

**Foundation “Caucasus institute for Peace,
Democracy and Development”**

Statement of cash receipts and disbursements of the project
#20140207

With accompanied Independent auditor’s report

For the period from 1 August 2016 to 31 January 2017

Foundation “Caucasus Institute for Peace, Democracy and Development”

Statement of Cash Receipts and Disbursements

Project Number and Title: Project # 20140207 “Local Initiatives for Local Development”

For the period from 1 August 2016 to 31 January 2017

(In GEL)

Content

INDEPENDENT AUDITOR’S REPORT	3
1. RECEIVED FUNDS IN THE PERIOD.....	5
2. EXPENDITURES FOR THE PERIOD.....	6
3. BALANCE OF PROJECT FUNDS	7
4. CASH STATUS	7
5. NOTES TO FINANCIAL STATEMENT	8

INDEPENDENT AUDITOR'S REPORT

To the management of Foundation "Caucasus Institute for Peace, Democracy and Development"

We have audited the accompanying Statement of Cash Receipts and disbursements of **Caucasus Institute for Peace, Democracy and Development's** (hereinafter - Organization) **Project # 20140207 "Local Initiatives for Local Development"** for the period from 1 August 2016 to 31 January 2017. The project is in accordance with the **Agreement of Cooperation** (Hereinafter - Agreement) enter into the Organization and bread for The World - Protestant Development Service (hereinafter - Brot) and summary of significant accounting policies and other explanatory information.

The statement of cash receipts and disbursements has been prepared by management according to the policies disclosed in the note 5.2 to the Statement of Cash Receipts and Disbursements (further "Accounting Policy").

In our opinion, the Project #20140207 pertaining to the Agreement has been adhered to.

The Project Funds have been used exclusively for the purpose of the Project in accordance with the Agreement (including Letter of Approval, the Schedules of Budgeted expenses and Sources of Income) on promoting the above mentioned Project.

The statement of cash receipts and disbursements for the period from 1 August 2016 to 31 January 2017 is prepared, in all material respects, in accordance with Accounting Policies disclosed in the note 5.2.

Basis of Accounting

Without modifying our opinion, we draw attention to the Accounting Policy of the Organization. The statement of cash receipts and disbursements are prepared to provide information to the Donors. As a result, the statement may not be suitable for another purpose.

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 cash receipts and disbursements statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the cash receipts and disbursements statements in Georgia, and we have fulfilled our other ethical 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.

Responsibilities of Management and Those Charged with Governance for the Cash Receipts and Disbursements

Management is responsible for the preparation of this Statement of Cash Receipts and Disbursements in accordance with the Accounting Policy, which is an acceptable basis for the preparation of the Statement of Cash Receipts and Disbursements under the circumstances, and for the such internal control as management determines is necessary to enable the preparation of the Statement of Cash Receipts and Disbursements that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Cash Receipts and Disbursements Statements

Our objectives are to obtain reasonable assurance about whether the Statement of Cash Receipts and Disbursements as a whole are free from material misstatement, whether due to fraud or

error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

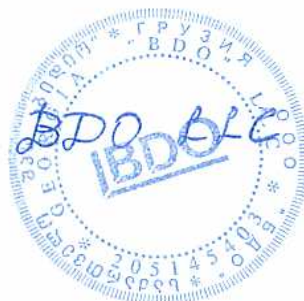
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these cash receipts and disbursements statements.

As 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 Statement of Cash Receipts and Disbursements, 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 Company'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 Company'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 cash receipts and disbursements 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the cash receipts and disbursements statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the cash receipts and disbursements statements information of the entities or business activities within the Company to express an opinion on the cash receipts and disbursements statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

24 April 2017
Tbilisi, Georgia



Foundation "Caucasus Institute for Peace, Democracy and Development"

Statement of Cash Receipts and Disbursements

Project Number and Title: Project # 20140207 "Local Initiatives for Local Development"

For the period from 1 August 2016 to 31 January 2017

(In GEL)

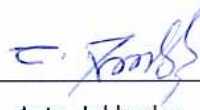
1. RECEIVED FUNDS IN THE PERIOD

	Budgeted Income (Receipts)		Actual Income (Receipts)		
	€ (EURO)	NC (GEL)	During reporting period NC	Prior period income NC	Total to date NC
Sources of Income	1	2	3	4	5
1. Non-EED funds:					
a) Partner's contribution	40,000	91,200	66,909	31,167	98,076
2. EED funds:					
a) Transfers	310,000	706,800	626,941	116,100	743,041
Total	350,000	798,000	693,850	147,267	841,117

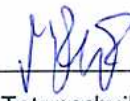
Statement of cash receipts and disbursement including the notes are signed by:

24.04.2017

/Date/



Avto Jokhadze
Executive Director



Lili Tetunashvili
Chief Accountant

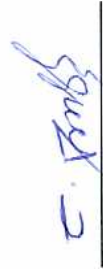

This statement is to be read in conjunction with the notes to and forming part of Cash receipts and disbursements statements set out on page 8.

Foundation "Caucasus Institute for Peace, Democracy and Development"
 Statement of Cash Receipts and Disbursements
 Project Number and Title: Project # 20140207 "Local Initiatives for Local Development"
 For the period from 1 August 2016 to 31 January 2017
 (In GEL)

2. EXPENDITURES FOR THE PERIOD

	Budgeted Expenditure		Actual Expenditure (Payments)				Total to date NC
	€ (EURO)	NC (GEL)	During reporting period NC		Prior period expenditure NC		
			By financing partner	By other resources	By financing partner	By other resources	
	1	2	3	4	5	6	7
Budget heads							
1. Personnel	207,000	471,960	76,508	21,930	416,216	3,777	518,431
1.1 Project Personnel	135,000	307,800	60,651	-	270,889	-	331,540
1.2 Administrative and Support Staff	72,000	164,160	15,857	21,930	145,327	3,777	186,891
2. Programme costs	84,000	191,520	81,839	782	120,554	9,902	213,077
2.1 Building capacity of local actors	35,000	79,800	-	-	78,364	2,118	80,482
2.2 Implementing projects for improved livelihood	26,000	59,280	19,221	782	38,151	7,103	65,257
2.3 Documentation of best practices in local communities	23,000	52,440	62,618	-	4,039	681	67,338
3. Administrative Costs	45,000	102,600	6,216	8,455	41,695	53,230	109,596
Reserve	14,000	31,920	-	-	-	-	-
Total	336,000	766,080	164,563	31,167	578,465	66,909	841,104

Statement of cash receipts and disbursement including the notes are signed by:

24.04.2017 /Date/  Avto Jokhadze Executive Director
 Lili Tetunashvili Chief Accountant

This statement is to be read in conjunction with the notes to and forming part of Cash receipts and disbursements statements set out on page 8.

Foundation "Caucasus Institute for Peace, Democracy and Development"

Statement of Cash Receipts and Disbursements

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(In GEL)

3. BALANCE OF PROJECT FUNDS

	In GEL
1. Balance of Project Funds at start of reporting period	48,478
2. Add: Total income during the reporting period	147,267
3. Less: Total expenditure during the reporting period	(195,730)
4. Balance of Project Funds at the end of the period	15

4. CASH STATUS

	In GEL
Cash at hand	-
Cash at bank	5
Total cash balance*	5

Note:

* The difference between balance of the project funds at the end of the period and total cash balance (GEL10) was caused by payment which made for other project expenses from BROT bank account and which will be returned.

Statement of cash receipts and disbursement including the notes are signed by:

24.04.2017
/Date/


Avto Jokhadze
Executive Director


Lili Tetunashvili
Chief Accountant

This statement is to be read in conjunction with the notes to and forming part of Cash receipts and disbursements statements set out on page 8.

Foundation "Caucasus Institute for Peace, Democracy and Development"

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5. NOTES TO FINANCIAL STATEMENT

5.1 Organization

The Foundation "Caucasus Institute for Peace, Democracy and Development" - public union of citizens is registered by the Ministry of Justice of Georgia on August 7, 1992. On November 6, 1998 the Union was re-registered by the Ministry of Justice and granted the status of fund. The basic principle of the Foundation is to introduce, support and develop democratic values in Georgia. The Foundation implements its activity through the grants received from international donor organizations.

5.2 Accounting policies

Operating and Presentation Currency

For the Foundation "Caucasus Institute for Peace, Democracy and Development" the presentation currency is Georgian official currency (GEL). Transactions generally are presented in GEL. Funds received from the donor are in EURO and are converted in GEL under the exchange rate of service bank at the date of transactions.

Revenues and expenditures

The project is funded under the donor's contributions. Grant funds are recognized as income in compliance with transfers made by the donor.

Expenditures incurred by the Organization in the framework of the project are recognized on the cash basis.