



AUDIT REPORT

for the financial year ended December 31, 2024

CONTRACT

regarding the provision of audit services

AG 81/25

Public Association "Independent Journalism Center"

CHISINAU 2025

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1. INDEPENDENT AUDITOR'S REPORT

To the Management of Public Association „Independent Journalism Centre”

Unqualified opinion

We audited the financial statements of **Public Association „ Independent Journalism Centre” (hereafter „Entity”)**, which include the Balance Sheet as of December 31, 2024, the Statement of income and expenses, the Statement of changes in funding sources, the notes to the financial statements, including the approved accounting policies.

In our opinion:

- the accompanying financial statements present fairly, in all material respects, the Entity's balance as of 31.12.2024, the income, expenditures and the statement of the sources of funding for the year ended, in accordance with Methodical indications regarding the particularities of the accounting in the non-commercial organization, approved by the Order of the Minister of Finance no. 119 of 06.08.2013 and National Accounting Standards of the Republic of Moldova applicable from 01.01.2014;
- The financial statements are prepared in accordance with the Financing Agreements and the accounting principles applicable to the Public Associations of the Republic of Moldova, the revenue and expenditures can easily be identified;
- The goods and services were purchased in accordance with the public procurement law of the Republic of Moldova and the accounting provisions applicable to public Associations of the Republic of Moldova;
- Gains and losses on exchange differences are correctly reflected in the accounting records;
- Taxes, social and health insurance contributions were calculated and paid in accordance with the tax legislation of the Republic of Moldova;
- The wage costs related to the Project were recorded systematically and can be verified by supporting documents;
- The incurred expenditures were included in the Project Budget;
- The expenditures were made in accordance with the Project Budget on budget lines and according to the approved changes;
- All documents are submitted and maintained according to the requirements of the Financing Agreements;
- The financial reports for the period of 01.01.2024 - 31.12.2024 correspond to the de facto expenditures and the organized activities.

Basis for opinion

We audited the financial statements in accordance with the International Standards on Auditing, implicitly with ISA 800 ‘Special Considerations - Audits of Financial Statements Prepared in

Accordance with Special Purpose Frameworks’, with ISA 805 ‘Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement’, as well as with ISRS 4400 ‘Engagements to Perform Agreed-upon Procedures Regarding Financial Information’.

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 Entity in accordance with the *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements and 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 and restriction on distribution and use

The financial statements are prepared to assist the Entity's management in complying with the requirements of the Methodical Indications and NAS. As a result, the financial statements may not be suitable for another purpose.

Our report is intended for **P.A. “Independent Journalism Center”** only and should not be distributed or used by parties other than **P.A. “Independent Journalism Center”**. Our opinion is not modified as a result of this aspect.

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

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Methodical Guidelines on Accounting Particularities in Non-Commercial Organizations and the additions to the General Chart of Accounts, approved by Order of the Minister of Finance no.119 of 06.08.2013 and the National Accounting Standards of the Republic of Moldova with application from 01 January 2014, as amended and supplemented, 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 Entity's ability to continue as a going concern, disclosing, where appropriate, going concern matters and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements, taken 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 represents a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement, if any.

Misstatements can be caused by fraud or error and are considered material if they could reasonably be expected, individually or in the aggregate, to influence the decisions 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 skepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain sufficient appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error because fraud may involve secret dealings, forgery, intentional misstatements, intentional omissions, misrepresentations or the override of internal control.
- We understand internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- We assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of going concern accounting and determine, on the basis of audit evidence obtained, whether there is a material uncertainty about events or conditions that may cast significant doubt about the Entity's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in the 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 audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Entity to cease operating on a going concern basis.
- We evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements relating to independence and that we have disclosed to them all relationships and other matters that could reasonably be suspected of bearing on our independence and, where appropriate, the corresponding safeguards.

Of the matters communicated with those charged with governance, we determine which matters are most significant to the audit of the current period's financial statements and are therefore key audit matters. We describe these matters in the auditor's report, unless laws or regulations prohibit public disclosure of the matter or unless, in extremely rare circumstances, we believe that a matter should not be communicated in our report because the benefits in the public interest are reasonably expected to outweigh the negative consequences of such disclosure.

The audit engagement partner for which this independent auditor's report has been prepared is *Pașinschi Cristina, certified auditor.*

Auditor's signature:

Signing Auditor's name:

Auditor's address:

Date of signature:

"First Audit International" SRL

Cristina Pașinschi, certified auditor

**M. Kogălniceanu str., 61, office 7, MD-2009,
mun. Chisinau, Republic of Moldova**

26.08.2025



2. Financial Statements (for the year ending 31.12.2024)
2.1. Balance Sheet

ASSETS	Row code	Balance at	
		31.12.2023	31.12.2024
1	2	3	4
Fixed assets			
Intangible fixed assets	010	19,042	4,639,204
Tangible fixed assets in the course of construction	020		
Land	030		
Fixed means	040	253,527	300,999
Long-term financial investments	050		
Other fixed assets	060		
Total long-term assets (010+020+030+040+050+060)	070	272,569	4,940,203
Current assets			
Material	080	307,086	368,126
Items of low value and short duration	090		
Work in progress and products	100		
Trade receivables and advances	110	106,755	73,898
Budget claims	120	6,915	6,908
Staff claims	130		
Other current receivables, of which	140	1,184,028	610,815
Claims related to earmarked funds	141	43,266	409,215
Number	150	6,326,834	5,164,944
Current financial investments	160		
Other current assets	170	4,572,213	2,785
Total current assets (080 + 090 + 100 + 110 + 120 + 130 + 140 + 150 + 160 + 170)	180	12,503,831	6,227,476
Total assets (070 + 180)	190	12,776,400	11,167,679

(continued)

LIABILITIES and EQUITY	Row code	Balance at	
		31.12.2023	31.12.2024
1	2	3	4
Equity capital			
Corrections to previous years' results	200	X	
Net surplus (deficit) for the reporting period	210	X	19,173
Founders' initial contributions	220		
Fixed Assets Fund	230	271,947	4,939,581
Self-financing fund	240	2,610,892	3,090,133
Other funds	250		
Total equity (200+210+220+230+240+250)	260	2,882,839	8,048,887
Long-term liabilities			
Financing and proceeds from special-purpose items long	270		
Long-term financial liabilities	280		
Other long-term debts	290		
Total long-term liabilities (270 + 280 + 290)	300		
Current liabilities			
Current special purpose financing and receipts	310	3,817,399	2,113,477
Current financial debts	320		
Trade payables and advances received	330	15,322	26,371
Amounts owed to staff	340	3	3
Social and medical insurance debts	350		
Budget debts	360	6	
Current anticipated revenues	370	4,876,803	368,126
Other current liabilities	380	1,184,028	610,815
Total current liabilities (310 + 320 + 330 + 340 + 350 + 360 + 370 + 380)	390	9,893,561	3,118,792
Total liabilities (260 + 300 + 390)	400	12,776,400	11,167,679

These Financial Statements, the accounting policies used and the accompanying notes, which constitute an integral part of these financial statements, have been authorized by the management of P.A. "Independent Journalism Center" as of May 14, 2025 and signed on behalf of the Entity by:

Administrator
Nadejda Gogu_____

Chief Accountant
Garbuz Eugenia_____

2.2. STATEMENT OF INCOME AND EXPENDITURE

Items	Row Code	Amounts for period	
		previous	current
1	2	3	4
Revenue related to earmarked funds	010	13,772,329	13,320,323
Expenditure related to earmarked funds	020	13,772,329	13,320,323
Surplus (deficit) related to earmarked funds special (010 - 020)	030		
Other income (excluding income from economic)	040		31
Other expenditure (excluding expenditure on the activity economic)	050		8
Surplus (deficit) from other activities (040 - 050)	060		23
Income from economic activity	070	10,606	19,150
Expenditure on economic activity	080	10,606	0
Result: profit (loss) from the activity economic (070 - 080)	090	0	19,150
Income tax related expenses	100		
Net surplus (deficit) for the reporting period (030+060+090-100)	110	0	19,173

These Financial Statements, the accounting policies used and the accompanying notes, which constitute an integral part of these financial statements, have been authorized by the management of P.A. "Independent Journalism Center" as of May 14, 2025 and signed on behalf of the Entity by:

Administrator
Nadejda Gogu_____

Chief Accountant
Garbuz Eugenia_____

2.3. STATEMENT OF CHANGES IN FUNDING SOURCES

No	Items	Row Cod	Initial balance	Increases	Decreases	Closing balance
1	2	3	4	5	6	7
1	Special Purpose Assets					
	Earmarked funding from the budget national	010	6,645	5,354	6,645	5,354
	Earmarked funding from the local budget	020				
	Grants	030	3,810,754	13,769,082	15,471,713	2,108,123
	Financial and technical assistance	040				
	Other assigned financing and receipts special	050				
	Total special-purpose funds (010 + 020 + 030 + 040 + 050)	060	3,817,399	13,774,436	15,478,358	2,113,477
2	Non-predestined means					
	Donations	070				
	Financial aid	080				
	Other non-designated means	090				
	Total non-earmarked means (070 + 080 + 090)	100				
3	Founders' contributions and members					
	Membership fees and membership dues	110				
	Other contributions	120				
	Total founders' contributions and members (110 + 120)	130				
4	Funds					
	Founders' initial contributions	140				
	Fixed Assets Fund	150	271,947	5,646,811	979,177	4,939,581
	Self-financing fund	160	2,610,892	984,655	486,241	3,109,306
	Other funds	170				
	Total funds (140 + 150 + 160 + 170)	180	2,882,839	6,631,466	1,465,418	8,048,887
5	Other sources of funding	190				
	Total funding sources (060+100+130+180+190)	200	6,700,238	20,405,902	16,943,776	10,162,364

These Financial Statements, the accounting policies used and the accompanying notes, which constitute an integral part of these financial statements, have been authorized by the management of P.A. "Independent Journalism Center" as of May 14, 2025 and signed on behalf of the Entity by:

Administrator
Nadejda Gogu _____

Chief Accountant
Garbuz Eugenia _____

3. General information on the audited subject

The audited entity is the Public Association „Independent Journalism Center”, which was registered by the Chamber of Registration of the Republic of Moldova on 19.11.1998 under the registration number 0785, taxpayer's ID (IDNO) 1009620000479.

Location of the Association: 53 Sciusev St., Chisinau mun., Republic of Moldova.

Administrator - Mr. Nadejda Gogu, in office until January 26, 2026, according to the extract no.

132419 of March 18, 2024. The governing bodies of the entity, in accordance with the Statutes of the P.A. “Independent Journalism Center”, are:

- General Assembly - the supreme governing body;
- Association Council – the executive and supervisory body that is elected by the General Assembly for a 5-year term;
- The administrator is appointed by the General Assembly for a 5-year term;
- The censor - the control body that can be elected for a term of 1 year. In accordance with p. 4.24 of the Statute, the General Assembly decided that the organization's activity should be audited by an external auditor.

The accounting records and financial management of the Association (including Projects), as per the Project Documents and the Regulation, shall be performed by the Entity.

According to the accounting policy of the entity, approved by the decision of the Administrator of the Public Association „Independent Journalism Center”, order no. 17/12 of December 31, 2022, the entity applies a double-entry accounting system, with the presentation of financial statements in accordance with the methodical guidelines approved by the Ministry of Finance (art. 5(5) of the Law on Accounting and Financial Reporting of the Republic of Moldova No. 287 of December 15, 2017 and item 7 of the Methodical Guidelines).

Accounting records are kept on accrual basis, using computerized technique and 1C program. The entity applies the Working Chart of Accounts, developed on the basis of the Chart of Accounts approved by the Order of the Ministry of Finance of the Republic of Moldova No. 119 of 16.08.2013 and which is annexed to the Entity's Accounting Policies.

The purpose of the audited entity is: to develop the independent press in the Republic of Moldova. To ensure the stated purpose, the Association will carry out the following activities: Organizing and conducting seminars and training and professional development courses; Training journalists, lawyers, journalism and law students, as well as other persons; Granting scholarships or other types of financial aid to the persons it trains or to whom it provides other types of assistance, etc. In order to achieve its goals, the Association develops and implements its own programs and projects, cooperates with non-commercial organizations in the Republic of Moldova and abroad, international institutions.

4. Accounting policies

1. General provisions

1. The Public Association "**Independent Journalism Center**" is registered on November 19, 1998 at the Ministry of Justice of the Republic of Moldova, with registration no. 0785, address of the headquarters: or. Chişinău, str. Sciusev 53, of. 10.
2. The core activity of the Obstetric Association "**Independent Journalism Center**" is: strengthening a free and viable press through projects of journalists' training, media education, advocacy campaigns, research and non-profit journalistic products

Basis of legislative and normative acts included in the accounting regulatory system in the Republic of Moldova:

3. The accounting policy is developed in accordance with:

The accounting policy of the Public Association is based on:

- Law on Obstesti Associations № 837 from 17.05.1996;
- Law on Foundations no.581-XIV of 30.07.1999;
- Accounting and Financial Reporting Law No 287/2017;
- Civil Code of the Republic of Moldova;
- The National Accounting Standards (SNC), approved by MF Order no.118 of 06.08.2013;
- Comments on the application of the National Accounting Standards, approved by orders of the Ministry of Finance of the Republic of Moldova;
- Conceptual basis for the preparation and presentation of financial reports, approved by Order of the Ministry of Finance of the Republic of Moldova № 174 of 25.12.1997;
- The General Chart of Accounts, approved by Order No.119 of 06.08.2013; Tax Code;
- Methodological guidelines on the peculiarities of accounting in non-commercial organizations, approved by Order MF no.188 of 30.12.2014

Basic bookkeeping requirements

4. All entries in the organization's accounting records of all economic transactions during the management period shall:

be confirmed by documentation; be legally substantiated; ensure completeness and continuity of operations.

5. Supporting documents, drawn up at the time of the economic operation, and if this is impossible - immediately after the end of the operation, serve as a basis for entry in the

accounting records. Standard forms of supporting documents, including special forms approved by the Statistics

Department, are used as supporting documents. In some cases, self-prepared forms are applied. The responsibility for the timely and qualitative preparation of the supporting documents, for the authenticity of the data contained therein, as well as for their transmission within the deadlines set in the accounting, according to the register of delivery-receipt of documents, for accounting entry, lies with the persons who prepare and sign these documents.

6. The organization may introduce changes in accordance with paragraphs 13-17 of the SNC "Accounting policies, changes in accounting estimates, errors and subsequent events" in the accounting policy if: a) Reorganization; b) Change of the organization's management - on the date of the change of management; c) Introduction of changes in the legislation in force (prohibition or restriction of one or another activity, change in the conditions of external economic activity - substantial tightening or liberalization of the tax regime, increase in the level of inflation; amendment of some provisions and other normative acts) - on the date of entry into force of the amendments and additions to the legislative and normative acts; d) Development of new methods of keeping accounts (introduction in the S.N.N.C. of additional methods of valuation of assets, calculation of the wear and tear of fixed assets, methods of recognizing income and expenses, etc.) - starting with January 1 of the following year, except in exceptional cases. All changes in the accounting policy, regardless of the reasons for their occurrence, shall be finalized by means of disposition documents (orders, dispositions), indicating the date of their entry into force.

7. The financial year runs from January 1 to December 31.

Compartment II. Organizational Aspects

8. **The AO "Independent Journalism Center"** keeps the accounts and draws up the financial statements through the financial director.

9. The responsibility for ensuring the control over the economic operations carried out and their recording in the supporting documents is carried by the director of the organization.

10. The director of the organization is responsible for: Ensuring the keeping in the archive of supporting documents, accounting records, accounting financial reports, which are subject to mandatory keeping in accordance with the manner established by law; organizing and keeping the accounts; creating the necessary conditions for the correct keeping of accounts, preparing and submitting the financial report on time, ensuring the rigorous execution by all services, all

responsible collaborators, who are responsible for the bookkeeping, of the requirements of the head of the accounting service regarding the way of preparing documents and providing information for the bookkeeping.

11. House, bank and settlement documents, financial obligations and loans, for opening bank accounts shall be signed by two persons entitled to sign according to the specimen list: the head and the CFO of the organization.

12. The documents which serve as a basis for the receipt and release of material values, money means, as well as for the settlement operations, fulfilment of credit and financial obligations, economic contracts, the payment of which is to be made from the account of special purpose funds and other sources of financing, without the signature of the head of the accounting department, are considered invalid for executors.

13. The financial director shall ensure the control and reflection in the accounting accounts of all economic operations carried out, the presentation of operational information and the preparation of financial reports in the established terms, shall be responsible for the maintenance of the methodological principles of organization of the accounting records.

14. The CFO is prohibited from receiving for execution documents on economic operations that contravene the normative acts, about which he informs the head of the organization in writing. Such documents shall be received for execution only with the further written instructions of the head.

15. The organization accounts for economic events on the basis of the work chart of accounts (Art. 14 para. (2) of Law No 287/2017 and point 12 of the Methodological Guidelines), which is presented in Annex 1.

16. The organization uses the forms of the accounting ledgers provided in the accounting software 1C, version 8.3

17. The accounting records shall be drawn up in electronic form, with printing on paper on the reporting date and, where appropriate, during the reporting period (Art. 15 para. (1) of Law 287/2017).

18. The financial statements shall be signed by the executive director of the association (Article 31 of Law No 287/2017) and shall be submitted in electronic form.

19. Accounting errors are corrected by reversing and supplementary accounting entries

(paragraph 33 of the SNC "Accounting policies, changes in accounting estimates, errors and subsequent events")

20. The organization approves the list of primary supporting documents, applied in the statutory work of the organization, including standard documents prepared by the Statistics Department and documents developed by the organization, in cases, when the required typical ones are missing. Supporting documents prepared by the organization, including paper or automated information carriers, must contain the following mandatory elements: name of the document; date of drawing up; content of the economic operation; units of measurement of the economic operation (in natural and bilingual expression); name of the economic agent, function and names of the persons responsible for the economic operation and its correct drawing up; their personal and legible signatures.

Depending on the nature of the economic operation and the information processing technology, additional elements may be included in the supporting documents in the following manner

21. All primary supporting documents, which are submitted to the Financial Director, are to be subject to a mandatory internal control on form, content, legal basis, etc.

22. **PA "Independent Journalism Center"** applies the full double-entry system, with the presentation of financial statements in accordance with the Methodical Guidelines (art.5 paragraph (5) of Law No. 287/2017, point 7 of the Methodical Guidelines).

Double entry is a principle, a fundamental convention, according to which any economic operation is entered in the accounts by simultaneously allocating the same amount to two accounts, one of which is debited and the other credited. The double entry is part of a triplet - the account, the double entry and the accounting analysis of economic operations - which define the functioning of the accounting recording system. The simultaneous recording of an economic operation in two accounts, i.e. the debit of one account and the credit of another account, is called "double entry", as the most perfect accounting convention of entry ("blocking") in accounts, i.e. of codification of economic operations and phenomena that cross the patrimonial management of the economic, institutional, public agent, etc.

A logical, reciprocal link is established between the two accounts reflecting a given economic transaction, which is called the "correspondence of accounts" (and the accounts used are called "corresponding accounts").

23. For the processing of accounting data, the Independent Journalism Center applies the

automated form of the 1C version 8.3 bookkeeping software.

24. Accounting within the Obstetric Association "**Independent Journalism Center**" is organized in a centralized form.

Compartment III. Methodological aspects**Special Purpose Assets**

25. Earmarked funds are recognized on an accrual basis (point 17 of the Methodological Guidelines).

26. Earmarked funds used to cover expenditure shall be charged to current revenue to the extent to which the expenditure is incurred (point 22, sub-point 2) of the methodological guidelines

27. Special-purpose funds used for the purchase of stocks shall be recorded as prepaid revenue, with subsequent settlement against current revenue as and when the stocks are consumed.

28. Special-purpose assets received in the form of fixed assets or used for the acquisition/creation of such assets are settled to the fixed assets fund when they are transferred to fixed assets in use (point 24 of the methodological guidelines).

29. The favorable and unfavorable exchange rate differences related to special-purpose funds in foreign currency shall be recorded as an increase or decrease in special-purpose financing and receipts (item 27 of the Methodological Guidelines).

30. The unused earmarked funds are redirected with the agreement of the donors for co-financing other programs/projects and are recorded as internal correspondence between the sub-accounts of the summary accounts of earmarked grants and receipts (point 30 of the Methodological Guidelines).

31. Percentage assigned funds shall be accounted for as earmarked funds and initially recorded as prepaid revenue with subsequent settlement (as and when used) to earmarked revenue (point 201 of the Methodological Guidelines).

32. The non-assigned assets received in the form of fixed assets are settled when they are transferred in service to the fixed assets fund (point 32 of the methodological guidelines).

33. Non-differentiated appropriations received in the form of current assets are written off against current revenue as and when used (point 33 of the methodological guidelines).

34. Unused unallocated funds not utilized by the reporting date shall be settled to the self-financing fund (point 35 of the Methodological Guidelines).

35. Dues and other contributions of the founders and members of the association for the realization of special missions are accounted for in the same way as special-purpose funds (point 38 (1) of the Methodological Guidelines).

Intangible and tangible fixed assets

36. Intangible and tangible fixed assets are initially recognized on objects of evidence whose nomenclature is established by the executive director of the association (point 5 of the SNC "Intangible and tangible fixed assets", point 52 of the Methodological Guidelines).

37. The initial valuation of each item of intangible and tangible fixed assets shall be carried out at the entry cost, which shall be determined on the basis of the source of the input.

38. Subsequent valuation of intangible and tangible fixed assets is carried out at book value (point 17 of the SNC "Intangible and tangible fixed assets").

39. The useful lives of intangible and tangible fixed assets are determined according to the pattern of their use and are set out in the acceptance of delivery (point 20 of the SNC

"Intangible and tangible fixed assets"). Decommissioning is carried out according to the management's decision based on supporting documents and following their approval by the members and the chairman of the committee. The normal useful life of buildings is 25 years.

40. Fixed assets include tangible fixed assets: buildings, constructions, technical installations (used for video editing), computers, furniture and other fixed assets, transferred in service, the unit value of which exceeds the value ceiling provided by tax legislation of 12000 MDL and the term of expiration of more than 12 months. (point 4 of the SNC "Intangible and tangible fixed assets") The valuation of fixed assets is carried out on the basis of the revaluation model according to IAS 38 "Intangible fixed assets" and IAS 16 "Tangible fixed assets".

41. Intangible assets include licenses, software.

42. Remaining value - the net amount (the value of useful tangible assets) that the organization expects to derive from the asset at the end of its useful life is insignificant and is considered to be zero.

43. Corrected (adjusted) value of fixed assets - the value of fixed assets determined after subsequent capital investments in the case of improvements in the condition of assets.

44. Depreciation of intangible assets and fixed assets is calculated by the straight-line method (item 22 of the SNC "Intangible and tangible fixed assets") starting with the first day of the month following the month of their transfer into use (item 28 of the SNC "Intangible and tangible fixed assets"). Depreciation of intangible assets is calculated quarterly, based on the effective term of use (exploitation) (license - 3 years, computer software - 3 years, authorizations - 1 year).

45. The fixed assets of the organization are:

- received free of charge as part of grants, subsidies, etc., or created on account of earmarked funding;
- received during grant management and subject to reimbursement;
- procured or created on the account of own financial sources obtained in the course of the statutory activity;

46. Revaluation of fixed assets purchased on account of grants, and other sources of earmarked funding is not performed.

47. The use of fixed assets received during the grant administration period and which are subject to reimbursement shall not be calculated.

48. The guide for determining the useful life of fixed assets is the "Catalogue of fixed assets and intangible assets", which establishes the useful life of the fixed asset according to the regime and conditions of its use and which, in turn, provides initial data to the organization for calculating the wear and tear (depreciation) for financial purposes (GD 338 of 21.03.2003).

49. Assets received free of charge, irrespective of their intended purpose, are valued at their entry cost, which is determined on the basis of deeds of donation, acceptance certificates, invoices, bills, invoices and other documents (point 49 of the methodological guidelines).

Current assets

50. Stock accounting is kept in quantitative and value terms (Art. 17 para. (5) of the Accounting Law, item 10 of the SNC "Stocks").

51. Items of low value and short duration comprise goods whose unit value does not exceed the ceiling set by the legislation and whose period of use does not exceed one year (point 6,

subpoint 3) of the SNC

"Stocks").

52. Office stationery, cartridges and other similar supplies shall be charged directly to current costs and/or expenses at the time of purchase. (p.9 of SNC SNC "Stocks").

53. Stocks of goods and materials comprise:

- Materials for consumption in the process of basic and household activities;
- Objects of low value and short duration (OMV and SD);
- Goods and other stock categories.

54. Stocks of goods and materials given free of charge to the organization by natural or legal persons (including from abroad) for charitable purposes as humanitarian aid are kept and accounted for separately from other stocks of goods and materials.

55. The initial value of stocks of goods and materials of the AO "Independent Journalism Center" is determined on the basis of the purchase expenses (purchase price; taxes and duties stipulated by the legislation in force; transportation expenses for the purchase of stocks of goods and materials; trade rebate granted to the buyer by the supplier under certain conditions, the amounts of returned stocks of goods and materials and other corrections, which reduce the purchase price; in some cases, the initial value of stocks of goods and materials includes the expenses for processing (bringing them into working order). The inclusion in the cost of stocks of goods and materials of consumables related to their purchase and restoration to working order depends on the source of financing from which the consumables are consumed.

56. Stocks of goods and materials received free of charge from natural and legal persons shall be evaluated: according to the market value, in case of delivery within the territory of the Republic of Moldova, according to the value of the customs declaration, in case of delivery from abroad.

57. The valuation of stocks of goods and materials in the current accounts is carried out by applying the FIFO method. The Center applies the fuel consumption rules depending on the general overall consumption rules for each means of transport.

58. Items of low value and short duration of the AO "Independent Journalism Center" worth up to 12000 MDL, regardless of the duration of use, or with a duration of use of less than one year, regardless of their value, include:

OMVSD received free of charge as part of grants, subsidies, or created on the account of these

sources of funding, OMVSD received during the grant management period and subject to reimbursement, OMVSD procured or created on the account of own sources, obtained as a result of carrying out statutory activity.

Other accounting items and economic events

59. The association's funds comprise: fixed assets fund, self-financing fund, other funds (point 75 of the Methodological Guidelines).

60. Receivables, cash and payables in foreign currency, except for advances granted/received in the course of the economic activity, are recalculated in national currency at the reporting date (paragraph 11 of the SNC "Exchange rate and amount differences").

61. Receivables include the liabilities of other enterprises and individuals on the basis of accounts payable, accrued income, accrued revenue, amounts under management, lease payments, etc. The recording of receivables and their reflection in the balance sheet is carried out at face value.

62. The balance of money means in the cashier, on bank current accounts (in national currency) is reflected in the balance sheet at nominal value.

63. Balance of funds in the cashier, on current bank accounts (in foreign currency):

- reflected in the balance sheet at nominal value;

Funds balances on foreign currency accounts are reflected in national currency (Moldovan Lei) at the National Bank of Moldova exchange rate, which is effective on the last day of the management period or the date of the operation. According to p.27 of the Methodological Guidelines, the exchange rate differences are reflected:

a) the positive exchange rate difference relating to the balance of cash means is reflected in the debit of cash means and the credit of special-purpose funds; b) the negative exchange rate difference relating to the balance of cash means is reflected in the credit of special-purpose funds.

Any currency transaction is reflected in the accounts at the official NBM exchange rate. The amount of currency sold is reflected at Victoriabank's conversion rate (this is the rate at which the bank buys the currency on that day). The conversion rate for the amount of money received for each individual project is used when reporting to the donor. At the request of the donor, for example, the report to the Council of Europe is drawn up at the official exchange rate of the NBM on the day the currency is entered into the IJC's bank account. In the accounting records,

the expenses are reflected in MDL and the expenses in foreign currency are also reflected in the accounts in MDL at the official exchange rate of the NBM on the day of the transaction.

64. Calculation and payment of debts to staff regarding remuneration of labor and other operations are carried out in accordance with the provisions of the legislation in force, taking into account the requirements of the donors, upon submission of the necessary documents for calculation by the project coordinator (contracts, minutes of rendering-receipt of services, execution of works, calculation reports, etc.), upon decision of the Executive Director of the association according to the grant budget.

65. Differences between the official exchange rate of the NBM and the commercial rate for the sale/purchase of foreign currency are accounted for as current expenses/income depending on the source of the foreign currency inflow.

For IJC activities any payment is made according to strictly stipulated and approved procedures, consisting of: 1. Policy on cash payments; Policy on purchases; Policy on travel; Policy on payment procedures.

66. The anticipated expenses of the AO "Independent Journalism Center" are reflected in the books and balance sheet in separate line items and are expensed or expensed as incurred during the reporting period to which they relate. They may comprise:

- a) Payment for special arrangement forms
- b) Other payments as well.

67. The debts of the AO "Independent Journalism Center" include obligations to legal entities and individuals, including:

- Amounts owed to funders (grant contracts, other pre-dedicated funding);
- Amounts owed to suppliers and contractors for goods, works, services (on the basis of accounts payable, service contracts, etc);
- Accrued liabilities (debts owed to staff in respect of remuneration for work, to advance holders, insurance debts, debts relating to settlements with the budget, other accrued liabilities);
- Financial liabilities (under loan contracts, credit) management amounts;
- lease payments;
- contracts; etc.

Liabilities are reflected in the balance sheet at nominal value.

68. The activity of the AO "Independent Journalism Center" is non-commercial and all funds obtained from donor-organizations are considered as Special Purpose Funds, and the income obtained from some statutory economical activities, which exceeds the amounts spent for these

activities, is recognized as "Self-financing Fund". They shall be used strictly in accordance with the statutory purposes of the AO "Independent Journalism Center" and shall not be distributed to the founders.

69. Revenues and expenses shall be recognized and reflected in the financial statements according to the accrual method in the reporting period in which they arise, regardless of when the funds are actually received or paid. (pc.8 of SNC 8 "Expenses")

70. Other income and expenses of the organization include:

- asset gains and losses (losses) identified by the inventory;
- debts and claims settled in connection with the expiry of limitation periods;
- income and expenses from the sale of unused assets;
- income from the letting on an irregular basis of the non-commercial organization's assets;
- revenue from the recovery of material losses; (point 39 of the methodological guidelines).

All additional income obtained (apart from special grants and contracts) within the framework of the activities related to the execution of the core functions of the AO "Independent Journalism Center" is directed to the financing of the statutory activities, and is not distributed to the founders.

71. In connection with the fact that the organization is non-commercial, public and not engaged in entrepreneurial activity - there are no taxable sources of income. The socially useful activity is confirmed on the basis of the Certificate issued by the Certification Commission of the Ministry of Justice of the Republic of Moldova.

Internal Control

Internal control is all forms of control exercised within the Independent Journalism Center (IJC), including internal audit, established by the management in accordance with the objectives of the Center and legal regulations, in order to ensure the economical, efficient and effective management of funds.

Through the control function, management identifies deviations of results from objectives, analyzes the causes of the deviations and orders corrective or preventive measures as necessary.

Internal control has the following functions:

1. Monitoring and supporting the achievement of the objectives set out in the IJC Development Strategy;
2. Monitoring the implementation of strategies and the fulfilment of the specific service tasks of each function;

-
3. Control of the legality of accounting documents, procurement contracts, contracts for the provision of services, as well as the use of own budget for public procurement, goods and materials necessary for the IJC activities;
 4. Control of how the provisions of laws, ordinances and decrees, as well as the decisions and provisions of the Executive Director, are carried out by all IJC employees;
 5. Analysis and control of irregularities and damages reported in internal audit reports;
 6. Taking action to address deficiencies and damages confirmed by internal audit reports;
 7. Organization specific SWOT plan.

The operational and financial elements of each action will be carried out by persons independent of each other, i.e. the initiation and verification functions will be separate.

At least three persons shall be involved in the confirmation of banking operations, apart from administrative expenses:

- Executive Director; Financial Director; Project Coordinator/Director.

The confirmation of administrative expenditure will be attended by:

- Executive Director; Financial Director; Accountant.

The opening of bank accounts will be attended by:

Executive Director; Chief Financial Officer.

Monetary payments will be approved by the Director of the IJC or the Director for Strategic Development and the Director of Finance, the only persons who have the right to sign.

5. Notes to the Financial Statements

A) Intangible fixed assets

At the end of the audited period 31.12.2024, the entity has intangible assets at the end of the audited period amounted to 4,639,204 MDL. A more detailed breakdown is given in the table below.

(MDL)

Indicatori	Balance at 31.12.2023	Balance at 31.12.2024
Licențe	59,556	59,556
Programe informatice	30,146	5,580,351
Amortizarea imobilizărilor necorporale	-70,660	-1,000,702
Total imobilizări corporale	19,042	4,639,204

B) Tangible fixed assets

The balance sheet value of tangible fixed assets at the end of the audited period amounted to 300,999 MDL, the detailed breakdown is shown in the table below.

(MDL)

Indicators	Balance at 31.12.2023	Balance at 31.12.2024
Buildings	803,138	803,138
Machinery, equipment, and technical installations	907,144	905,636
Inventory and furniture	70,898	98,660
Other fixed assets	11,873	11,873
Depreciation of tangible fixed assets	-1,539,526	-1,518,309
Total tangible fixed assets	253,527	300,999

Information on the composition of tangible fixed assets is reflected in the following table:

(MDL)

Indicators	Opening balance at 01.01.2024 (at entry cost)	Accumulated depreciation at 01.01.2024	Closing balance at 31.12.2024 (at entry cost)	Accumulated depreciation at 31.12.2024
1	2	3	6	7
Fixed assets, total	1,793,053	1,539,526	1,819,308	1,518,309
of which:	0	0	0	0
Buildings	803,138	624,383	803,138	644,244
Special constructions	0	0	0	0
Machinery, equipment, plant, plant for transmission	907,144	859,324	905,636	810,708
Inventory and furniture related to the fund	70,898	55,819	98,659.67	63,356
Inventory and furniture related to the statutory economic activity	0	0	0	0
Other fixed assets related to the fund	11,873	0	11,873.46	0
Other fixed assets related to the fund statutory	0	0	0.00	0

C) Current assets

The value of current assets at the end of the financial year amounted to 6,227,477 MDL, a detailed analysis of which is shown in the table below:

(MDL)

Indicators	Balance at 31.12.2023	Balance at 31.12.2024
Materials	307,086	368,126
Small value and short duration objects	0	0
Account receivables and advances	106,755	73,898
Budget receivables	6,915	6,908
Staff receivables	0	0
Other current receivables	1,184,028	610,815
Cash	6,326,835	5,164,944
Current anticipated expenses	4,572,152	2,724
Other current assets	61	61
Total current assets	12,503,831	6,227,477

The total value of current assets decreased during the reporting period by MDL 6,276,354, mainly due to the increase in Current anticipated expenses by MDL 4,569,428, in cash by MDL 1,161,891 and in Other current receivables items by MDL 573,213.

The largest share in total current assets is held in *cash*, which constitutes 51% at the beginning of the reporting period and 83% at the end of the current reporting period.

➤ **Short-term receivables**

Short-term receivables and advances granted are shown in the table:

(MDL)

Indicators	Balance at 31.12.2023	Balance at 31.12.2024
Current advances granted	106,755	73,898
Total trade receivables and advances granted	106,755	73,898

➤ **Budget claims**

(MDL)

Indicators	Balance at 31.12.2023	Balance at 31.12.2024
Individual income tax receivables	1,311	0
VAT	1,302	1,121
Income tax withheld at source	4,290	5,775
Property Tax	12	12
Total budget receivables	6,915	6,908

➤ **Other current receivables**

(MDL)

Indicators	Balance at 31.12.2023	Balance at 31.12.2024
Other current liabilities	1,184,028	610,815
Total special-purpose funds	1,184,028	610,815

➤ **Funds**

The cash balance as at 31.12.2024 constitutes MDL 5,164,944 and is confirmed by the accounting records.

(MDL)

Indicators	Balance at 31.12.2023	Balance at 31.12.2024
Cash in the till	103	1,419
Cash current accounts in national currency	2,272,163	1,972,616
Cash current accounts in foreign currency	4,054,568	3,190,907
Other bank accounts	1	1
Total cash	6,326,835	5,164,944

P.A. "Independent Journalism Center" holds bank accounts with B.C. "Victoriabank" S.A. as follows:

Bank	IBAN	Currency	Balance at 31.12.2024
Victoriabank SA	MD26VI000222400100103796USD	USD	100,906.52
	MD17VI000222400300103796GBP	GBP	0.00
	MD17VI000222401700103796EUR	EUR	68,679.67
	MD17VI000222410100103796USD	USD	0.00
	MD36VI225100000103796MDL	MDL	480,505.28
	MD11VI225110000103796MDL	MDL	830,241.00
	MD58VI225130000103796MDL	MDL	0.00
	MD84VI000002251903283MDL	MDL	0.00
	MD14VI00000002251903283EUR	EUR	0.00
	MD13VI022580300653952MDL	MDL	33,065.63
	MD15VI022240300000489USD	USD	0.00
	MD98VI022240300000973MDL	MDL	63,241.28
	MD48VI022240300000974MDL	MDL	316,878.59
	MD95VI022240300000975MDL	MDL	88,254.83
	MD45VI022240300000976MDL	MDL	117,333.87
	MD92VI022240300000977MDL	MDL	40,612.82
	MD42VI22240300000978MDL	MDL	2,482.83
	MD89VI022240300000979MDL	MDL	0.00
	MD39VI022240300000980MDL	MDL	0.00

The bank balances were confirmed by the Certificate on the confirmation of the account balance w/no., dated 13.08.2025 received from BC "Victoriabank" SA.

D) Equity

The association's equity amounted to 8,048,887 MDL at the end of 2024, which represents an increase of 5,166,048 MDL compared to the previous reporting period.

(MDL)

Indicators	Balance at 31.12.2023	Balance at 31.12.2024
Corrections to previous years' results	X	0
Net surplus (deficit) for the reporting period	X	19,173
Founders' initial contributions	0	0
Fixed Assets Fund	271,947	4,939,581
Self-financing fund	2,610,892	3,090,133
Other funds	0	0
Total equity	2,882,839	8,048,887

E) Liabilities

The Entity's debts at the beginning of the reporting period amounted to 3,118,793 MDL and increased during the reporting period by 6,774,768 MDL. The situation of the debt balances at the beginning and end of the year is shown in the table below.

(MDL)

Indicators	Balance at 31.12.2023	Balance at 31.12.2024
Long-term earmarked long-term financing and receipts	0	0
Total long-term liabilities	0	0
Current special purpose financing and receipts	3,810,754	2,108,123
Current financial debts	0	0
Trade payables and advances received	15,322	26,371
Amounts owed to staff	3	3
Social and medical insurance debts	0	0
Budget debts	6	0
Current anticipated revenues	4,883,448	373,481
Other current liabilities	1,184,028	610,815
Total current liabilities	9,893,561	3,118,793
Total debts	9,893,561	3,118,793

F) Financing and receipts with special purpose

During the reporting period, the entity obtained earmarked funding for the implementation of projects from various donors. The unutilized balance of the special purpose grants and receipts is recorded in the accounting records on a donor/project by donor/project basis in account 537 'Current special purpose grants and receipts'. The detail of the assigned revenue is shown in the following table.

In the table below we have detailed the information related to the projects implemented by P.A. "Independent Journalism Center" during the audited period.

(USD)

Proiecte	Sold inițial	Primit	Cheltuit	Sold final	Finanțatori
Strengthening media education skills in the Republic of Moldova: Piloting an integrated approach in formal education	1,171	50,043	46,438	4,776	Deutsche Welle Akademie / German Federal Ministry for Economic Cooperation and Development
Media education and literacy and optimization of newsrooms	0	31,200	27,778	3,423	Internews / Ministry of Foreign Affairs of the Kingdom of the Netherlands
The #narrative exhibition / Tulip Press Awards	10,252	26,720	25,929	11,043	Embassy of the Kingdom of the Netherlands
Resilient civil society and mass media in the face of the war in Ukraine	0	12,989	12,989	0	People in Need
Advancing media and information literacy in Moldova	15,084	41,265	39,163	17,186	International Media Support (IMS)
Strengthening the independent media sector in the Republic of Moldova	5,032	0	5,032	0	Sweden
Advancing media education and supporting mass media in the Republic of Moldova	29,446	113,109	135,261	7,294	Sweden / Internews in Moldova
Support for refugees from Ukraine through mass media	-1,162	14,225	13,063	0	Government of Japan / UNESCO
READ – We React, Expose, and Act against Disinformation	0	66,943	87,642	-20,699	International Media Support (IMS) / European Union
Promoting media education among citizens through quality media content	-743	52,574	57,814	-5,983	Institute for War and Peace Reporting (IWPR)
Support for independent media in the Eastern Partnership countries	0	22,472	19,796	2,675	BBC Media Action
Strengthening the institutional and monitoring capacity of the Audiovisual Council of Moldova	49,703	0	49,703	0	Embassy of the United States of America in the Republic of Moldova
Assistance for independent media	7,573	12,000	8,971	10,602	Embassy of the United States of America in the Republic of Moldova
Greater freedom on the internet	0	18,970	18,970	0	Internews / United States Agency for International Development (USAID)
Google global partnership program	0	4,500	1,426	3,074	Internews / Google
Vibrant Information Barometer 2024	2,882	5,895	8,777	0	IREX
Press in support of democracy, inclusion, and accountability in Moldova (MEDIA-M)	149	198,762	190,513	8,398	Internews / USAID / UK

Proiecte	Sold inițial	Primit	Cheltuit	Sold final	Finanțatori
Get the trolls out!	-652	24,929	24,216	61	Media Diversity Institute
Promoting social cohesion in Moldova by encouraging inclusion and reducing discrimination	79,636	66,947	100,829	45,754	Government of Switzerland
Ensuring the visibility and improving the communication of civil society organizations involved in providing social services	8,218	9,335	17,552	0	Soros Foundation Moldova / European Union
Service provision	0	2,671	2,671	0	
2% Designation	382	304	382	304	
CJI Fund	149,998	44,575	26,312	168,261	
Total	356,969	820,428	921,227	256,169	X

J) Income and expenditures

Revenue and expenditure related to earmarked funds

The Entity's income and expenditure records are kept in accordance with the Methodological Guidelines.

Expenditure and income relating to special-purpose assets shall be recognized and recorded at the same time in the same period and in the same amount.

During the reporting period, the Entity records revenues and expenses related to special purpose funds in the amount of 13,320,323 MDL, which represents a decrease of 3% compared to the previous reporting period where the amount was 13,772,329 MDL. During the audited period was generated by the entity in amount of 19,173 MDL.

6. Fees, Taxes and Contributions

The expenses related to the remuneration of employees are made on the basis of the legislation in force. The Association calculated and remitted to the authorized state bodies the income tax and social medical insurance contributions in accordance with the rates established by the *Tax Code of the Republic of Moldova no. 1163-XIII of 24.04.1997*, the *Law on the Public Social Insurance System no.419 of 22.12.2023* and the *Law on Compulsory Health Care Insurance Funds no.420 of 22.12.2023* in force for the year 2024.

7. Conflict of interest

No conflicts of interest or similar situations that would have drawn our attention to an increased risk of fraud or error were detected in the procedures performed.

8. Continuity of activity

Going concern requires the preparation of financial statements on the assumption that the entity will

continue in operation normally for at least 12 months after the reporting date without the intention or need to liquidate or curtail its operations.

P.A. "Independent Journalism Center" is a non-commercial organization, which has been active since 2001 and currently has long-term projects in progress.

At the same time, the Entity has long-term organizational development plans, strategies and capabilities.

9. Previous audit (2023)

The audit of the overall financial statements for the year ended 31.12.2023 has been performed, the recommendations have been implemented by the entity.

10. Confirmation of Auditors' Independence

(see also declarations of ethics and independence of 29.05.2025)

Ethical and independence requirements (as set by IFAC as well as applicable national independence regulations).

With reference to P.A. "Independent Journalism Center". we confirm that, for the period covered by our audit and through the date of this confirmation, we have complied with the relevant ethical requirements, including independence requirements applicable to the audit of the financial statements of P.A. "Independent Journalism Center". for the year ended 31.12.2024.

We confirm that we, the audit team, the persons mentioned in the engagement letter of 29.05.2025 - Cristina Pașinschi, Corneliu Șoimu and Sergiu Brînzan:

- We were independent auditors within the meaning of the independence rules referred to above;
- We have no information about any circumstances that have threatened, or appear to threaten, our independence;
- We will continue to take steps and monitor our services to maintain independence compliance, at least until the financial statements for the year ended 31.12.2024 are approved by P.A. "Independent Journalism Center".

There are no other circumstances affecting our ability to confirm the above, or we are aware that these have any influence on our independence which should be noticed.

11. Signature

Auditor' signature: **"First Audit International" LLC**
Name of the Auditor who signed: **Cristina Pașinschi, certified auditor**
Auditor's address: **str. M. Kogălniceanu, 61, office 7, MD-2009,
mun. Chișinău, Republic of Moldova**
Date of signature: **26.08.2025**

