

**The Institute for Development of Freedom of
Information (IDFI)**

**Financial Statements for the year ended
31 December, 2019**

with

Independent Auditors' Report

The Institute for Development of Freedom of Information (IDFI)
Financial Statements for the year ended
December 31, 2019
Amounts expressed in Georgian Lari

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Statement of management's responsibilities

Management of the Institute for Development of Freedom of Information (IDFI) is responsible for accompanying financial statements of the Institute for Development of Freedom of Information (IDFI).

This responsibility includes:

- preparation of financial statements in accordance with International Financial Reporting Standards;
- selection of suitable accounting policies and their consistent application;
- making judgments and estimates which are reasonable and prudent;
- preparation of the financial statements on the going concern basis, unless circumstances make this

Management is also responsible for:

- creation, implementation and maintaining effective internal control system;
- keeping proper accounting records in compliance with local regulations;
- taking such steps that are reasonably open to them to safeguard the assets of the Organization, and
- prevention and detection of fraud and other irregularities.

The financial statement is approved and signed on May 6th, 2020:

Giorgi Kidiashvili

Executive Director

NN(L)E The Institute for
Development of Freedom of
Information (IDFI)

David Dolidze

Financial Manager

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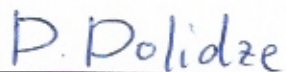
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INDEPENDENT AUDITORS' REPORT

To the Management of Institute for Development of Freedom of Information (IDFI)

20, T. Shevchenko str.

Opinion

We have audited the financial statements of Institute for Development of Freedom of Information (IDFI) (the "Organization") which comprise the statement of financial position as of December 31, 2019 and the statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Organization as of December 31, 2019, and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for our 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 Organization 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 standalone financial 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 gave 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 and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITORS' REPORT (Continued)

Auditors' Responsibility 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 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. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 Organization'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 Organization'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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

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.

Mikheil Abaiadze / Certified Auditor / Partner

Audit firm registration number: SARAS-F-320544

Auditor registration number: SARAS-A-865011

Tbilisi, Georgia

May 6, 2020

INDEPENDENT AUDITORS' REPORT (Continued)

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Audit firm registration number: SARAS-F-320544
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Tbilisi, Georgia

May 6, 2020



INSTITUTE FOR DEVELOPMENT OF FREEDOM OF INFORMATION
Statement of Financial Position
As at 31 December 2019
Amounts expressed in Georgian Lari

	Note	31-Dec-19	31-Dec-18
Assets			
Non-current assets			
Property and equipment	4	55,446	57,783
Intangible assets		4,394	4,394
Total non-current assets		59,840	62,177
Current assets			
Inventories		1,470	552
Advances paid	5	545,671	47,726
Tax asset		24,909	4,410
Grants receivable	6	2,571,115	763,136
Cash and cash equivalents	7	1,090,936	627,644
Total current assets		4,234,101	1,443,468
Total assets		4,293,941	1,505,645
Equity			
Net assets		561,813	266,137
Total equity		561,813	266,137
Liabilities			
Non-current Liabilities			
Deferred grant revenue	8	3,726,788	1,199,691
Total current liabilities		3,726,788	1,199,691
Current Liabilities			
Trade and other payables		4,790	9,969
Advances received		550	29,848
Total current liabilities		5,340	39,817
Total liabilities		3,732,128	1,239,508
Total liabilities and equity		4,293,941	1,505,645

The financial statement is approved and signed on May 6th, 2020:

Giorgi Kidiashvili

Executive Director

NN(L)E The Institute for
Development of Freedom of
Information (IDFI)

David Dolidze

Financial Manager

NN(L)E The Institute for
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INSTITUTE FOR DEVELOPMENT OF FREEDOM OF INFORMATION
Statement of Financial Position
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P. Polidze
David Dolidze
 Financial Manager

NN(L)E The Institute for
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INSTITUTE FOR DEVELOPMENT OF FREEDOM OF INFORMATION**Statement of Comprehensive Income****As at 31 December 2019***Amounts expressed in Georgian Lari*

	Note	Year 2019	Year 2018
Revenue from grants	9	1,741,785	1,479,377
Salaries	10	(834,963)	(669,115)
Other operating expenses	11	(886,177)	(843,027)
Other operating income	12	124,408	137,100
Depreciation and amortisation		(10,087)	(13,923)
Result from operating activities		134,966	90,412
Foreign exchange gains/(losses), net		160,710	(45,594)
Result before income tax		295,676	44,818
Result for the year		295,676	44,818

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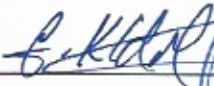
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INSTITUTE FOR DEVELOPMENT OF FREEDOM OF INFORMATION
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INSTITUTE FOR DEVELOPMENT OF FREEDOM OF INFORMATION

Statement of Changes in Equity

As at 31 December 2019

Amounts expressed in Georgian Lari

	Net assets	Total net assets
Balance at 31 December 2017	221,319	221,319
Changes in net assets 2018	44,818	44,818
Balance at 31 December 2018	266,137	266,137
Changes in net assets 2019	295,676	295,676
Balance at 31 December 2019	561,813	561,813

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INSTITUTE FOR DEVELOPMENT OF FREEDOM OF INFORMATION
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INSTITUTE FOR DEVELOPMENT OF FREEDOM OF INFORMATION**Statement of Cash Flows****As at 31 December 2019***Amounts expressed in Georgian Lari*

	Year 2019	Year 2018
Cash flows from operating activities		
Grants received (net of returned amounts)	2,675,559	1,211,757
Other cash income	46,981	29,849
Donations received	21,215	7,618
Salaries	(690,138)	(424,531)
Subgrants	(596,752)	(33,364)
Income taxes	(221,373)	(191,767)
Translation, consultancy services, experts and other honorarium	(211,716)	(393,062)
Events (conferences, presentations, workshops, trainings)	(184,595)	(93,278)
PR (videos, printing, publishing, awards, marketing)	(92,945)	(59,749)
Travel (international business trip, per diem, accommodation)	(72,557)	(93,395)
Transportation (local business trip, fuel cost)	(64,558)	(16,254)
Rent	(45,522)	(28,348)
Office costs (communication, utilities, stationary)	(27,198)	(41,468)
Pension contribution	(22,177)	-
Web-page development costs	(16,578)	(99,184)
Bank charges	(3,781)	(2,994)
Advances paid	-	(47,963)
Other costs (audit, project evaluation etc.)	(30,959)	(15,305)
Net cash from operating activities	462,906	(291,438)
Cash flows from investing activities		
Purchase of equipment	(12,367)	(9,786)
Net cash from/(used in) investing activities	(12,367)	(9,786)
Net increase/(decrease) in cash and bank balances	450,539	(301,224)
Cash and bank balances at the beginning of the year	627,644	945,898
Foreign exchange effect on cash	12,753	(17,030)
Cash and bank balances at the end of the year	1,090,936	627,644

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1 The organization and its operations

Institute for development of Freedom on Information (IDFI) "the Organization" (ID:204569617) is a Georgian non-entrepreneurial, noncommercial legal entity committed to enhancing openness of the government and promoting an informed civil society through ensuring access to public information. IDFI was founded in 2009 by two academicians, Levan Avalishvili and Giorgi Kldiashvili. Organization is registered on following adress: N2, T. Shevchenko str. Tbilisi, 0108, Georgia.

Mission of IDFI is to promote openness and transparency of the government, establish an informed society and support development of democratic values through ensuring access to public information.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Currently, IFRS do not contain specific guidance for non-profit organizations and non-governmental organizations concerning the accounting treatment and presentation of financial statements. Where IFRS do not give guidance on how to treat transactions specific to the not for profit sector, accounting policies have been based on the general principles of IFRS, as detailed in the International Accounting Standards Board ("IASB") Framework for preparation and Presentation Financial Statements.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis.

2.3 Functional and presentation currency

The national currency of Georgia is the Georgian lari, which is the Organization's functional currency, since this currency best reflects the economics substance of the underlying events and transactions of the Organization.

These financial statements are presented in Georgian lari. All financial information presented in Georgian lari has been rounded to the nearest full amount.

2.4 Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires management to make critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the current events and actions, actual results ultimately may differ from those estimates and the original estimates and assumptions may be modified as appropriate in the year in which circumstances change.

2.5 Adoption of new and revised standards

In the current year Organization has adopted all of the new revised Standards and issued by the International Accounting Standards Board (the "IASB") and International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB that are relevant to its activities and effective for annual reporting periods beginning on January 1, 2019. No new standards or amendments to the existing standards have significant impact on the Organization's financial statements.

2 Basis of preparation *(Continued)*

2.5 Adoption of new and revised standards *(Continued)*

a) IFRS 16 Lease

The standard sets out the principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e the customer (lessee) and the supplier (lessor). IFRS 16 replaces the previous leases standard, IAS 17 Leases, and related interpretations. IFRS 16 has one model for lessees which will result in almost all leases being included on the statement of financial position. No significant changes have been included for lessors.

There was no effect of IFRS 16 for current years financial statement, Organization only has rent expense and the tenants were changed in 2020 year.

3 Significant accounting policies

3.1 Foreign currency transactions

In preparing the financial statements, transactions in currencies other than the functional currency are recorded at the rates of exchange defined by the National Bank of Georgia prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates defined by the National Bank of Georgia prevailing on the reporting date.

Non-monetary items that are measured in foreign currency in terms of historic cost (translated using the exchange rates at the transaction date) are not retranslated.

Exchange differences arising on the settlement and retranslation of monetary items, are included in the result for the period.

Rates of main currencies at the reporting dates were as presented below:

	31-Dec-19	31-Dec-18
1 USD =	2.8677	2.6766
1 Eur =	3.2095	3.0701

3.2 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost comprises purchase price including import duties and non-refundable purchase taxes and other directly attributable costs. When an item of property and equipment comprises major components having different useful lives, they are accounted for as separate items of property and equipment.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the series proceeds and the carrying amount of the asset and is recognized in the result for the period.

Expenditure related to the improvement of leasehold properties are recognized as an item of property and equipment and are presented separately. Leasehold improvement is depreciated over the useful life of the asset or over the term of the relevant agreement, whichever is shorter.

Depreciation is charged to annual result on a diminishing balance basis over the estimated useful lives of the individual assets. Depreciation commences when assets are available for use. The annual depreciation rates of all property and equipment is estimated as 5 years.

3 Significant accounting policies (*Continued*)

3.3 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognized when the Organization becomes a part of the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Financial liabilities are derecognized when they are extinguished, discharged, cancelled or expire.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets other than hedging instruments are divided into the following categories upon initial recognition:

- Loans and receivables
- Financial assets at fair value through profit or loss
- Available-for-sale financial assets
- Held-to-maturity investments.

Financial assets are assigned to different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant for the way it is measured and whether any resulting income and expenses are recognized in the result or directly in other comprehensive income. Refer to note 10 for summary of the Organization's financial assets by category.

Generally, the Organization recognizes all financial assets using settlement date accounting. An assessment of whether a financial asset is impaired is made at least at each reporting date. All income and expenses relating to financial assets that are recognized in the result are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quotes in an active market and include trade and other receivables as well as cash and bank balances.

Trade and other receivables

Current accounts receivable are initially recognized at fair value. Subsequently they are measured at amortized cost less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Organization will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor and default and delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

The balance of the allowance is adjusted by recording a charge or income to the result of the reporting period. Any amount written-off with respect to customer account balances is charged against the existing allowance for doubtful accounts. All accounts receivable for which collection is not considered probable are written-off.

3 Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

Cash and bank balances

The Organization's cash balances comprise of bank accounts.

The Organization's financial liabilities include accounts payable. A summary of the Organization's financial liabilities by category is given in note 13.

Trade and other payables

Payables are stated at fair value and subsequently stated at amortized cost.

3.4 Impairment

Impairment of property and equipment

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of net selling price and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverse, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case any reversal of impairment loss is treated as a revaluation increase.

3.5 Grants

Grants are not recognized until there is reasonable assurance that the Organization will comply with the condition attaching to them and the grants will be received.

Grants received unconditionally from the donors as a financial support or as a compensation for expenses and losses already incurred, are recognized in the result for the period in which they become receivable.

Grants whose primary condition is that the Organization should purchase, construct or otherwise acquire non-current assets are recognized as grants related to assets in the statement of financial position and transferred to annual result on a systematic and rational basis over the useful lives of the related assets.

Other conditional grants are recognized in the statement of financial position as deferred income when the contract with donor is signed to the extent that there is reasonable assurance that the Organization will comply with the conditions attaching to the grant contract and the grants will be received. Deferred income is transferred to the statement of comprehensive income in line with the realization of the grant commitments, over the periods necessary to match them with the cost for which they are intended to compensate, on a systematic basis.

3 Significant accounting policies (Continued)

3.6 Income tax

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Assets and services received by the Organization as a grant, as well as expenses related to them are not taxable items for income tax purposes.

3.7 Income recognition

The income of the Organization arises from the use of grants received and other sources.

Income from grants

Policy for recognition of income from grants is disclosed in note 3.5

Income from rendering of services

Revenue from rendered services is earned from research and training contracts performed by the Organization. Revenue is measured as the fair value of the consideration received or receivable and is recognized when:

- The amount of revenue may be reliably measure;
- It is probable that the economic benefits associated with the transaction will flow to the Organization;
- The stage of completion of the transaction at the reporting date may be reliably measured; and
- The cost incurred for the transaction and the cost to complete the transaction may be reliably measured.

4 Property and equipment

	Technical equipment	Other equipment	Furniture	Vehicle	Total
Cost					
as of 31-Dec-2017	55,933	5,008	9,140	25,476	95,557
Additions	10,262	948	-	-	11,210
as of 31-Dec-2018	66,195	5,956	9,140	25,476	106,767
Additions	7,594	152	-	-	7,746
as of 31-Dec-2019	73,789	6,108	9,140	25,476	114,513
Accum. Depreciation					
as of 31-Dec-2017	26,417	2,245	6,223	1,274	36,159
Depreciation	7,951	715	1,098	3,061	12,825
as of 31-Dec-2018	34,368	2,960	7,321	4,335	48,984
Depreciation	6,496	538	805	2,244	10,083
as of 31-Dec-2019	40,864	3,498	8,126	6,579	59,067
Carrying Amount					
as of 31-Dec-2017	29,516	2,763	2,917	24,202	59,398
as of 31-Dec-2018	31,827	2,996	1,819	21,141	57,783
as of 31-Dec-2019	32,925	2,610	1,014	18,897	55,446

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5 Advances paid

Advances paid consists of pre-paid amounts to subcontractors.

6 Grants receivable

Donor	Start date	End date	Project	31-Dec-19	31-Dec-18
UNDP (UN)	11-Oct-19	30-Apr-22	Consolidating Parliamentary Democracy in Georgia	844,729	-
Luminate	1-Jan-19	31-Dec-21	Good Governance for Georgia (3 G)	745,636	-
The European Union	10-Oct-19	10-Oct-21	"Contributing to PAR through Civic Monitoring and Engagement"	638,284	-
The European Union	14-Mar-18	14-May-20	Promoting Prosecutorial Independence through Monitoring and Engagement (PRIME)	96,281	433,940
Foundation Open Society Institute (FOSI)	19-May-19	19-May-20	Development of Educational Certification Program in Fighting Corruption	76,852	-
Foundation Open Society Institute (FOSI)	19-May-19	19-May-20	Enhancing Openness of State Archives in Former Soviet Republics and Eastern Bloc Countries	75,498	-
Foundation Open Society Institute (FOSI)	19-May-19	19-May-20	Studying How Major International Anti-corruption Platforms Promote Transparent & Accountable Public Procurement in Georgia and Eurasia Region	49,188	-
Partners for Transparency Foundation India (PTF India)	25-Oct-19	Till payments	Experience Sharing in Public Procurement	22,976	-
International Visegrad Fund	1-Mar-19	29-Feb-20	Empowering Watchdog Community for Government Accountability	21,671	-
United Nations Development Programme (UNDP)	1-Sep-16	10-May-19	Strengthening the System of Parliamentary Democracy in Georgia	-	107,944
East West Management Institute (EWMI)/USAID	15-Dec-18	15-Jul-19	Supporting the Reform of the Supreme Court of Georgia	-	69,195
Deloitte Consulting LLP on behalf of the United State agency for International Development ("USAID")	20-Dec-18	12-Jul-19	PPD Quality Tracking in Georgia – Continuation	-	60,224
The European Union	1-May-18	1-May-20	Facilitating Implementation of Reforms in the Judiciary (FAIR)	-	46,973
GGI / Tetra Tech ARD / USAID	11-Oct-18	28-Jun-19	Developing the Transparency and Integrity Building Strategy and Action Plan for the Akhaltsikhe Municipality	-	35,300
The Open Society Initiative for Europe through Expert Forum Association (EFOR)	1-Nov-17	28-Feb-19	Combating Clientelism in Local Investments and Financial Transfers (CC-LIFT)	-	5,546
Open Society Georgia Foundation	9-Nov-19	9-Aug-19	Promoting Prosecutorial Independence through Monitoring and Engagement (PRIME)	-	4,014
Total				2,571,115	763,136

7 Cash and cash equivalents

	31-Dec-19	31-Dec-18
Cash at Bank in GEL	298,396	192,448
Cash at Bank in foreign currency (Eur)	573,543	241,681
Cash at Bank in foreign currency (USD)	218,997	193,515
Total cash and cash equivalents	1,090,936	627,644

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8 Deferred grant revenue

Donor	Start date	End date	Project	31-Dec-19	31-Dec-18
The European Union	10-Oct-19	10-Oct-21	"Contributing to PAR through Civic Monitoring and Engagement"	1,415,380	-
UNDP (UN)	11-Oct-19	30-Apr-22	Consolidating Parliamentary Democracy in Georgia	922,108	-
Luminate	1-Jan-19	31-Dec-21	Good Governance for Georgia (3 G)	710,682	-
The European Union	14-Mar-19	14-May-20	Promoting Prosecutorial Independence through Monitoring and Engagement (PRIME)	307,481	644,823
Foundation Open Society Institute (FOSI)	19-May-19	19-May-20	Development of Educational Certification Program in Fighting Corruption	123,437	-
Foundation Open Society Institute (FOSI)	19-May-19	19-May-20	Studying How Major International Anti-corruption Platforms Promote Transparent & Accountable Public Procurement in Georgia and Eurasia Region	92,256	-
Foundation Open Society Institute (FOSI)	19-May-19	19-May-20	Enhancing Openness of State Archives in Former Soviet Republics and Eastern Bloc Countries	91,335	-
International Visegrad Fund	1-Mar-19	29-Feb-20	Empowering Watchdog Community for Government Accountability	44,765	-
East West Management Institute (EWMI)/USAID	15-Dec-18	15-Jul-19	Supporting the Reform of the Supreme Court of Georgia	13,086	69,195
Open Society Institute Budapest Foundation (OSI)	1-Nov-17	31-May-19	Transparent Public Procurement Rating – Assessing Public Procurement Legislation and the Enforcement Process in the Eurasian Region and Beyond	4,043	149,775
The European Union	1-May-18	1-May-20	Facilitating Implementation of Reforms in the Judiciary (FAIR)	2,215	77,371
United Nations Development Programme (UNDP)	1-Sep-16	10-May-19	Strengthening the System of Parliamentary Democracy in Georgia	-	111,027
Deloitte Consulting LLP on behalf of the United State agency for International Development ("USAID")	20-Dec-18	12-Jul-19	PPD Quality Tracking in Georgia – Continuation	-	60,224
GGI / Tetra Tech ARD / USAID	11-Oct-18	28-Jun-19	Developing the Transparency and Integrity Building Strategy and Action Plan for the Akhaltsikhe Municipality	-	35,300
UNDP Governance Reform Fund (GRF) with funds of UK aid from the UK Government	23-May-18	31-Jan-19	Supporting Establishment of a Professional Development System in Civil Service of Georgia	-	32,716
Open Society Georgia Foundation	20-Sep-18	20-Jan-19	Local Self-Government Index – 2019	-	8,613
The Open Society Initiative for Europe through Expert Forum Association (EFOR)	1-Nov-17	28-Feb-19	Combating Clientelism in Local Investments and Financial Transfers (CC-LIFT)	-	5,632
Open Society Georgia Foundation	9-Nov-18	9-Aug-19	Promoting Prosecutorial Independence through Monitoring and Engagement (PRIME)	-	5,015
Total				3,726,788	1,199,691

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9 Revenue from grants

Donor	Start date	End date	Project	Year 2019	Year 2018
European Union	14-Mar-18	14-May-20	Promoting Prosecutorial Independence through Monitoring and Engagement (PrIME)	331,641	215,663
Luminate	1-Jan-19	31-Dec-21	Good Governance for Georgia (3 G)	324,768	-
Open Society Institute Budapest Foundation (OSI)	1-Nov-17	31-May-19	Transparent Public Procurement Rating – Assessing Public Procurement Legislation and the Enforcement Process in the Eurasian Region and Beyond	138,578	199,264
Foundation Open Society Institute (FOSI)	19-May-19	19-May-20	Enhancing Openness of State Archives in Former Soviet Republics and Eastern Bloc Countries	125,861	-
United Nations Development Programme (UNDP)	1-Sep-16	10-May-19	Strengthening the System of Parliamentary Democracy in Georgia	110,444	242,174
Foundation Open Society Institute (FOSI)	19-May-19	19-May-20	Development of Educational Certification Program in Fighting Corruption	97,655	-
International Visegrad Fund	1-Mar-19	29-Feb-20	Empowering Watchdog Community for Government Accountability	58,359	-
Foundation Open Society Institute (FOSI)	19-May-19	19-May-20	Studying How Major International Anti-corruption Platforms Promote Transparent & Accountable Public Procurement in Georgia and Eurasia Region	49,250	-
The European Union	10-Oct-19	10-Oct-21	"Contributing to PAR through Civic Monitoring and Engagement"	47,402	-
European Union	1-May-18	1-May-20	Facilitating Implementation of Reforms in the Judiciary (FAIR)	75,157	54,996
Hivos Foundation	1-Sep-18	31-Dec-18	Identifying Local Consultants or CSOs in Target Countries to Conduct the Assessment, Coordinating the Assessment of Identified Partner CSOs in Target Countries and Elaborating on Recommendations for the Public Procurement Legal Framework in Each Country	75,078	-
East West Management Institute (EWMI)/USAID	15-Dec-18	15-Jul-19	Supporting the Reform of the Supreme Court of Georgia	56,109	3,285
Open Society Institute Budapest Foundation (OSI)	1-Nov-17	31-Oct-18	Enhancing Openness of State Archives in Former Soviet Republics	44,038	192,299
Tetra Tech ARD / USAID	3-May-19	20-Oct-19	Develop Open Data Strategies and Action Plans (2019-2020)	38,223	-
Open society georgia foundation	22-Jan-19	22-Jun-19	Local Self-Government Index 2019	35,118	-
UNDP (UN)	11-Nov-19	30-Apr-22	Consolidating Parliamentary Democracy in Georgia	32,733	-
United Nations Development Programme (UNDP)	23-May-18	31-Jan-19	Supporting Establishment of a Professional Development System in Civil Service of Georgia	24,313	58,877
Deloitte Consulting (USAID)	20-Dec-18	12-Jul-19	Support to the PPD Quality Tracking Mechanism	20,649	-

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9 Revenue from grants (Continued)

Donor	Start date	End date	Project	Year 2019	Year 2018
Tetra Tech ARD / USAID	11-Oct-18	15-Mar-19	Developing the Transparency and Integrity Building Strategy and Action Plan for the Akhaltsikhe Municipality	19,387	-
East-West Management Institute (EWMI) / USAID	15-Mar-19	15-Jul-19	Access to Information in Georgia - 2018	15,958	-
Open Society Georgia Foundation	20-Sep-18	20-Jan-19	Local Self-Government Index – 2019	8,381	19,557
Partners for Transparency Foundation India (PTF India)	25-Oct-19	Till payment	Experience Sharing in Public Procurement	5,443	-
Open Society Georgia Foundation	9-Nov-19	9-May-19	Promoting Prosecutorial Independence through Monitoring and Engagement (PRIME)	4,061	4,010
The Open Society Initiative for Europe through Expert Forum Association (EFOR)	1-Nov-17	28-Feb-19	Combating Clientelism in Local Investments and Financial Transfers (CC-LIFT)	3,179	15,464
UNDP – Governance Reform Fund (GRF) through Swedish International Development Agency	25-Dec-17	31-Oct-18	Facilitate the Landing of 2030 Agenda for Sustainable Development at the National Level	-	171,410
International Visegrad Fund, the Ministry of Foreign Affairs of the Kingdom of the Netherlands	1-Nov-17	31-Oct-18	Enhancing Openness of State Archives in Former Soviet Republics	-	99,235
United Nations Development Program (UNDP) – Governance Reform Fund (GRF) through SIDA	1-Nov-17	31-Oct-18	Enhancing Openness of State Archives in Former Soviet Republics	-	96,266
Governing for Growth (G4G) in Georgia / USAID	1-Nov-17	31-Oct-18	Enhancing Openness of State Archives in Former Soviet Republics	-	21,593
Open Society Georgia Foundation	18-Apr-18	18-Oct-18	Supporting Development of E-Transparency and E-Participation in the Municipalities of the Imereti Region	-	33,885
Tetra Tech ARD/USAID, Ministry of Foreign Affairs of the Republic of Estonia	12-Dec-16	28-Sep-18	New E-Governance Initiatives to meet OGP Commitments in Georgia	-	30,344
Open Society – Georgia Foundation	9-Mar-17	31-Mar-18	Project to Support the Independence and Transparency of the Constitutional Court	-	20,635
The American Bar Association	1-Sep-17	31-Jan-18	Digital Literacy and Internet Freedoms in Georgia	-	420
Total				1,741,785	1,479,377

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10 Salaries

Salaries per donors	Year 2019	Year 2018
EU	283,470	173,183
Luminate	161,397	-
UNDP	102,625	214,180
FOSI	141,885	74,892
USAID	96,412	52,060
OSI Budapesht	46,579	118,462
Other	2,595	36,338
Total	834,963	669,115

11 Other operating expenses

Other operating expenses	Year 2019	Year 2018
Consulting and other professional fees	301,765	295,026
Conference expenses	175,824	184,682
Office expenses	115,150	30,842
Business trip	88,461	36,695
Advertising expenses	43,668	32,975
Rent expenses	42,919	32,541
Web page development and maintenance expenses	32,089	116,219
Transportation and posting expenses	17,629	21,629
Representative expenses	11,204	13,843
Communication and utility expenses	11,184	14,540
Fuel expenses	5,815	9,290
Award expenses	1,849	5,000
Repairs and maintenance	1,513	1,275
Other expenses	37,107	48,470
Total other operating expenses	886,177	843,027

12 Other operating income

Other operating income mainly consists of unexpended funds remained from Grants.

13 Financial instruments

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument and disclosed in the note 3.3

Categories of financial instruments

The carrying amount presented in the statement of financial position relate to the following categories of financial assets and liabilities.

Financial assets	31-Dec-19	31-Dec-18
Grants receivable	2,571,115	763,136
Cash and cash equivalents	1,090,936	627,644
Total	3,662,051	1,390,780
Financial liabilities	31-Dec-19	31-Dec-18
Other payables	4,790	9,969
Total	4,790	9,969

14 Financial risk management

The Organization is exposed to various risks in relation to financial instruments. The main types of risks are market risk and credit risk.

The Organization does not engage in the trading of financial assets for speculative purpose nor does it write options. Most significant risks to which the Organization is exposed are described below.

Financial risk factors

a) Market risk

The Organization is exposed to market risk through its use of financial instruments and specifically to currency risk.

Foreign currency risk

Most of the Organizations contracts with donors are denominated in foreign currencies and the Organization also has foreign currencies in its bank accounts, hence, exposures to exchange rate fluctuations arise.

Foreign currency denominated financial assets and liabilities which expose the Organization to currency risk are disclosed below. The amount shown are translated in to Georgian laris are the closing rate:

As of December 31, 2019	USD	EUR	GEL	Total
Financial assets				
Grants receivable	1,814,879	756,236	-	2,571,115
Cash and cash equivalents	218,997	573,422	298,517	1,090,936
Total	2,033,876	1,329,658	298,517	3,662,051
Financial liabilities				
Other payables	-	-	4,790	4,790
Total	-	-	4,790	4,790
Net position	2,033,876	1,329,658	293,727	3,657,261
As of December 31, 2018				
Financial assets				
Grants receivable	246,924	480,912	35,300	763,136
Cash and cash equivalents	193,515	241,681	192,448	627,644
Total	440,439	722,593	227,748	1,390,780
Financial liabilities				
Other payables	-	-	9,969	9,969
Total	-	-	9,969	9,969
Net position	440,439	722,593	217,779	1,380,811

The following table details the Organization's sensitivity to a 30% (2018: 30%) increase and decrease in Georgian lari against US dollar and Euro. The 30% (2018: 30%) represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign current denominated monetary items and adjust their translation at the period end for a 30% (2018: 30%) change in foreign current rates.

14 Financial risk management (Continued)

Foreign currency risk (Continued)

Impact of possible change in exchange rates on net profit as at 31 December 2019:

	USD Impact 2019		EUR Impact 2019	
	GEL/USD	GEL/USD	GEL/EUR	GEL/EUR
	30%	-30%	30%	-30%
Profit / (Loss)	610,163	(610,163)	398,897	(398,897)

Impact of possible change in exchange rates on net profit as at 31 December 2018:

	USD Impact 2018		EUR Impact 2018	
	GEL/USD	GEL/USD	GEL/EUR	GEL/EUR
	30%	-30%	30%	-30%
Profit / (Loss)	132,132	(132,132)	216,778	(216,778)

Exposures to foreign exchange rates vary during the year depending on the value of donations in foreign currency. Nonetheless, the analysis above is considered to be representative of the Organization's exposure to currency risk.

b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Organization. The effect of the risk for the Organization arises from different financial instruments, such as accounts receivable, especially the amounts expected from donors. Management believes that the credit risk on these amounts is low, since the practice with those donors shows that donors always transfer the agreed amounts. The maximum exposure to credit risk is represented by the carrying amounts of the following financial instruments:

Financial assets at carrying amounts	31-Dec-19	31-Dec-18
Grants receivable	2,571,115	763,136
Cash and cash equivalents	1,090,936	627,644
Total	3,662,051	1,390,780

At the reporting date there were no significant concentration of credit risk in respect of grants receivable.

The credit risk for cash and cash equivalents is considered negligible, since the Organization hold its accounts at reputable banks with Long-term Issuer Default rating "BB-/Stable" awarded by Fitch Ratings.

15 Contingencies

Donor funding

The Organization's financial stability depends on its ability to obtain donor funding for its projects and attract other donations from its members or from other stakeholders. The past experience of the Organization proved that its programs and projects are important for the enhancing of openness of the government and promoting and informed civil society through ensuring access to public information and that the donor organizations value IDFI's input in this process. Management of the Organization believes that in the foreseeable future IDFI will still have sufficient donor support to continue its operations, projects and programs.

15 Contingencies (Continued)

Taxes

The taxation system in Georgia is relatively new and is characterized by frequently changing legislation, which is often subject to interpretation. Often differing interpretations exist among various taxation authorities and jurisdictions. Taxes are subject to review and investigations by tax authorities, which are enabled by law to impose severe fines and penalties.

16 Related party transactions

The Organization's related parties include its Board Members and key management.

Transactions with key management:

Reported salary expenses for the year 2019 include salaries and other benefits of Key Management personnel in the amount of GEL 304,927 (year 2018: GEL 263,430).

17 Events after the reporting period

At the beginning of 2020, the world encountered the danger of spreading the viral coronavirus ("COVID 19"). On March 11, 2020, the World Health Organization announced a pandemic in relation to coronavirus. Due to the situation, the Government of Georgia has developed several measures, including declaring a state of emergency and a curfew. The Organization's management assesses the risks posed by COVID 19 to a minimum due to the fact that the Organization's mission is to promote openness and transparency of the government, therefore they continue operations on long distance without any breaks.

No other significant events have been identified after the reporting period.

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