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**BUILDING EFFECTIVE PRIVATE-PUBLIC DIALOGUE  
THROUGH A NATIONAL BUSINESS AGENDA**

**INSTITUTE FOR DEVELOPMENT AND SOCIAL INITIATIVES "VIITORUL"**

**GRANT AGREEMENT 0107303-000-00**

**PROJECT FINANCIAL SCHEDULES**

**For the Seventeen Months Period Ended 31 March 2009**

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FINANCIAL SCHEDULES  
For the Seventeen Months Period Ended 31 March 2009**

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**INDEPENDENT AUDITORS' REPORT  
TO THE INSTITUTE FOR DEVELOPMENT AND SOCIAL INITIATIVES "VIITORUL"**

We have audited the accompanying financial schedules comprising of the Statement of Sources and Uses of Funds of the "Building Effective Private-Public Dialogue through a National Business Agenda" (the "Project") for the seventeen months period ended 31 March 2009, and a summary of significant accounting policies and other explanatory notes, in relation to the Grant Agreement 0107303-000-00 dated 25 October 2007 (the "Agreement"), concluded between the Center for International Private Enterprises (the "CIPE") and the Institute for Development and Social Initiatives "Viitorul" (the "IDIS Viitorul"). These financial schedules are the responsibility of the Project's management.

Our responsibility is to express an opinion on the accompanying schedules based on our audit.

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

In our opinion:

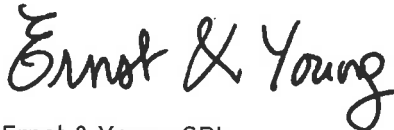
- (a) The accompanying financial schedules give a true and fair view of the finance received and expenses paid by the Project for the seventeen months period ended 31 March 2009 in accordance with the cash receipts and disbursements basis as described in Note 2 (a) to the financial schedules;
- (b) The Project was, in all material respects, in compliance with the accounting and financial reporting matters of the Grant Agreement referred to in the preceding paragraphs as at 31 March 2009.

*Continued*

Without qualifying our opinion, we draw your attention to the following:

- a) This report relates only to the financial schedules as specified above and does not extend to any financial statements of the Project for the seventeen months period ended 31 March 2009 or any other period taken as a whole;
- b) Budgeted-to-date figures presented in the financial schedules referred to above were not audited by us since this is outside the scope of this engagement;
- c) The project used a bank account functioning previously for another project's objective and including a remaining balance of USD 592 which was not audited since this is out of our scope;
- d) This report is intended solely for the information and use of the CIPE, the IDIS Viitorul and the Project and is not intended to be, and should not be, used by anyone other than those specified parties and for any purpose other than in relation with the Agreement;
- e) The Project's policy is to prepare the accompanying financial schedules on the cash receipts and disbursements basis as described in Note 2 (a) to the notes to the financial schedules. On this basis revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred.

30 June 2009

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive, stylized font.

Ernst & Young SRL  
Chisinau, Republic of Moldova

**BUILDING EFFECTIVE PRIVATE-PUBLIC DIALOGUE  
THROUGH A NATIONAL BUSINESS AGENDA  
STATEMENTS OF SOURCES AND USES OF FUNDS  
For the Seventeen Months Period Ended 31 March 2009**

The following statements summarise sources and uses of funds the "Building Effective Private-Public Dialogue through a National Business Agenda" (the "Project") for the seventeen months period ended 31 March 2009, in accordance with the provisions of the Grant Agreement 0107303-000-00 dated 25 October 2007 (the "Agreement"), concluded between the Center for International Private Enterprises (the "CIPE") and the Institute for Development and Social Initiatives "Viitorul" (the "IDIS Viitorul"). This statement and attachments have been prepared from the accounting and other records of the Project, and is compiled to reflect the amounts received and spent in relation to the Agreement.

	<b>Seventeen Months Period Ended 31 March 2009</b>
	<b>USD</b>
<b>Unaudited balance as at 1 November 2007*</b>	<b>592</b>
<b>Financing</b>	<b>92,210</b>
<b>Expenses</b>	
Salaries and Taxes	(30,600)
Space and Utilities	(1,138)
Communication and Postage	(1,108)
Local travel and Per-diem	(1,961)
Supplies and Equipment	(4,759)
Contractual fees and Professional Services	(33,814)
Consultants' fees	(1,413)
Other direct costs	(13,834)
<b>Total expenses</b>	<b>(88,627)</b>
<b>Balance as at 31 March 2009</b>	<b>4,175</b>

\* Balance remained from the previous project financed by the CIPE, "Strengthening the rule of law in Moldova".

Project Director



Igor Munteanu

Date 30 June 2009

**BUILDING EFFECTIVE PRIVATE-PUBLIC DIALOGUE  
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NOTES TO THE FINANCIAL SCHEDULES  
For the Seventeen Months Period Ended 31 March 2009**

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**1. General information**

The IDIS Viitorul was established in June 1993 in Moldova. The IDIS Viitorul is a liberal think tank, which is not affiliated to the government or to any political party. Its mission is to contribute to the growth of independent thinking environment in Moldova and in other emerging democracies; to assist the creation of a modern, viable and open market-economy, to assist the expansion of the civil society in which the citizens act together to express their own interests, to exchange information and to strive for mutual goals and influence government. The IDIS Viitorul cooperates with different organizations as well as government institutions when this corresponds to its values and goals. The IDIS Viitorul has forged several linkages between the academic and policy-making environments, generating policy analysis and recommendations for various areas of public interest, creating and disseminating of the best practices, good governance, and economic analysis. It has acquired several memberships in professional associations, such as EPIN (Economic Policy Institutes Network) and PASOS (Policy Association of the Open Society Network).

The activity under the Project "Building Effective Private-Public Dialogue through a National Business Agenda" is financed by the CIPE. The CIPE's objective is to strengthen democracy around the globe through private enterprise and market-oriented reform. The CIPE is one of the four core institutes of the National Endowment for Democracy and a non-profit affiliate of the U.S. Chamber of Commerce. For 25 years, the CIPE has worked with business leaders, policymakers, and journalists to build the civic institutions vital to a democratic society. The aim of the Project is elaboration of a National Business Agenda ("NBA"), a tool aiming to build an effective private-public dialogue between the state authorities and the local business community.

The Project prepares quarterly reports, which are sent to the CIPE. All expenses are made on the basis of the budget.

**2. Significant accounting policies**

**a) Basis of preparation**

The statements of sources and uses of funds of the Project have been prepared in accordance with the cash basis of accounting, a comprehensive basis of accounting other than International Financial Reporting Standards ("IFRS"). Under the cash basis system income (or expenditure) is recognized when cash is received (or paid) irrespective of when goods or services are received (or delivered).

The amounts are expressed in United States Dollar ("USD") in relation to the original currency in which donation was provided to the Project, and are prepared for the seventeen months period ended 31 March 2009. The statements of sources and uses of funds have been prepared on a historical cost basis.

**b) Exchange rates**

Expenses incurred and paid in Moldovan Lei (MDL) for reporting purposes are translated into US Dollar equivalents by applying the National Bank of Moldova ("NBM") official exchange rates prevailing at the date of conversion.

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NOTES TO THE FINANCIAL SCHEDULES  
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**3. Project expenditure by project components**

Below are schedules showing the total expenditures incurred for the period 1 November 2007 – 31 March 2009:

	Budgeted USD	Expenses USD	Budget realization %
<b>1. Salaries and taxes</b>	<b>30,600</b>	<b>30,600</b>	<b>100</b>
1.1. Project Manager	7,650	7,650	100
1.2. Project experts (two experts)	15,300	15,300	100
1.3. Project Assistant	4,590	4,590	100
1.4. Financial Officer	3,060	3,060	100
<b>2. Space and Utilities</b>	<b>1,200</b>	<b>1,138</b>	<b>95</b>
2.1. Office Space	-	-	-
2.2. Office Utilities	1,200	1,138	95
<b>3. Communication and Postage</b>	<b>1,200</b>	<b>1,108</b>	<b>92</b>
3.1. Postage/Delivery	200	1	1
3.2. Phone/Fax/Internet/Email	1,000	1,107	111
<b>4. Local travel and Per-Diem</b>	<b>2,300</b>	<b>1,961</b>	<b>85</b>
4.1. Per-Diem	-	40	-
4.2. Participants Travel	2,300	1,921	84
<b>5. Supplies and Equipment</b>	<b>3,600</b>	<b>4,759</b>	<b>132</b>
5.1. Supplies	-	-	-
5.2. Office Equipment (one PC)	600	1,472	245
5.3. Expendable Equipment (one PC)	3,000	3,287	110
<b>6. Contractual fees and Professional Services</b>	<b>33,420</b>	<b>33,814</b>	<b>101</b>
6.1. Local Trainers for Business Associations	5,200	5,484	105
6.2. Part-time Local Coordinators	2,000	1,849	92
6.3. Printing of first draft NBA	-	-	-
6.3.1. Full-text 500 pages in Romanian	3,650	3,683	101
6.3.2. Full-text 300 pages in English	2,190	1,566	72
6.3.3. Full-text 300 pages in Russian	2,190	1,848	84
6.4. Printing of second draft NBA	-	-	-
6.4.1. NBA in Romanian	3,650	2,929	80
6.4.2. NBA in Russian	2,190	1,958	89
6.4.3. NBA in English	2,190	1,958	89
6.5. Translation of printed materials Romanian/Russian/English	3,300	3,085	93
6.6. Editing	1,360	5,454	401
6.7. NBA CD Package	1,500	-	0
6.8. Independent Accountant Review (IPA)	4,000	4,000	100
<b>7. Consultants' Fees</b>	<b>1,380</b>	<b>1,413</b>	<b>102</b>
7.1. IDSI/NBA Web site and maintenance	1,380	1,413	102

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**3. Project expenditure by project components (continued)**

	<b>Budgeted USD</b>	<b>Expenses USD</b>	<b>Budget realization %</b>
<b>8. Other Direct Costs</b>	<b>20,510</b>	<b>13,834</b>	<b>67</b>
8.1. Interest/bank charges	600	385	64
8.2. Regional training and roundtables	4,700	4,857	103
8.3. NBA roundtables and Press Conference	-	-	-
8.4. First NBA roundtable/Coalition Building	-	-	-
8.5. Five Working groups-four meetings each	1,000	830	83
8.6. 2 Task Force meetings	100	-	0
8.7. Television broadcasts	4,200	-	0
8.8. Radio Broadcasts	800	527	66
8.9. Final NBA Conference	-	-	-
8.9.1. Hall rental	600	1,354	226
8.9.2. Translation	800	678	85
8.9.3. Hotel expenses for experts	1,600	404	25
8.9.4. Hotel expenses for participants	1,500	-	0
8.9.5. Lunch	1,200	1,155	96
8.9.6. Dinner	600	337	56
8.9.7. Local Travel	500	153	31
8.9.8. Supplies	600	585	98
8.9.9. Web Banners	600	286	48
8.9.10. Policy Analysis Reports	1,110	2,283	206
<b>Total</b>	<b>94,210</b>	<b>88,627</b>	<b>94</b>