as expense in Statement of Activities.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continuing use of the assets. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Activities.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Organization in the management of its short-term commitments.

3.5 Taxation

Activities of the Organization in part of fundraising are not subject to profit tax value; value added tax and property tax.

The Organization, as non-governmental, non-commercial organization, pays the following taxes:

- Income Tax (20%) - Mentioned tax will be paid from the whole salary and from benefits that are handled to the employees according to the Georgian tax legislation. These taxes are given in financial statements - project incomes and project expenditures as the part of salary and benefits connected to it.
- Since January 1, 2019, a pension tax was established, which assumes a mandatory taxation of organizations at 2% rate of each paid salary.

NNLE CIVIL DEVELOPMENT AGENCY (CIDA)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2019
Amounts Expressed in Georgian Lari

3.6 Recognition of revenues and expenses

In accordance with cash basis of accounting expenditures, including capital spending, are recognized at the time cash is disbursed, rather when incurred. Funding income is recognized in the special purpose statement of activities when received. Any surplus or deficit is shown as a special purpose balance sheet item. Revenue received in foreign currencies are translated into GEL and presented in Special-Purpose Statement of Activities using the National Bank of Georgia (NBG) exchange rate at the dates when funds are received. Issued sub grants are recognized as expenses when funds are disbursed and to the extent of amount transferred to sub grantees.

NOTE 4. PROPERTY AND EQUIPMENT

	Vehicles	Computers and office Equipment	Furniture and other inventory	Total
Beginning Balance				
NBV as at December 31, 2018 Year	57,674	14,459	11,326	83,459
Additions in 2019 Year	-	5,331	-	5,331
Disposals in 2019 Year	(16,869)	-	-	(16,869)
Depreciation charge in 2019 Year	(1,638)	(13,482)	(2,913)	(18,033)
Balance as at December 31, 2019 Year	29,500	15,975	8,412	53,887

NOTE 5. CASH AND CASH EQUIVALENTS

	December 31, 2019 Year
Cash in Bank in EUR	697,758
Cash in Bank in GEL	20,375
Cash in Bank in SEK	15,654
Total cash in banks	733,787
Petty Cash	-
Total Cash & Cash Equivalents	733,787

NNLE CIVIL DEVELOPMENT AGENCY (CIDA)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2019
Amounts Expressed in Georgian Lari

NOTE 6. INCOME FROM FUNDRAISING

	2019 Year
Swedish International Development Cooperation Agency	691,284
United Nations Development Programme	140,518
Georgian Centre for Psychosocial & Medical Rehabilitation of Torture Victims	141,200
USAID through East-West Management Institute	43,230
The Black Sea Trust for Regional Cooperation	64,671
European Union through Georgian Farmers Association	40,547
The European Fund for Southeast Europe Development Facility	37,345
Total Income from fundraising	1,158,795

NOTE 7. OTHER OPERATING INCOME

	2019 Year
Forum participation fee	12,193
Income from Donation	6,850
Income from membership	4,894
Total other operating income	23,936

NOTE 8. EXPENSES BY FUNDING SOURCES

	2019 Year
Swedish International Development Cooperation Agency	700,819
Georgian Centre for Psychosocial & Medical Rehabilitation of Torture Victims	169,787
United Nations Development Programme	107,220
European Union within the framework of the Eastern Partnership Territorial Cooperation (EaPTC)	91,413
European Union	67,526
The Black Sea Trust for Regional Cooperation	52,779
European Union through Georgian Farmers Association	50,576
Open Society Institute	36,828
The European Fund for Southeast Europe Development Facility	36,165
USAID through East-West Management Institute	24,827
Government of Norway through UN Women	24,261
Total Expenses by funding sources	1,362,201

NNLE CIVIL DEVELOPMENT AGENCY (CIDA)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2019
Amounts Expressed in Georgian Lari

NOTE 8.1. SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

PROJECT NAME: Leadership for Sustainable Development in Georgia

BUDGET: 8,000,000 SEK

PROJECT DURATION: November 01, 2018 to April 31, 2021

Project expenses

	<u>2019 Year</u>
EXPENSES	
Program expenses	214,344
Salary expenses	291,660
Office rent expenses	19,149
Audit and consulting expenses	18,759
Vehicle expenses	6,673
Utility expenses	5,707
Fuel expenses	4,314
Travel and per diem	3,622
Accommodation expenses	3,321
Stationary and other administrative expenses	2,546
Bank expenses	563
Communication expenses	437
Total expenses	<u><u>571,095</u></u>

PROJECT NAME: Promoting Corporate Social Responsibility Education in Georgia

BUDGET: 55,550 USD

PROJECT DURATION: November 01, 2018 to December 31, 2019

Project expenses

	<u>2019 Year</u>
EXPENDITURES	
Program expenses	84,645
Salary expenses	25,824
Utility expenses	7,560
Audit and consulting expenses	7,171
Office rent expenses	1,561
Transportation expenses	1,400
Stationary and other administrative expenses	746
Fuel expenses	448
Travel and per diem	333
Bank expenses	37
Total expenses	<u><u>129,725</u></u>

NOTE 8.2. GEORGIAN CENTRE FOR PSYCHOSOCIAL & MEDICAL REHABILITATION OF TORTURE VICTIMS

PROJECT NAME: Contribution to the process of successful implementation of juvenile justice reform
BUDGET: 78,850 EUR
PROJECT DURATION: June 01, 2018 to April 30, 2019

Project expenses

	<u>2019 Year</u>
EXPENDITURES	
Program expenses	102,003
Salary expenses	22,410
Office rent expenses	1,121
Transportation expenses	663
Travel and per diem	473
Stationary and other administrative expenses	426
Utility expenses	249
Communication expenses	150
Bank expenses	77
Total expenses	<u><u>127,571</u></u>

PROJECT NAME: Improving Secondary Crime Prevention for Juveniles and children in conflict with the law in Georgia

BUDGET: 66,756 EUR
PROJECT DURATION: December 16, 2016 to April 15, 2019

Project expenses

	<u>2019 Year</u>
EXPENDITURES	
Program expenses	20,751
Salary expenses	13,465
Vehicle expenses	5,206
Stationary and other administrative expenses	1,212
Fuel expenses	969
Office rent expenses	573
Bank expenses	40
Total expenses	<u><u>42,216</u></u>

NNLE CIVIL DEVELOPMENT AGENCY (CIDA)
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2019
Amounts Expressed in Georgian Lari

NOTE 8.3. UNITED NATIONS DEVELOPMENT PROGRAMME

PROJECT NAME: Strengthening the Role of Civil Society in Advocacy for Sustainable and Equitable Rural Development of Georgia

BUDGET: 116,223 GEL

PROJECT DURATION: August 09, 2019 to December 17, 2019

Project expenses

	<u>2019 Year</u>
EXPENDITURES	
Program expenses	29,321
Salary expenses	68,547
Travel and per diem	6,427
Stationary and other administrative expenses	1,435
Transportation expenses	898
Fuel expenses	582
Bank expenses	10
Total expenses	<u><u>107,220</u></u>

NOTE 8.4. EUROPEAN UNION WITHIN THE FRAMEWORK OF THE EASTERN PARTNERSHIP TERRITORIAL COOPERATION (EAPTC)

PROJECT NAME: Young Entrepreneurship Synergy (YES!) Network for Georgia –Azerbaijan Cross Border Cooperation

BUDGET: 262,700 EUR

PROJECT DURATION: November 10, 2017 to March 06, 2019

Project expenses

	<u>2019 Year</u>
EXPENDITURES	
Program expenses	46,082
Salary expenses	29,341
Travel and per diem	227
Office rent expenses	6,409
Transportation expenses	5,621
Stationary and other administrative expenses	2,069
Communication expenses	703
Utility expenses	600
Vehicle expenses	286
Bank expenses	73
Total expenses	<u><u>91,413</u></u>

NOTE.8.5. EUROPEAN UNION

PROJECT NAME: TRAINING AND EMPLOYMENT SUPPORT INITIATIVE (TESI) IN THE CRIMINAL JUSTICE
SECTOR IN GEORGIA

BUDGET: 765,000 EUR

PROJECT DURATION: December 08, 2016 to June 07, 2019

Project expenses

	<u>2019 Year</u>
EXPENDITURES	
Salary expenses	41,298
Program expenses	9,540
Vehicle expenses	5,334
Office rent expenses	4,861
Travel and per diem	2,987
Communication expenses	1,599
Accommodation expenses	860
Utility expenses	681
Stationary and other administrative expenses	319
Bank expenses	46
Total expenses	<u><u>67,526</u></u>

NOTE.8.6. THE BLACK SEA TRUST FOR REGIONAL COOPERATION

PROJECT NAME: Promoting Cross-Border Entrepreneurship in the Bordering Regions of Azerbaijan and
Georgia

BUDGET: 24,250 USD

PROJECT DURATION: January 07, 2019 to July 07, 2019

Project expenses

	<u>2019 Year</u>
EXPENDITURES	
Program expenses	39,323
Office rent expenses	4,768
Stationary and other administrative expenses	3,591
Transportation expenses	2,500
Salary expenses	2,472
Utility expenses	100
Bank expenses	25
Total expenses	<u><u>52,779</u></u>

NOTE.8.7. EUROPEAN UNION THOUGHT GEORGIAN FARMERS ASSOCIATION

PROJECT NAME: Food and Agriculture SME support initiative (FASSI)
BUDGET: 156,130 EUR
PROJECT DURATION: March 27, 2017 to June 01, 2019

Project expenses

	<u>2019 Year</u>
EXPENDITURES	
Program expenses	28,708
Salary expenses	18,502
Office rent expenses	2,263
Transportation expenses	400
Utility expenses	375
Travel and per diem	200
Communication expenses	100
Bank expenses	29
Total expenses	<u><u>50,576</u></u>

NOTE 8.7.7. CIDA THROUGH EASTWEST MANAGEMENT INSTITUTE

PROJECT NAME: Partnership for Migrants' Rights (PMR)

NOTE 8.8. OPEN SOCIETY INSTITUTE

PROJECT NAME: Partnership for Migrants' Rights (PMR)
BUDGET: 111,877 USD
PROJECT DURATION: January 01, 2017 to October 31, 2019

Project expenses

	<u>2019 Year</u>
EXPENDITURES	
Salary expenses	32,953
Program expenses	2,233
Travel and per diem	1,642
Total expenses	<u><u>36,828</u></u>

NOTE 8.9. THE EUROPEAN FUND FOR SOUTHEAST EUROPE DEVELOPMENT FACILITY

PROJECT NAME: Financial Literacy Training for Agricultural Producers

BUDGET: 14,845 EUR

PROJECT DURATION: January 26, 2019 to April 30, 2020

Project expenses

	<u>2019 Year</u>
EXPENDITURES	
Salary expenses	35,183
Program expenses	972
Bank expenses	10
Total expenses	<u><u>36,165</u></u>

NOTE 8.10. USAID THROUGH EAST-WEST MANAGEMENT INSTITUTE

PROJECT NAME: Advancing CSO capacities and engaging Society for sustainability

BUDGET: 400,000 USD

PROJECT DURATION: February 03, 2015 to September 30, 2019

Project expenses

	<u>2019 Year</u>
EXPENDITURES	
Audit and consulting expenses	13,456
Program expenses	6,610
Salary expenses	4,747
Bank expenses	14
Total expenses	<u><u>24,827</u></u>

NOTE 8.11. GOVERNMENT OF NORWAY THROUGH UN WOMEN

PROJECT NAME: A Joint Action for Women's Economic Empowerment in Georgia

BUDGET: 216,704 USD

PROJECT DURATION: January 01, 2018 to December 31, 2019

Project expenses

	2019 Year
EXPENDITURES	
Salary expenses	15,246
Program expenses	6,400
Office rent expenses	2,081
Fuel expenses	384
Communication expenses	143
Bank expenses	6
Total expenses	24,261

NOTE 9. RELATED PARTY TRANSACTIONS

Related parties or transactions with related parties, as defined by IAS 24 "Related party disclosures", could be one or more of the following:

- Parties that directly, or indirectly through one or more intermediaries: control, or are controlled by, or are under common control with, The Organization (this includes parents, subsidiaries and fellow subsidiaries); have an interest in The Organization that gives then significant influence over The Organization; and that have joint control over The Organization;
- Members of key management personnel of The Organization or its parent;
- Close members of the family of any individuals referred to in (a) or (b);
- Parties that are entities controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (c) or (b);

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. Details of transactions between The Organization and other related parties are disclosed below.

Related party transactions as at 31 December 2019 can be presented as follows:

Management Salaries	2019 Year
Executive Director (Salome Zurabishvili)	121,253
Total Management Salaries	121,253

NOTE 10. FINANCIAL RISK MANAGEMENT

Interest rate risk

The Organization's revenue and operating cash flows are independent of changes in market interest rates. The organization has no interest-bearing liabilities or significant interest-bearing assets.

Credit risk

The organization has no significant concentrations of credit risk.

Liquidity risk

The Organization has no liquidity risk exposures as operations are implemented according to budget.

Fair value estimation

The net fair of cash and cash equivalents of the Organization approximates their carrying amount.

Foreign currency exposure risk

Currency risk arises from open position in foreign currencies and adverse movements of market exchange rates that may have a negative impact on financial performance of the Organization.

NOTE 11. EVENTS AFTER THE REPORTING PERIOD

Further analysis of the reporting period "Subsequent events after the reporting period" includes all events that will take place before the date of issuance of the financial statements.

The above-mentioned standard requires, that the financial statements report reflect the current situation of statement of financial position for the closing date of the reporting period. On December 31, 2019, China warned the World Health Organization that several cases of unusually shaped pneumonia have been reported in Uhan. However, only in early 2020 year substantial information emerge about it, what is now identified as coronavirus.

New challenges regarding COVID-19 indeed led to uncertainties worldwide, as well as in Georgia. The Government of Georgia declared a state of emergency and imposed strict restrictions for people residing in the country. This situation demanded a respective response and concrete changes in our working environment. CIDA managed to adjust to this new reality. It closed the office and moved to remote work. However, this factor did not hinder the implementation of the activities planned in different projects..

The management of the organization believes that subsequent events of the final balance will not affect the functioning of the organization.

NOTE 12. GOING CONCERN

At the end of the reporting period, management discusses business continuity issues to ensure that the presentation of financial statements based on the going concern principle is fair.

Currently, CIDA is actively working on project proposals to continue some of the recent projects and start new ones in the next year. In particular, we have a strong co-operation with our current donors and discuss with them plans for the next years.

NOTE 13. APPROVAL OF FINANCIAL STATEMENTS

These special-purpose financial statements were authorized for issue by the Management of the Company on October 12, 2020.

