

NGO CENTRE FOR SOCIAL AND MEDICAL HOME ASSISTANCE “CASMED”

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31.12.2020

CONTENTS:

	INDEPENDENT AUDITOR'S REPORT	3
I.	FINANCIAL STATEMENTS	
	BALANCE SHEET AS OF 31 DECEMBER 2020	6
	STATEMENT OF INCOME AND EXPENSES FOR THE YEAR 2020	7
	STATEMENT OF CHANGES IN FUNDING SOURCES FOR THE YEAR 2020	8
II.	LEGAL STATUS AND CORE BUSINESS	9
III.	PRESENTATION PRINCIPLES	10
IV.	ACCOUNTING PRINCIPLES	11
V.	NOTES TO THE FINANCIAL STATEMENTS	13
VI.	LIABILITIES AND CONTINGENT LIABILITIES	16
VII.	RIGHTS OF EMPLOYEES	16

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INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT OF NGO "CASMED"

31.03.2021

OPINION

In our opinion, the accompanying financial statements:

- present fairly, in all material respects, the financial position of NGO CENTRE FOR SOCIAL AND MEDICAL HOME ASSISTANCE "CASMED" for the year ended 31.12.2020 and its financial performance, also the statements of changes in funding sources for the year then ended, according to Methodological Guidelines for Accounting in non-commercial Organisations approved by Finance Ministry Order nr. 188 as of 30 December 2014 and National Accounting Standards;
- are prepared according to the accounting records of NGO "CASMED".

We have audited the financial statements of NGO CASMED (hereinafter "CASMED") which comprise the balance sheet for the year ended 31.12.2020, statement of income and expenses and statement of changes in funding sources for the year than ended and notes to the financial statements, including a summary of the significant accounting policies.

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 Association in accordance with the *Code of Ethics for Professional Accountants (IESBA Code)* issued by International Ethics Standard Board for Accountants, corroborated with the ethical requirements that are relevant to the audit of the financial statements in Republic of Moldova, and we have fulfilled our ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

According to the audit contract and terms of reference we have also issued a Management Letter.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of the financial statements in accordance with the Methodological Guidelines for Accounting in non-commercial Organisations approved by Finance Ministry Order nr.188 as of 30 December 2014 and National Accounting Standards 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 relating to going concern and using the going concern basis of accounting unless management weather intends to liquidate the Association or to cease operations, or has 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

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 decisions of users taken on the basis of these financial statements.

As a 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 statement, 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

an opinion on the effectiveness of the Association'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 Association'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 the date of our auditor's report. However, future events or conditions may cause the Association 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.

**GENERAL DIRECTOR, PHD,
AUDITOR
„MOLDAUDITING” S.R.L.,**

AUDITOR



PAVEL BODAREV

DANIELA PLUGARU

I. FINANCIAL STATEMENTS**BALANCE SHEET AS OF 31.12.2020**

Item	Note	2020	2019
		MDL	MDL
Assets			
Long-term assets			
Intangible assets		50 165	33 874
Tangible assets in construction		59 500	220 639
Fixed assets	1	5 167 798	2 946 693
Other long-term receivables		0	0
		5 277 463	3 201 206
Current assets			
Inventory		63 119	89 123
Short-term receivables	2	194 571	24 611
Other short-term receivables	2	264 970	24 649
Cash	3	1 960 109	1 775 687
Other short-term assets		3 264	55 254
		2 486 033	1 969 324
Total assets		7 763 496	5 170 530
Equity and liabilities			
Equity			
Net excess (net deficit) of the period		133 898	0
Funds	4	6 020 665	4 096 198
		6 154 563	4 096 198
Long-term liabilities			
Long-term special purpose financing and receipts	6	1 270 126	666 711
		1 270 126	666 711
Short-term liabilities			
Short-term loans			
Short-term trade payables and advances received		11 063	4 867
Short-term accrued liabilities		0	0
Short-term deferred income	5	311 393	381 594
Short-term special purpose financing and receipts		16 351	21 161
Other short-term liabilities			
Total short-term liabilities		338 807	407 621
Total equity and liabilities		7 763 496	5 170 530

The financial statements, accounting policies used and notes presented at pages 6-16, which are integral part of those financial statements, has been approved by NGO CASMED as of 31.03.2021 and signed in name of Association by

Executive Director
Postolachi Natalia



Chief Accountant
Moraru Olga

STATEMENTS OF INCOME AND EXPENSES FOR THE YEAR 2020

Item	Note	2020	2019
		MDL	MDL
Income related to special purpose funds		10 715 051	10 785 294
Expenses related to special purpose funds	7	10 598 603	10 785 294
Excess (deficit) related to special purpose funds		116 448	0
Other income (except income from economic activity)		18 882	77 415
Other expenses (except income from economic activity)		1 432	0
Excess (deficit) related to other activities		17 450	77 415
Income from economic activities		-	
Expenses related to economic activities		-	
Result: profit (loss) from economic activity		-	
Income tax expenses		-	
Net excess (net deficit) of the financial period		133 898	77 415

STATEMENTS OF CHANGES IN FUNDING SOURCES FOR THE YEAR 2020

Items	Opening balance	Increases	Decreases	Closing balance
Special purpose funds	666 711	15 266 993	14 663 578	1 270 126
Special purpose funding from the national budget	24 528	203 935	223 451	5 012
Special purpose funding from the local budget	7 038	1 018 672	1 004 732	20 978
Grants	635 145	13 306 256	12 697 265	1 244 136
Other special purpose funds	0	738 130	738 130	0
Funds	4 096 198	3 668 095	1 609 730	6 154 563
Founders' and members' contributions				
Fixed assets fund	2 980 567	2 980 585	743 189	5 217 963
Other funds	1 115 631	687 510	866 541	936 600
Other sources of funding		0	0	0
Total:	4 762 909	18 935 088	16 273 308	7 424 689

II. LEGAL STATUS AND CORE BUSINESS

NGO Centre for Social and Medical Home Assistance "CASMED" (hereinafter "Association") is a non-commercial organization, non-governmental, non-political, independent, founded as a result of free will of the persons who associated with the purpose of achieving the goals defined in the Articles.

Was founded in December 13, 2010 and registered in the Republic of Moldova under no. 4843 as a association.

The Association legal address: off.51, 81, Mircea cel Batrin street, Balti city, Republic of Moldova.

The main objectives of the Association:

- Contributing to the efficient growth and quality of healthcare in the Republic of Moldova;
- Contributing to ensure and provide professional social and medical assistance to people with health problems by providing integrated home care services;
- Contributing to the development of rural and urban communities through sustainable development programs;
- Contributing to the promotion of volunteering and a healthy lifestyle in society.
-

In order to achieve its goals, the Association aims to carry out the following activities:

- defending the rights and interests of the members of the Association, as well as promoting the rights of the elderly in relation to other professional associations, organizations and / or republican and international authorities;
- contributing to the medical rehabilitation of the sick, single persons, persons with disabilities, who do not have the means to be treated;
- promoting the public-private partnership in the field of social integration of the elderly; providing medical and social care services at home;
- concluding partnerships with the Administration of Hospitals and Medical Services of the Republic in the purpose of providing medical and social services for the elderly and people with special needs;
- organizing and carrying out various charitable, social and medical actions to support and provide assistance to the socially vulnerable and the social integration of the elderly;
- supporting the development of the non-governmental sector in the northern region of the Republic of Moldova;
- etc.

The Association implemented in 2020 projects financed by IREX EUROPE, SOROS Foundation Moldova, NGO RED CROSS, FRF Konrad Adenauer RM, GIZ, etc.

As of 31.12.2020 the Association had 77 employees hired according to individual labour contracts. The salary expenses for the 2020 period were MDL 7 536 582.

III. PRESENTATION PRINCIPLES

GENERAL PRINCIPLES

The financial statements are prepared according to National Accounting Standards and Methodological Guidelines for Accounting in non-commercial Organisations approved by Finance Ministry Order nr. 188 as of 30.12.2014.

PRESENTATION CURRENCY

Items included in the financial statements are presented in Moldavian lei (MDL), unless otherwise provided.

GOING CONCERN CONCEPT

The financial statements of the Association were prepared in accordance with going concern concept.

IV. ACCOUNTING PRINCIPLES

GENERAL PROVISIONS

The financial statements are based on the accounting records of the Association; the evaluation of the items is carried out based on the following principles: the going concern, accrual principle, permanence of methods principle, prudence, intangibility, substance over form principle and essentiality principle.

Financial statements, excepting for **Report on donors' contribution**, are prepared based on accrual method.

Intangible assets

In financial accounting the intangible assets are recorded at historical cost which comprises:

- the purchase price of intangible assets;
- taxes and duties according to legislation in force;
- expenses for bringing the assets in working condition.

The amortization of intangible assets is computed using the straight-line method according to National Accounting Standard (NAS) "Intangible and tangible assets" taking into consideration its useful life and historical cost starting with the date of the asset being put into operation.

Tangible assets

The tangible assets include the objects with a value higher than 6000 MDL and useful life of more than one year. The tangible assets are reflected in the balance sheet at historical cost which is:

- a) for the tangible assets created by the entity – at the effective value, including taxes according to the legislation in force and which are not recoverable from the budget;
- b) for the buildings and special constructions executed according to the contract – at the contract value of the object, including taxes according to the legislation in force and which are not recoverable from the budget;
- c) for the tangible assets procured – at procurement value adding the expenses related to this procurement, assembling and installation expenses;
- d) for the tangible assets received free of charge – at the value established in the acts of receiving/delivery.

The depreciation of tangible assets is calculated using the straight-line model, according to the stipulation of NAS "Intangible and tangible assets" taking into consideration its useful life and depreciation value starting with the date of the asset being put into operation.

The useful life of the tangible assets is established for each object (group of objects) of tangible assets and is reflected in the source documents and the registers of analytical evidence.

Current assets

The inventory accounting is performed in quantitative and value manner.

Outgoing inventory are valued using the weighted average cost method after each outflow.

The net realisable value is determined through the inventory elements method. In the balance the inventory is evaluated at the lower value between cost and net realisable value.

Small value and short-term objects

The small value and short-term objects are assets with a value less than 6000 MDL with a any useful life and assets with useful life more than one year with any unitary value.

The small value and short-term objects are reflected in the balance at acquisition value for the objects in the deposit and remaining value for the assets put into operation.

Receivables

Long and short-term receivables are recorded at nominal value, including VAT and excise. The impaired receivables are reflected to period expenses via direct method without creation of provision. The amount of material damage is recorded as current income.

Cash

The balances of cash in cashier's office, in the bank accounts in MDL and foreign currency etc. in bank are reflected in the balance sheet at nominal value. For the restricted cash there is a separate account in the balance sheet.

Financing and receipts with special purpose

The initial recognition of financing and receipts with special purpose is performed in base of cash method.

The utilisation of special purpose financing and receipts for the current expenses is registered as decrease of financing and increase of current income.

The utilisation of special destination funds for the inventory and other current assets acquisition and for the payment of advances is registered to current deferred income in total amount, and at the moment of inventory advances utilisation the deferred income is reflected to the current income.

The special purpose funds received as intangible and tangible assets or utilised for the procurement/creation of such assets are recorded as decrease of special purpose financing and receipts and increase of long-term assets fund.

Funds with no special purpose

Unused funds with no special purpose up to the reporting date are settled in the self-financing fund.

The Association's funds

The organisation forms: fixed assets fund, self-financing fund.

Foreign currency conversion

The official exchange rate for the audited period was:

Currency/Period	31.12.2020	31.12.2019
USD	17.2146	17.2093
EURO	21.1266	19.2605

V. NOTES TO FINANCIAL STATEMENTS**(1) Tangible assets**

The fixed assets of Association consist of the following:

Items	Buildings	Machinery, equipment, transmitting devices	Transport vehicles	Other fixed assets	Total
	MDL	MDL	MDL	MDL	MDL
Cost					
As at 1 January 2020	1 665 168	859 561	1 950 069	33 500	4 508 299
Additions	2 301 007	550 938	101 747	70 715	3 024 407
Disposals	0	91 536	416 034	0	507 570
As at 31 December 2020	3 966 175	1 318 963	1 635 782	104 2015	7 025 136
Depreciation					
As at 1 January 2020	88 264	449 015	1 021 535	2 792	1 561 605
Charge for the year	41 921	145 360	292 241	12 867	492 390
On disposals	0	8 599	188 057	0	196 656
As at 31 December 2020	130 185	585 776	1 125 719	15 659	1 857 339
Net book amount					
As at 1 January 2020	1 576 904	410 546	928 534	30 708	2 946 693
As at 31 December 2020	3 835 990	733 187	510 063	88 557	5 167 798

(2) CURRENT RECEIVABLES

Items	2020	2019
	MDL	MDL
Trade receivables	0	0
Short-term advance payments	194 410	24 578
Receivables on settlements with budget	161	33
Receivables on settlements with the staff	0	0
Other special purpose receivables	264 970	24 649
Total	459 542	49 260

(3) CASH

Items	2020	2019
	MDL	MDL
Cash at bank, total, including:	1 960 009	1 775 687
local currency	1 604 891	1 259 331
foreign currency	355 118	516 356
Cash in hand	100	0
local currency	100	0
Total:	1 960 109	1 775 687

(4) FUNDS

The Association's funds comprise the fixed assets fund in a total amount of MDL 6 154 563 as of 31.12.2020.

(5) CURRENT DEFERRED INCOME

The current deferred income in a total amount of MDL 311 393 as of 31.12.2020 represents costs which will be reported in the next periods.

(6) LONG TERM FINANCING AND RECEIPTS WITH SPECIAL DESTINATION

Items	2020	2019
	MDL	MDL
Civil Society Forum	70 651	0
SOROS FOUADATION MOLDOVA	415	77 394
IREX EUROPE	3 469	0
SWISS RED CROSS	1 072 683	444 334
NGO Pro Cooperare Regionala	96 918	12 823
FRF Kondrad Adenauer RM	0	68 115
U.S. Embassy	0	32 479
Other donors	25 990	31 566
Total:	1 270 126	666 711

(7) EXPENSES RELATED TO SPECIAL PURPOSE FUNDS

Items	2020	2019
	MDL	MDL
Salary expenses	7 536 582	8 261 874
Audit, accounting and consulting services	222 446	71 244
Taxes and dues	20 524	5 049
Expenses related to conferences organisations (including rent)	32 244	1 700
Expenses on trips (transport, accommodation)	54 510	104 104
Office maintenance (rent, communications, internet)	59 226	52 108
Fuel and insurance	141 881	263 873
Office Supplies	670 296	700 409
Bank services, postal and legal services	54 872	56 319
Other expenses	1 638 222	1 183 542
Maintenance and repairs of fixed assets	133 452	43 038
Phone and internet services	34 347	42 034
Total:	10 598 603	10 785 294

VI. COMMITMENTS AND CONTINGENT LIABILITIES

No contingent liabilities, acquisitions or tax aspects were disclosed, that could significantly influence the financial position of Association.

VII. RIGHTS OF EMPLOYEES

The Association pays deductions to social and health insurance calculated based on rates determined by effective legislation for the respective year from employees' accrued wages. The deductions to social and health insurance are charged to expenses in the periods that correspond to employees' wage calculation.

The Association has no other liabilities to similar payments on higher rates other than those provided for in the legislation. The Association does not take part in any other similar projects.