PKF

Accountants &
business advisers

Transparency International Georgia

Financial statements
Year ended 31 December, 2015
with independent auditors' report

Statement of Management's Responsibility

The management of Transparency international Georgia (referred to as "the Organization") is responsible for the preparation of the financial statements. In doing so, the Organization is required to:

* select suitable accounting policies and apply them consistently;
* make judgments and estimates, which are reasonable and prudent.

The management is responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the Organization. It has a general responsibility for taking such steps as reasonably open to them to safeguard the assets of the Organization and to prevent and detect fraud and other irregularities.

Eka Gigauri
Executive Director

David Aroshidze
Financial and Administrative Manager

Date: 24-Apr-16

Consulting Services LLC
Audit, Tax & Business Advisory Services

PKF
Accountants &
business advisers

THE REPORT OF INDEPENDENT AUDITORS

To the management of Transparency International Georgia

We have audited the accompanying financial statements of the Transparency International Georgia ("the Organization") for the year ended 31 December 2015 which include balance sheet as at December 31, 2015, statement of incomes and expenditures and a statement of cash flows for the year then ended. These financial statements are the responsibility of the management of the Organization. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Transparency International Georgia's policy is to prepare the accompanying financial statements in accordance with the basis of accounting and accounting policies described in notes 2 and 3 to the financial statements. .

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of 31 December 2015 and the results of its operations for the year then ended in accordance with the basis of accounting and accounting policies described in notes 2 and 3 to the financial statements.

Consulting Services LLC

შპს კონსალტინგ სერვისები
Consulting Services LLC
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Consulting Services LLC

Date: 24-Apr-16

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BALANCE SHEET

	NOTE	31-Dec-15 GEL
ASSETS		
Cash	4	926,782
Advances paid		34
Taxes paid in advance		975
Grants receivable	5	5,678,223
Vehicles, Equipment and Furniture	6	77,299
Intangible assets		2,826
TOTAL ASSETS		**6,686,139**
LIABILITIES		
Amounts to be returned to donors	7	322,084
TOTAL LIABILITIES		**322,084**
FUNDS		
Temporarily restricted funds	8	6,190,487
Unrestricted funds		173,568
TOTAL FUNDS		**6,364,055**
TOTAL LIABILITIES AND FUNDS		**6,686,139**

Eka Gigauri
Executive Director

David Aroshidze
Financial and Administrative Manager

Date: 24-Apr-16

STATEMENT OF INCOMES AND EXPENDITURES

	Notes	Year 2015 Restricted GEL	Unrestricted GEL	TOTAL GEL
Incomes				
Grant income		2,002,871	-	2,002,871
Income from service contracts		-	79,183	79,183
Private donations		-	5,400	5,400
Other income		-	2,168	2,168
Total income		**2,002,871**	**86,751**	**2,089,622**
Expenses				
Salary and wages		(1,657,212)	(13,223)	(1,670,435)
External consultants/research		(103,898)	-	(103,898)
Staff insurance		(36,438)	-	(36,438)
Staff Training		(3,504)	-	(3,504)
Office rent		(133,002)	(3,175)	(136,178)
Meeting/Conference /Events		(71,023)	(408)	(71,431)
Media Monitoring		(17,600)	(500)	(18,100)
Insurance expenses		-	(1,892)	(1,892)
Organizational development		(15,720)	-	(15,720)
Office Cleaning fee		(11,890)	(356)	(12,247)
Office utilities		(14,077)	(1,255)	(15,332)
Office security fee		(2,294)	(546)	(2,840)
Stationery/ Office supply		(29,680)	(5,384)	(35,064)
Communication expenses		(11,051)	(19,747)	(30,798)
Postage		(3,010)	(1,278)	(4,288)
Purchase books		(644)	-	(644)
IT support		(30,233)	(300)	(30,533)
Vehicle Expenses/Maintenance		(7,767)	-	(7,767)
Transportation Costs		(14,111)	(307)	(14,418)
Travel expenses		(114,477)	(8,894)	(123,371)
Advertaisement/Outreach		(34,925)	(956)	(35,880)
Printing/copyng		(101,759)	(419)	(102,178)
Translation/Interpreters		(83,498)	-	(83,498)
Audit/consult/insurance/fin ser		(21,542)	(1,325)	(22,867)
Legal service fees		(178)	(368)	(546)
Consulting fees		(27,440)	(7,129)	(34,569)
Maintenance		(647)	(8,295)	(8,942)
Bank Fee		(1,829)	(229)	(2,058)
Other general expenses		(3,100)	(200)	(3,300)
Purchase of equipment (expensed for grant purposes only)		(22,396)	22,396	-
Depreciation		-	(2,450)	(2,450)
Foreign exchange gain/(loss)		572,076	(1,461)	570,615
Total expenses		**(2,002,871)**	**(57,702)**	**(2,060,574)**
Result for the year before taxation		**-**	**29,049**	**29,049**
Profit tax expense		-	-	-
Net result for the period		**-**	**29,049**	**29,049**

Eka Gigauri
Executive Director
Date: 24-Apr-16

David Aroshidze
Financial and Administrative Manager

STATEMENT OF CASH FLOWS

	Year 2015
Cash from Operations	
Cash received from Grant	2,163,738
Cash returned to donors	(6,743)
Cash received from service contracts	84,909
Donations received	5,400
Other cash receipts	2,351
Cash paid for services and goods	(808,296)
Salaries and other benefits paid	(1,343,698)
Taxes paid	(375,139)
Bank service	(1,932)
Trip fee	(70,852)
Net cash used for operating activities	**(350,262)**
Cash flows from investing activities	
Cash paid for acquisiotion and construction of PP&E	(28,676)
Purchase of intangible assets	(4,505)
Net cash provided from investing activities	**(33,181)**
Effects of exchange rate on cash and cash equivalents	192,691
Net increase (decrease) in cash and cash equivalents	**(190,752)**
Cash and cash equivalents at the beginning of the period	1,117,533
Cash and cash equivalents at the end of the period	**926,782**

Eka Gigauri
Executive Director

Date: 24-Apr-16

David Aroshidze
Financial and Administrative Manager

STATEMENT OF CHANGES IN FUNDS

	Restricted	Unrestricted	TOTAL
Balance as at January 1, 2015	***1,338,079***	***144,520***	***1,482,599***
Grant Contracts Signed	6,855,279	-	6,855,279
Eligible Grant Expenditures Incurred	(2,002,871)	-	(2,002,871)
Change in Unrestricted Funds	-	29,049	29,049
Balance as at December 31, 2015	***6,190,487***	***173,568***	***6,364,055***

Eka Gigauri
Executive Director

Date: 24-Apr-16

David Aroshidze
Financial and Administrative Manager