

NON-GOVERNMENTAL ASSOCIATION "MOTIVATIE"
FROM MOLDOVA
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2023

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INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT OF NON-GOVERNMENTAL ASSOCIATION "ASSOCIATION MOTIVAȚIE" FROM MOLDOVA 22.03.2024

We have audited the financial statements of Non-Governmental Association "Association "MOTIVAȚIE" from Moldova (hereinafter "Motivatie") which comprise the balance sheet for the year ended 31.12.2023, statement of income and expenses and statement of changes in funding sources for the year then ended and notes to the financial statements, including a summary of the significant accounting policies.

OPINION

In our opinion, the accompanying financial statements:

- present fairly, in all material respects, the financial position of the Non-Governmental Association
- da for the year ended 31.12.2023 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 Non-Governmental Association "Asossiation "Motivatie" from Moldova.

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.

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 weathers 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 based on 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 procedures that are appropriate in the circumstances, but not for the purpose of expressing 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.,

PAVEL BODAREV

I. FINANCIAL STATEMENTS

BALANCE SHEET AS OF 31.12.2023

Item	Note	2022	2023
		MDL	MDL
Assets			
Long-term assets			
Intangible assets	1	47 595	41 980
Tangible assets in construction		21 899	21 899
Lands			
Tangible assets	2	897 437	693 160
Long-term financial investments			
Other long-terms assets			
Total long-terms assets		966 931	757 039
Current assets	3		
Inventory		2 269	845
Short-term receivables	3.1	120 339	148 137
Other short-term receivables	3.2	86 058	328 236
Cash	4	2 834 460	3 329 686
Short-term financial investments			
Other short-term assets		3 922	9 944
Other current assets			
Total current assets		3 047 048	3 816 848
Total assets		4 013 979	4 573 887
Equity and liabilities			
Equity	5		
Net excess(net deficit) of the period			132 242
Subsidies		966 931	757 039
Funds		2 044 134	2 326 912
Total equity		3 011 065	3 216 193
Long-term liabilities			
Long-term special purpose financing and receipts			
Other long-term liabilities			
Total long-term liabilities		-	
Short-term liabilities	6		
Short-term loans			
Short-term trade payables and advances received		995	2 020
Short-term accrued liabilities		-	92
Short-term deferred income		114 884	192 158
Short-term special purpose financing and receipts	6.1	826 746	1 163 424
Other short-term liabilities		60 289	-
Total short-term liabilities		1 022 914	1 357 694
Total equity and liabilities		4 013 979	4 573 887

The financial statements, accounting policies used and notes presented at pages 15-20, which are integral part of those financial statements, has been approved by Asossiation MOTIVATIE as of 15.03.2024 and signed in name of Asossiation MOTIVATIE by:

Executive Director

Financial Manager

Iachim Ludmila

Ivan Burlacu

STATEMENTS OF INCOME AND EXPENSES FOR THE YEAR 2023

Item	2022	2023
	MDL	MDL
Income related to special purpose funds	7 820 921,00	11 657 213,00
Expenses related to special purpose funds	7 820 921,00	11 657 213,00
Excess (deficit) related to special purpose funds	0,00	0,00
Other income (except income from economic activity)		
Other expenses (except income from economic activity)		
Excess (deficit) related to other activities	0,00	0,00
Income from economic activities	87 657,00	278 463,00
Expenses related to economic activities	63 818,00	146 221,00
Result: profit (loss) from economic activity	23 839,00	132 242,00
Income tax expenses		
Net excess (net deficit) of the financial period	23 839,00	132 242,00

STATEMENTS OF CHANGES IN FUNDING SOURCES FOR THE YEAR 2023

Items	Opening balance	Increases	Decreases	Closing balance
Special purpose funds				
Special purpose funds from the national budget				
Special purpose funds from the local budget				
Grants	573 031	12 663 663	12 073 270	1 163 424
Financial and technical assistance	-	7 280	7 280	-
Other special purpose funds and receipts	253 715	143 354	397 069	-
Total special purpose funds	826 746	12 814 297	12 477 619	1 163 424
Funds with no special purpose				
Donations				
Financial aid				
Other funds with no special purpose	46 289	-	46 289	-
Total funds with no special purpose	46 289	-	46 289	-
Founders' and members' contributions				
Membership fees	14 000	4 000	18 000	-
Other contributions				
Total contribuții ale fondatorilor și membrilor	14 000	4 000	18 000	-
Funds				
Initial contributions of the founders				
Fixed assets funds	966 931	48 329	258 221	757 039
Self financing fund	2 044 134	494 551	79 531	2 459 154
Other funds				
Total funds	3 011 065	542 880	337 752	3 216 193
Other sources of funding				
Total sources of funding	3 898 100	13 361 177	12 879 660	4 379 617

II. LEGAL STATUS AND CORE BUSINESS

1.1. Public Association „Asociația MOTIVAȚIE from Moldova” (hereafter - the Association) was founded on January 4, 2002 and registered at the Ministry of Justice of the Republic of Moldova under number 2079,

1.2. address: mun. Chișinău, bd. Mircea cel Bătrân, nr. 42/2, ap. 1.

The main activity carried out by the Association is: supporting the process of social integration of children and young people with disabilities by changing the mentality of rejection shown by society.

1.3. The aims of the Association are

- achieving a change in mentality among the population, with special emphasis on children and young people with disabilities and their parents, which would favor their social integration and diminish the phenomenon of marginalization and social exclusion of disadvantaged categories;
- the training of "agents of change" from among journalists, pedagogues, educators, social workers for the cascade multiplication of knowledge regarding the social integration of children and young people with disabilities;
- facilitating the process of social integration of children and young people with disabilities by offering specialized social services and informational support;
- preventing the abandonment and institutionalization of children and young people with disabilities;
- active recovery of children and young people with disabilities - especially locomotor disabilities;
- supporting the participation of children and young people with disabilities in social life and decision-making regarding their well-being;
- design and manufacture of equipment and assistive devices, intended for children and young people with disabilities;
- boosting volunteering practices among children and young people;
- educating children and young people in the spirit of human rights, peace, tolerance, a healthy way of life.

To achieve its goals, the P.A. carries out the following statutory activities:

- organizes seminars, courses, conferences with the theme of social integration, active recovery, the rights of people with disabilities, tolerance, acceptance, etc. within the Association, in educational, medical institutions and centers for children and youth;
- organizes active recovery internships, summer schools, courses, seminars both for children and young people with disabilities and for their parents;
- organizes seminars, courses, internships, trainings for the Association's specialists;
- organizes seminars, courses, training courses, trainings for volunteers and trainers;
- prepares radio and television shows in partnership with the mass media;
- implements projects in partnership with state institutions and non-governmental organizations;
- edits typographic production, including posters, leaflets, brochures, methodical literature in the fields of special education, social integration;
- elaborates and implements scientific, educational, cognitive, social, cultural-artistic, sports, touristic, welfare programs for children and youth;
- intervenes with the state bodies with proposals regarding the operation of the legislative and normative base in the problems of persons with disabilities;
- defends the rights of its members in state and public bodies;
- founds enterprises and organizations with legal entity rights in order to achieve the statutory objectives;
- carry out other activities that do not contravene the legislation in force.

The association implemented in 2023 projects financed by: EAST EUROPEAN FOUNDATION, IM_Reprezentanta IM Swedish Development Partner A.O., UN WOMEN and the Women's Fund for Peace and Humanitarian Assistance, UNDP Moldova, UNFPA, EUROPEAN DISABILITY FORUM, FOUNDATION DE FRANCE, Mercy Corps, International Organization for Migration, PREMIER ENERGY S.R.L..

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.

The official exchange rate for the audited period was:

Currency/Period	31.12.2022	31.12.2023
USD	19.1579	17,4062
EURO	20.3792	19,3574
GBP	23.0402	22,2660

IV. ACCOUNTING PRINCIPLES

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

1.

GENERAL PROVISIONS

The accounting of the association is based on:

- Law on accounting and financial reporting No. 287 of 15.12.2017;
- 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;
- National Accounting Standards (hereafter – NAS), approved by Order of the Minister of Finance no. 118 of 06.08.2013;
- General Chart of Accounts approved by the Order of the Ministry of Finance no.119 of 06.08.2013;
- Other normative acts (pt. 6 of Methodical Indications).

Accounting is kept by a specialized firm on a contractual basis (in accordance with art. 18 of the Accounting Law).

The responsibility for keeping the accounts and drawing up the financial statements is attributed to the executive director of the association (art. 18 para. (2) of the Accounting and Financial Reporting Law).

The association applies the double-entry accounting system, with the presentation of financial statements according to the Methodical Guidelines (art. 5 paragraph (5) of the Accounting Law, point 7 of the Methodical Guidelines).

The association registers the accounting elements based on accrual accounting (art. 6 paragraph (b) of the Accounting Law, point 9 subpoint 1) of the Methodological Guidelines). independently (art. 11 par. (4) of the Accounting Law) which are presented in annex 1.

2. Accounting procedures for which the normative acts provide for different variants

Special purpose means

2.1. Special purpose means are recognized on the basis of accrual accounting (point 17 of the Methodological Guidelines).

2.2. Special purpose funds used to cover expenses are settled against current income to the extent that expenses are incurred (point 22 subpoint 2) of the Methodological Guidelines).

2.3. Special purpose funds used for the procurement/production of stocks and other current assets, as well as for the granting of advances, are recorded as a decrease in special purpose financing and receipts and an increase in income. Funding and receipts with special purpose related to stocks and advances are granted to anticipated revenues in the total amount, and to the extent of the use of stocks and settlement of granted advances, the anticipated revenues will be settled to current revenues (point 23 subpoint 2) of the Methodological Instructions).

2.4. Special purpose funds received in the form of immobilized assets or used for the procurement/creation of such assets are settled to the immobilized assets fund when they are put into operation (point 24 of the Methodological Instructions).

2.5. Favorable and unfavorable exchange rate differences related to means with special purpose in foreign currency are recorded as an increase or decrease in financing and receipts with special purpose (point 27 of the Methodological Instructions).

2.6. The unused special purpose funds that appear in the case of incomplete use of the funds received, due to the suspension of programs/projects or after their completion, or when the amount of funds received exceeds the amount of funds used, with the consent of the financier, the unused funds can be reimbursed, redirected to the co-financing of other programs / projects, or left at the disposal of the non-commercial organization. (Point 29 of the Methodical Indications).

The repayment of unused funds is recorded as a simultaneous reduction of long-term or current special purpose financings and receipts and assets (cash, etc.). The redirection of funds is recorded as internal correspondence between the sub-accounts of the synthetic accounts for recording financing and receipts with a special purpose. The settlement of the unused funds that remained at the disposal of the non-commercial organization is recorded as a decrease in financing and receipts with a special long-term or current purpose and an increase in the self-financing fund. (Point 30 of the Methodical Guidelines).

The funding sources of the association include:

- special purpose means in the form of:
 - grants,
 - conditional donations,
 - financial assistance,
- other funding and receipts with special purpose;
- the unpredestined means in the form of:
 - unconditional donations,
 - financial aid;
- dues and other contributions of association members;

- sources from the statutory economic activity;
- other means (credits, loans).

Non-predestined means and contributions of the founders and members of the association

2.7. The unassigned funds received in the form of fixed assets are settled when they are transferred into operation to the fixed assets fund (point 32 of the Methodological Instructions).

2.8. The unassigned funds received in the form of current assets are settled according to their use to current income (point 33 of the Methodological Guidelines).

2.9. The unassigned funds not used until the reporting date are settled to the self-financing fund (point 35 of the Methodological Instructions).

2.10. Dues and other contributions of the founders and members of the association intended for the realization of special missions are accounted for in the same way as means with a special purpose (point 38 subpoint 1) of the Methodological Instructions).

2.11. Dues and other contributions of association members, the use of which is not conditioned by the achievement of special missions, are settled in the same way as non-predestined means (point 38 subpoint 2) of the Methodical Instructions).

Income and expenses

2.12. Revenues related to special purpose means include the amounts of special purpose means used, with the exception of the means used for the procurement/creation of immobilized assets. These revenues are recognized to the extent of the use of the means with special purpose and are evaluated in the size of the actual current expenses incurred on account of these means, the cost of stocks consumed, the amounts of advances settled and other costs covered from the account of means with special purpose.

2.14. Other income and expenses of the association include:

- Income from the additions of immobilized and current assets found in the inventory;
- Income from the recovery of material damage;
- Income from the settlement of debts with expired prescription;
- Expenses regarding shortages and losses from the deterioration of fixed and current assets;
- Expenses from the settlement of compromised claims;
- Other expenses;

2.15. Income from economic activity includes:

- income from production activity, the sale of goods, the execution of works and the provision of services;
- financial income (income from exchange rate and amount differences, interest, except for those related to special purpose funds, investments, other financial income);
- the income resulting from the rewards received for the compensation of expenses or losses from natural calamities or other exceptional events;
- other income related to the economic activity (point 44 of the Methodological Indications).

2.16. The expenses from the economic activity include:

- the accounting value of the goods sold;

- the cost of services provided/works performed;
- unfavorable exchange rate and amount differences, interest, and other financial expenses, except for those related to special purpose funds;
- losses from natural calamities or other exceptional events;
- other expenses related to obtaining income from economic activity (point 45 of the Methodological Guidelines).

The result from the economic activity profit (loss) is determined at the end of the management period and is settled towards the increase or decrease of the self-financing fund of the Association.

Intangible and tangible assets

2.17. Intangible and tangible fixed assets are initially recognized on evidence objects whose nomenclature is established by the executive director of the association (point 5 of the NAS "Intangible and tangible fixed assets", point 52 of the Methodological Indications). The asset received as a donation or procured from the account of the donated means is recognized as a fixed or current asset depending on the purpose of the subsequent destination. In the case of procuring the asset for continuous use in the organization's activity, it will be recognized as a tangible asset. If the asset is intended for transmission to other beneficiaries (with the exception of the lease), it will be recognized and presented in the balance sheet as an element of current assets and/or transferable assets.

2.18. The initial evaluation of each tangible and intangible asset record object is carried out at the input cost, which is determined according to the source of input.

2.19. The subsequent evaluation of intangible and tangible assets is carried out at the accounting value (point 17 of the NAS "Intangible and tangible assets").

2.20. The durations of use of tangible and intangible fixed assets are established depending on the manner of their use and are presented in the minutes of receipt-handover (transmission into operation) (point 20 of the NAS "Intangible and tangible fixed assets").

2.21. Fixed assets include the tangible fixed assets transferred into operation, the unit value of which exceeds the value ceiling provided by the fiscal legislation (point 4 of the NAS "Intangible and tangible fixed assets").

2.22. The residual value of fixed assets is insignificant and is considered null (point 20 of the NAS "Intangible and tangible assets").

2.23. Depreciation of intangible assets and fixed assets is calculated using the straight-line method (point 22 of the NAS "Intangible and tangible assets").

Allowable variants:

2.24. Depreciation of intangible assets and fixed assets is calculated, starting from the first day of the month following the month of their transmission into operation (point 28 of NAS "Intangible and tangible assets").

2.25 Assets received free of charge or procured from the account of various funding sources for transmission to other beneficiaries are registered as assets - in balance sheet accounts in case of compliance with

the recognition criteria established by the National Accounting Standards. In the other cases, the respective assets are registered to off-balance sheet accounts.

2.26. Assets received free of charge, regardless of their destination, are valued at the input cost, which is determined on the basis of donation documents, receipt-handover minutes, bills, invoices and other documents (point 49 of the Methodological Guidelines).

2.27. The input cost of the assets received for temporary use or for the purpose of their subsequent transmission to other beneficiaries is determined, according to the accompanying documents, by an independent commission appointed by the executive director of the association. If the accompanying documents are missing or do not indicate the value of the assets, it is determined based on:

- fair value - in the case of receiving assets from residents of the Republic of Moldova;
- value in customs - in case of receipt of assets from abroad of the Republic of Moldova;
- values determined on another reasonable basis (point 50 of the Methodological Indications).

2.28. The costs of acquiring and preparing assets for carrying out special missions are included in the entry cost only if they were covered by the same funding source (grant, project, technical assistance, etc.). Otherwise, these costs are recorded as current expenses (point 51 of the Methodological Guidelines).

2.29. The subsequent costs covered from different funding sources are distributed proportionally to the sizes of the respective funding sources (point 59 of the Methodological Guidelines).

Current assets

2.30. Stock accounting is kept in quantitative and value terms (point 10 of NAS "Inventories").

2.31. Inventories are settled directly at current costs and/or expenses at the time of their acquisition (point 9 of NAS "Inventories").

2.32. Outgoing stocks (consumed, sold, etc.) are evaluated by FIFO, and donated stocks – by the specific identification method (points 35–37 of NAS "Inventories").

2.33. The amount of the material damage is recorded in the composition of other income (point 32 of the NAS "Credits and financial investments")

2.34. Anticipated expenses and income are settled to current expenses and income using the straight-line method, during the management periods to which they are attributed (point 8 of NAS "Expenses" and point 64 of NAS "Equity and liabilities").

Other accounting elements and economic facts

2.35. The association's funds include: the immovable assets fund, the self-financing fund, other funds (point 75 of the Methodological Guidelines).

2.36. Receivables, cash, and liabilities in foreign currency are recalculated in national currency on the reporting date (point 13 of NAS "Exchange rate and amount differences").

2.37. The accounting of production costs is kept as a whole for the association, without the application of management accounts.

2.38. In case of the appearance of the statutory economic activity, this activity will be accounted for in accordance with the National Accounting Standards and the income tax will be determined according to the provisions of the Fiscal Code.

3. Accounting procedures developed independently (art. 18 para. (3) p.c) of the Accounting Law)

3.1. Debts related to unallocated funds are accounted for in the composition of other current debts.

3.2. The receivables related to the contributions of the founders and members of the association are accounted for in the composition of other current receivables.

3.3. At the Association, the means with special purpose are kept by types of financing (grants, financial and technical assistance, unconditional donations, other financing and receipts with special purpose s.a.) and by sources of financing applying the acronym of the implemented project.

3.4 Depending on the particularities of the activity and the requirements for the presentation of information, at the Association the second-degree accounts are grouped into accounts related to the statutory economic activity and accounts related to means with special purpose (related to funds) with the mandatory observance of the first-degree accounts according to the General Chart of Accounts.

3.5 At the Association, special purpose funds used for the procurement/creation of tangible and intangible assets are recorded as a decrease in special purpose financing and an increase in the tangible assets fund at the time of settlements with the suppliers of these assets, provided that the procurement/creation of these assets and the settlements with suppliers take place in the same fiscal year, otherwise the provisions of the Methodical Indications are respected.

3.6 At the Association, the means with a special purpose used to cover the expenses are settled to anticipated revenues in the total amount, at the time of the settlements for these expenses, and to the extent of recording the current expenses, the anticipated revenues will be settled to current revenues, provided that the current expenses and the settlements have place in the same fiscal year, otherwise the provisions of the Methodical Indications are respected .

3.7 The project rate for special purpose financial means received in foreign currency is the commercial rate at which the currency is exchanged. For projects denominated in foreign currency according to the signed contracts, but the inflows of funds with special purpose are in national currency, the project exchange rate is the official exchange rate on the date of entry or the exchange rate agreed by the financier.

3.8 The favorable and unfavorable exchange rate differences related to the self-financing fund expressed in foreign currency are recorded as an increase or decrease in the self-financing fund and as an increase or decrease in cash in current accounts in foreign currency related to the self-financing fund.

3.9. For the record of long-term assets received on lease, values of goods and materials received for temporary use and the record of forms with special regime and objects of low value and short duration in operation, the Association uses the off-balance accounts according to the chart of working accounts.

4. Records of tires and batteries

4.1 The value of tires and batteries included in the input cost of the means of transport procured and put into operation, is settled to costs/expenses by calculating depreciation, according to the exploitation of the means of transport.

4.2 The value of the tires and batteries purchased separately from the means of transport, upon transmission into operation (use), can be settled in the total amount to current costs/expenses, immobilizations in progress, etc.;

4.3 The accounting value of tires and batteries purchased separately from the means of transport recognized until the entry into force of the changes and additions to NAS "Inventories" will be accounted for according to the method of accounting for the value of tires and batteries purchased separately from the means of transport that was in force until December 31, 2019.

OMVSD accounting (low-value and short-lived objects)

5.1 In accordance with the new wording of point 53 of the NAS "Inventories", the wear and tear of OMVSD is calculated in the amount of 100% of the value of the objects reduced by the residual value upon their transmission into operation. This way of calculating the OMVSD wear and tear can only be applied to objects put into use starting from 01.01.2021, regardless of the period in which they were procured (up to and/or after 01.01.2021) and the source of input (special purpose and unpredestined funds, own resources obtained from economic activity, etc.).

5.2 The wear and tear of OMVSD in the amount of 50 % of the value of the objects in use at the date of entry into force of the changes made in the Methodical Indications and NAS is to be calculated when they are removed from operation (scrapping).

5.3 The method of calculating and accounting for the wear and tear of OMVSD sent into operation after 01.01.2021 is examined below.

According to the accounting policies, financing and receipts with a special purpose used for the procurement of stocks, including OMVSD, are recorded as anticipated revenues that are settled against current revenues as they are put into operation/calculation of wear and tear, respectively, for objects with a unit value no higher/greater than 1000-00 lei.

V. EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

A) Intangible assets

B) (MDL)

Elements	Computer programs	Other intangible assets	Total
	MDL	MDL	MDL
Cost			
at 01.01.2023	157 712	23 905	181 617
inputs	17 183		17 183
outputs	27 877		27 877
La 31.12.2023	147 018	23 905	170 923
Amortization			
at 01.01.2023	110 117	23 905	134 022
Calculated during the year	22 798		22 798
Depreciation written off	27 877		27 877
at 31.12.2023	105 038	23 905	128 943
The balance sheet value			
at 01.01.2023	47 595	0	47 595
at 31.12.2023	41 980	0	41 980

In the Financial Statements, intangible assets are reflected at their book value (initial value minus accumulated depreciation).

B) Tangible assets

The balance sheet value of tangible assets at the end of the period is 715,059 lei, consisting of assets under construction in the amount of 21,899 lei and fixed assets in the amount of 693,160 lei, and the depreciation of tangible assets amounts to 945,022 lei.

(MDL)

Elements	Buildings	Special constructions	Machines and equipment	Transport units	Furniture and inventories	Other fixed assets	Tangible assets in progress	Total
	MDL	MDL				MDL		MDL
Cost								
at 01.01.2023	0	13 000	428 263	1 170 647	57 411	25 732	21 899	1 716 952
inputs	0		31 725				31 725	63 450
outputs	0		63 618		24 978		31 725	120 321
La 31.12.2023	0	13 000	396 370	1 170 647	32 433	25 732	21 899	1 660 081
Amortization								
at 01.01.2023	0	3 553	283 628	454 664	52 339	3 433		797 616
Calculated during the year	0	520	67 115	159 107	4 305	4 375		235 423

Depreciation written off	0	0	63 618		24 399			88 017
at 31.12.2023	0	4 073	287 125	613 771	32 245	7 808		945 022
The balance sheet value								
at 01.01.2023	0	9 447	144 635	715 983	5 072	22 299	21 899	919 336
at 31.12.2023	0	8 927	109 245	556 876	188	17 924	21 899	715 059

C) CURRENT RECEIVABLES

The value of current assets at the end of the financial year is 3,816,848 lei, a detailed analysis of them is shown in the table below:

(MDL)

Items	Balance at 31.12.2022	Balance at 31.12.2023
Materials	2 269	845
Small value and short duration objects	0	0
Accounts receivable and advances	111 815	141 996
Budget receivables	2 704	2 704
Staff receivables		
Other current receivables, of which	91 878	331 673
Receivables on funds with special purpose	86 058	328 236
Cash	2 834 460	3 329 686
Other current assets	3 922	9 944
Total current assets	3 047 048	3 816 848

The total value of current assets increased by 769,800 lei during the management period, being determined by the increase of most indicators in the category of current assets, in particular by the increase in cash by 495,226 lei, of receivables on funds with special purpose by 239,795 lei and of trade receivables and advances granted with 30,181 lei.

The largest share in total current assets is held by cash, which is 93% at the beginning of the management period and 97% at the end of the current management period.

C) SHORT TERM RECEIVABLES

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

(MDL)

Items	Balance at 31.12.2022	Balance at 31.12.2023
Trade receivables	0	43 810
Advances granted in MDL	111 815	98 186
Total trade receivables and advances granted	111 815	141 996

➤ BUDGET CLAIMS

(MDL)

Items	Balance at 31.12.2022	Balance at 31.12.2023
Claims regarding other taxes	2,704	2,704
Total budget claims	2,704	2,704

➤ RECEIVABLES REGARDING SPECIAL PURPOSE FUNDS

(MDL)

Items	Balance at 31.12.2022	Balance at 31.12.2023
EDF	44,668	0
FOUNDATION DE FRANCE	41,390	0
MERCY CORPS MOLDOVA	0	99,261
OIM MISIUNEA IN RM	0	185,700
AO ALIE PARUSA	0	24,628
AO PSINCLUSION	0	18,647
Total special purpose funds	86,058	328,236

D) CASH

The cash balance on 31.12.2023 amounts to 3,329,686 lei and is confirmed by the accounting books and bank statements.

(MDL)

Items	Balance at 31.12.2022	Balance at 31.12.2023
Cash in cash register	0	
Cash in current accounts in national currency	971,087	1,419,389
Cash in current accounts in foreign currency	1,844,829	1,874,389
Other bank accounts	18,544	35,908
Total cash	2,834,460	3,329,686

D) EQUITY

Valoarea capitalului propriu al asociației constituia 3,011,065 lei la finele anului 2022, ceea ce reprezintă o majorare cu 829,464 lei față de perioada de gestiune precedentă.

(MDL)

Items	Balance at 31.12.2022	Balance at 31.12.2023
Net surplus (net deficit) of the period	23,922	132,242
Initial contributions of the founders	0	0
Fixed assets fund	966,931	757,039
Self-financing fund	2,020,212	2,326,912
Total capital propriu	3,011,065	3,216,193

E) LIABILITIES

The Entity's debts at the beginning of the management period amounted to 1,002,914 lei and increased during the management period by 354,780 lei. The situation of debt balances at the beginning and end of the year is shown in the table below.

(MDL)

Indicator	Sold la 31.12.2022	Sold la 31.12.2023
Long-term special purpose financing		
Total long-term debt	0	0
Current Special Purpose Financing	826,746	1,163,424
Current financial liabilities		
Trade payables and advances received	995	2,020
Debts to staff		
Social and medical insurance debts		
Debts to the budget		92
Current anticipated income	114,884	192,158
Other current liabilities	60,289	0
Total current liabilities	1,002,914	1,357,694
Total debts	1,002,914	1,357,694

F) FINANCING AND RECEIPTS WITH SPECIAL PURPOSE

During the management period, the entity obtained special purpose financing for the implementation of projects from different financiers. The unused balance of financing and receipts with special purpose is recorded in the accounting records for each individual financier/project at the account 537 "Financing and receipts with current special purpose". The breakdown of the balances of financing and receipts with special purpose is presented in the following table.

(MDL)

Financing and receipts with current special purpose	Balance at 31.12.2022	Balance at 31.12.2023
537.1 Current Financing and receipts with current special purpose		
EAST EUROPEAN FOUNDATION	50,197	46,027
IM_Reprezentanta IM Swedish Development Partner A.O.	180	0
INTERNATIONAL ORGANIZATION FOR MIGRATION	107,429	0
UN WOMEN	218,081	0
UNDP_Moldova	197,144	83,447
UNFPA	0	183,312
EUROPEAN DISABILITY FORUM	0	257,560
FOUNDATION DE FRANCE	0	593,078
537.4 Other Current Financing and receipts with current special purpose		
MOT_Asociatia Motivatie din Moldova	253,715	0
Total Current Financing and receipts with current special purpose	826,746	1,163,424
GENERAL Total	826,746	1,163,424

J) INCOME AND EXPENDITURES*Income and expenditures related to special purpose funds*

The income and expenditures accounting is kept in accordance with the Methodical Indications.

The expenditures and incomes related to the special funds are recognized and recorded simultaneously in the same period and in the same size.

During the audited period, the Entity recorded income and expenditures related to special purpose funds in the amount of 11,657,213 MDL which represents a 149,1% increase compared to the previous management period of 2022 in the amount of 7,820,921 MDL.

6. TAXES, FEES, AND CONTRIBUTIONS

The expenditures related to the remuneration of the employees are made according to the legislation in force. The Entity retained and paid to the state authorized bodies the income tax and the social security and medical insurance contributions in accordance with the quotas established by the Fiscal Code of the Republic of Moldova no. 1163-XIII of 24.04.1997, with subsequent amendments, the Law on budget social security fees no 489 of 08.07.1999, the Law on mandatory medical insurance fees no.207 of 16.12.2021 in force for 2022.

7. Continuity of activity

The continuity of the activity provides the preparation of the financial statements starting from the hypothesis that the Entity will normally continue its activity for at least a period of 12 months from the reporting date without the intention or need to liquidate or significantly reduce its activity.

P.A. Association „MOTIVAȚIE” from Moldova is a non-commercial organization, which has been active since 2002 and which currently has long-term projects in progress.

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

**Disclosure of information regarding the execution of budgets
related to completed projects**

The information regarding the execution of budgets related to projects/programs and other special missions carried out in 2023 is presented in the following table:

Nr. ord.	Donor	Project title	MDL			
			Balance at beginning of the year	Funding received	Funding used	Balance at end of the year
1	Representation IM Swedish Development Partner A.O.	<i>CORE Support IM - Improving the quality of life of people with disabilities through economic empowerment</i>	180	1,018,310	1,018,490	0
2	UNDP Low Grant Value	<i>“Addressing stigma and discrimination of women and girls with disabilities in Moldova “Building peace and resilient women, organizations and communities”</i>	197,144	36,734	233,878	0
3	UNW ECA II 2022	<i>„Accept your disability do not accept the violence,,</i>	0	24,313	24,313	0
4	WPHF UN Women Peace2022	<i>Solidarity and Activism for Peace</i>	162,832	672,144	834,976	0
5	WPHF UN Women Peace2023	<i>Together for solidarity!</i>	0	571,530	571,530	0
6	EAST EUROPEAN FOUNDATIO N	<i>Economic empowerment of people with disabilities through assisted employment</i>	50,197	517,188	521,357	46,027
7	EDF European DisabilityForum	<i>Disability solidarity: Mobilizing Moldovan OPDs and Ukrainian refugees with disabilities to strengthen disability inclusion in the response</i>	0	45,031	45,031	0
8	EDF European DisabilityForum	<i>Ukraine war: OPD led disability inclusive response and recovery (Phase 2)</i>	0	964,210	706,650	257,560
9	FDF Foundation de France	<i>Solidarity for UKRAINE!</i>	0	2,850,955	2,257,878	593,077
10	IOM_World Organization of Migration	<i>“Needs-based support for refugees with disabilities from Ukraine in Moldova”</i>	107,429	1,857,000	1,964,429	0
11	MERCY CORPS	<i>Solidarity with Ukraine!</i>	0	1,985,255	1,985,255	0
12	PREMIER ENERGY S.R.L.	<i>”Martisoare Confectionery”</i>	0	36,000	36,000	0
13	UN WOMEN	<i>Strong women for inclusive society! An.2023 PA004438MDA</i>	55,249	1,151,649	1,123,451	83,447
14	UNFPA	<i>Partnership Agreement ID 249438</i>	0	1,012,996	829,684	183,312
	Total		573,031	12,743,314	12,152,921	1,163,424

Alte informații

In 2023, the receivables regarding membership fees were recorded in the amount of 4,000 lei, balance at the beginning of the year - 5,820 lei, collected in 2023 - 4,500 lei, balance at the end of the year 5,320 lei.

In 2023, Association "MOTIVATIE" from Moldova obtained a total net surplus of the management period in the amount of 132,242 lei, which represents profit from economic activity, which after the balance sheet reform will be reflected in the self-financing fund. The income from the economic activity represents the sums received from goods rental services, consultancy services, specialized transport services, training services and other activities included in the Association Statute.

The labor remuneration fund in 2023 amounted to 5,174,694 lei, and was paid in full.

Total employed and remunerated in 2023 are 47 people, and include people employed by individual labor contracts and people employed on the basis of service contracts.

In 2023, the Association "MOTIVATIE" from Moldova obtained funds from the 2% percentage designation, in the amount of 18,037-50 lei. This amount will be used to achieve the statutory goals of the organization and, or for public utility activities in accordance with the Decision of the Board of Directors of the Association "MOTIVATIE" from Moldova.

At the same time in 2023, the association reported the use of sources from the percentage designation received in 2021, in a total amount of 17,704-81 lei. The receipt and use of sources from the percentage designation is reflected in the Declaration on income tax for non-commercial organizations (NGO17) for the fiscal year 2023.

COMMITMENTS AND CONTINGENT LIABILITIES

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