

ANNUAL REPORT

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Management report

e-Governance Academy (eGA) is an independent mission-based non-profit organisation, brought into existence by the United Nations Development Programme, Open Society Institute and the Government of Estonia in 2002.

eGA inspires, trains and advises public sector leaders, officials and stakeholders in using information technology to increase government efficiency and transparency and improve democratic processes. Additionally, in cooperation with companies eGA assists foreign governments in the design, selection and implementation of e-solutions.

We have worked with more than 200 organizations from more than 130 countries and regions. We are playing key roles in e-government and digital transformation policy planning and implementation including the formation of the lead organisations responsible for developing a nation's interoperability framework and related legal and technical framework development and management.

We have extensive experience in the development of e-governance in transitional societies, particularly in Central and Eastern Europe, the Balkans, Asia and Africa. In addition, eGA has excellent cooperation with countries of the European Union (Austria, Belgium, Faroe Islands (Denmark), Finland, Germany and The Netherlands). In Estonia the focus of the Academy has been on the development of open government at both the government and local government level.

eGA is a member of the Estonian Roundtable for Development Cooperation and the Network of Estonian Non-Profit Organisations. In carrying out its activities, eGA follows the Code of Ethics of Estonian non-profit organisations. eGA is audited by an internationally recognised audit firm, currently KPMG Baltics, has ISO 9001:2015 certificate and has established an internal audit function carried out by Deloitte Eesti.

Altogether in 2019 eGA had 22 staff members converted to full time equivalent, working under employment contracts and we continued our co-operation with external experts and lecturers, as we have done in previous years.

In 2019 the world celebrated the 50th anniversary of the first walk on the moon by humans – Neil Armstrong and Buzz Aldrin. As we know, this giant leap for humankind started from small steps: meetings, research, programming, technology development, etc. The same principle applies to digital transformation and e-governance development. Great stamina, meticulous planning, timely decisions, continuous actions and patience are needed to be able to look back years – or sometimes decades – later and realise what a giant leap has been achieved. Hence every government needs to lead its innovations and ensure progress is made, one small step at a time, with many small steps amounting to a giant leap. And of course stability and patience are needed, to convince citizens and build trust in society toward the use of new technologies and new possibilities.

And not surprisingly, the same principle describes also the year 2019 for eGA. We continued to take steps towards digital transformation in our collaboration countries. In 2019, we continued our collaboration with the European Commission, the Ministry of Foreign Affairs of Estonia, UNDP, USAID, the World Bank and other international organizations. We launched our first project with the Rockefeller Foundation and continued our project with Australian Government foreign aid support. Moreover, we signed five memoranda of understanding to enhance cooperation with e-government organisations from Brazil, Costa Rica, Eswatini, Mongolia and Sierra Leone.

In 2019, we further developed our tools of government consultation, such as the digital maturity model and the digital transformation roadmap. Both of these tools help governments set their focus on digital transformation to continue development towards efficient, sustainable, and transparent public administration. On the way forward, our technology implementation experts assist governments in dividing the overwhelming vision of digital transformation up into various activities and achieving long-term goals with continuous innovation. Small steps every day, keeping in mind the broader vision and having good partners available for advice and mentoring – this has been the successful formula for the countries that eGA has collaborated with.

In 2019, eGA's biggest projects were conducted in Ukraine and Benin. In Ukraine, we are assisting the government in its decentralisation reform by developing and implementing a secure data-exchange platform and information system. Both developments make public service provision and governance more transparent, corruption-free and effective. In Benin, we are working on launching a secure data-exchange framework, a catalogue of interoperable solutions (CatS) and an online portal for public services. Moreover, in Benin our work aims at the same goals, even if the solutions we implement are different.

The big developments also need a good team to work with. We are glad to collaborate in Ukraine with Cybernetica AS and SoftXpansion and in Benin with Cybernetica AS, UpMind AS, and a local partner, Open SI.

In the field of e-democracy, in 2019 we paid attention to skills and (e)-tools that empower the community. In 2019 we launched the new e-platform to fight corruption and increased young Europeans' awareness of and motivation for political participation. We believe that in these times, which are so turbulent and uneasy for so many countries in the world, the vibrancy, energy and power of civil society has become even more crucial. Civic energy, combined with collective wisdom and supported by the smart use of digital tools, has the potential to rejuvenate democracy.

The eGA cyber security team took a big leap forward by ranking the cyber security capacities of more than 150 countries in the National Cyber Security Index (NCSI) in 2019. The NCSI currently includes approximately three-quarters of the world's countries, making it the most consistent

and transparent index in the field.

Year 2019 was very successful for our e-governance training courses too. eGA set a new record by conducting 44 courses for e-governance officials responsible for digital transformation in their country. The countries sending the most delegations were Aruba, Japan and Ukraine.

Last year the e-Governance Conference, our largest annual event and our biggest networking opportunity, attracted 400 participants from 110 countries around the world. We focused on digital transformation roadmaps and presented case studies from Africa, the Eastern Partnership, and EU countries and beyond.

Financial ratios calculated on the basis of financial results:

	2019	2018
Current Ratio	1,13	1,16
Profit Margin	0,03	0,02
Return on Assets (ROA)	0,03	0,03
Return on Equity (ROE)	0,22	0,17
Current Ratio = current assets / current liabilities		
Profit Margin= net profit / net turnover		
ROA= net profit / assets		
ROE= net profit / equity		

Events after the balance sheet date in the period 1.01. - 30.04.2020

In January 2020, the COVID-19 virus began to spread globally. An emergency situation was announced in Estonia on 13 March 2020, the end of which has not yet arrived before the completion of the annual audit (the expected end of the emergency situation is 17 May 2020).

Therefore, EGA employees have been working in home offices since March 13, which has proved to be an easy transition and relatively efficient due to the widespread use of technology in EGA.

The activities of the e-government Academy have been moderately affected by the pandemic spread of the virus and the accompanying economic shutdown in the world.

Training visits to Estonia are most affected business activity of EGA. Already in January, the first planned trainings for Asian countries, later also for groups from other countries, were cancelled. A total of 6 trainings were cancelled (but postponed according to the agreements), other trainings have been postponed with an indicative start since September, according to the end of the crisis and the resumption of travel opportunities.

A total of four trainings as delivered by the end of April 2020, one of them as online seminar.

In connection with the crisis, we accelerated the creation of the already planned e-learning business plan and the launch of pilot trainings, which should be completed in May 2020. It is planned to use e-learning both integrated with regular training and study visits and also, to provide stand-alone training globally.

Considering the fact that in 2019 the turnover from trainings was 499,872 EUR, we estimate the impact of the postponement and / or cancellation of trainings and the decrease in turnover on EGA's activities to be moderate, but not critical.

The EGA's annual conference in May was decided in mid-March to be virtualized instead of the usual on-site conference. The conference takes place in an online environment, and thanks to the active sponsorship search, the costs of the conference have been covered with the help of sponsors, and ticket sales revenue will be the additional income source.

<https://2020.egovconference.ee>

Despite the crisis, other EGA projects have remained broadly on schedule, with some delays in expert missions due to travel restrictions. As the deadline for most of the projects concerned is 2021, it is possible to be back in the schedule and finalize the projects in time after travel restrictions are relaxed.

In the field of EGA's activity, advising governments on digitization, there is a significant increase in interest in the implementation of digital solutions. Therefore, we can hope that the market for EGA services and products will not shrink due to the crisis, but rather remain and grow.

In April, EGA passed the re-certification audit of the ISO 9001: 2015 quality management system without comments. The EGA has a valid ISO Quality Certificate for E-government Project Management, Training and Consulting until May 2023.

For more information on our activities, please visit our website www.ega.ee

Arvo Ott

Member of the Management Board

The annual accounts

Statement of financial position

(In Euros)

	31.12.2019	31.12.2018	Note
Assets			
Current assets			
Cash and cash equivalents	3 320 070	2 315 425	2
Receivables and prepayments	1 403 266	484 797	
Total current assets	4 723 336	2 800 222	
Non-current assets			
Receivables and prepayments	16 570	16 570	3
Property, plant and equipment	37 676	58 741	6
Total non-current assets	54 246	75 311	
Total assets	4 777 582	2 875 533	
Liabilities and net assets			
Liabilities			
Current liabilities			
Payables and prepayments	746 348	136 375	8
Grants with special terms	3 444 307	2 284 147	10
Total current liabilities	4 190 655	2 420 522	
Total liabilities	4 190 655	2 420 522	
Net assets			
Foundation/Issued capital	383	383	
Accumulated surpluses (deficits) from previous periods	454 628	378 478	
Surplus (deficit) for the period	131 916	76 150	
Total net assets	586 927	455 011	
Total liabilities and net assets	4 777 582	2 875 533	

Statement of revenues and expenses

(In Euros)

	2019	2018	Note
Revenue			
Grants and donations	2 939 090	3 067 816	11
Business income	1 198 252	890 986	
Other income	532 343	361 460	12
Total revenue	4 669 685	4 320 262	
Expenses			
Direct cost of projects financed by grants for special purposes	-2 895 804	-3 142 065	13
Other operating expense	-1 087 951	-692 353	14
Employee expense	-529 406	-403 379	15
Depreciation and impairment loss (reversal)	-24 936	-30 038	6
Total expenses	-4 538 097	-4 267 835	
Surplus (deficit) from operating activities	131 588	52 427	
Interest income	316	296	
Interest expenses	-2 306	-2 141	
Other financial income and expense	2 318	25 568	
Net surplus (deficit) for the period	131 916	76 150	

Statement of cash flows

(In Euros)

	2019	2018	Note
Cash flows from operating activities			
Surplus (deficit) from operating activities	131 588	52 427	
Adjustments			
Depreciation and impairment loss (reversal)	24 936	30 038	6
Other adjustments	280	791	6
Total adjustments	25 216	30 829	
Adjustments for operating receivables and prepayments	-441 055	114 842	3
Adjustments for operating liabilities and prepayments	457 273	-254 309	8
Interest received	316	296	
Interest paid	-2 306	-2 141	
Proceeds from grants with special terms	1 160 160	-1 858 687	10
Other cash flows from operating activities	-324 714	-20 000	
Total cash flows from operating activities	1 006 478	-1 936 743	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-4 151	-16 140	6
Total cash flows from investing activities	-4 151	-16 140	
Total cash flows	1 002 327	-1 952 883	
Cash and cash equivalents at beginning of period	2 315 425	4 242 740	2
Change in cash and cash equivalents	1 002 327	-1 952 883	
Effect on exchange rate changes on cash and cash equivalents	2 318	25 568	
Cash and cash equivalents at end of period	3 320 070	2 315 425	

Statement of changes in net assets

(In Euros)

			Total net assets
	Foundation/Issued capital/ Reserve capital	Accumulated surpluses deficits from previous period	
31.12.2017	383	378 478	378 861
Net surplus (deficit) for the period	0	76 150	76 150
31.12.2018	383	454 628	455 011
Net surplus (deficit) for the period	0	131 916	131 916
31.12.2019	383	586 544	586 927

Notes

Note 1 Accounting policies

General information

Basis of preparation

The annual financial statements of e-Governance Academy (E-riigi Akadeemia Sihtasutus, hereafter also referred to as 'the foundation') have been prepared in accordance with the Accounting Act of the Republic of Estonia and Estonian Financial Reporting Standard. The main requirements of good accounting practice are established in the Accounting Act of Estonia and more specific guidance is provided in the standards issued by the Estonian Accounting Standard Board.

The financial statements have been prepared on the historical cost basis unless described otherwise in these accounting policies. The financial statements are presented in euros.

Financial assets

Financial assets comprise cash, short-term investments in financial assets, trade receivables and other current and non-current receivables. When a financial asset is recognised initially, it is measured at its cost, which is the fair value of the consideration given for it. The initial cost of a financial asset comprises all transaction charges directly attributable to its acquisition.

Purchases and sales of financial assets are consistently recognised at the settlement date, i.e. at the date the assets are transferred to or by the foundation.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, current accounts, demand deposits, term deposits with a short maturity (less than three months) and units in money market funds that are not subject to a material risk of changes in market value.

Presentation of the statement of cash flows

Cash flows from operating activities are reported using the indirect method – the net cash flow from operating activities is determined by adjusting surplus or deficit on operating activities for the effects of non-cash items and changes in operating receivables and payables. Cash flows from investing and financing activities are reported using the direct method.

Foreign currency transactions and assets and liabilities denominated in a foreign currency

A transaction in a foreign currency is recorded by applying the exchange rate of the European Central Bank of the date of the transaction. At the reporting date, foreign currency monetary items are translated to euros using the closing exchange rates of the European Central Bank. Exchange gains and losses arising on translation are recognised in the statement of financial performance.

Receivables and prepayments

Trade receivables

Trade receivables comprise short-term receivables acquired in the ordinary course of the foundation's activities. Trade receivables are measured at their amortised cost (i.e. at nominal value less any repayments and impairment losses).

A trade receivable denominated in a foreign currency is recorded initially by applying the exchange rate of the European Central Bank of the date of the transaction. At the reporting date, foreign currency trade receivables are translated to euros using the exchange rates of the European Central Bank ruling at that date.

Trade receivables are assessed for impairment on an individual basis, i.e. the collectibility of each amount due under an invoice or a contract is assessed separately. When individual assessment is not practicable due to the large number of items involved, only significant receivables are assessed for impairment on an individual basis. The rest of the receivables are assessed for impairment collectively by reference to the foundation's historical experience with uncollectible items. Recovery of doubtful (impaired) receivables written down in a prior period is recognised by reducing expenses from doubtful receivables. Trade receivables whose collection is doubtful are recognised as expenses in accordance with the provisions of the Accounting Act.

Other receivables

All other receivables (accrued income, loans provided and other current and non-current receivables) except for items acquired for resale are measured at their amortised cost.

As a rule, the amortised cost of a current receivable is equal to its nominal value (less any impairment losses). Therefore, a current receivable is carried in the statement of financial position in the amount that is expected to be collectible. A non-current receivable is recognised initially at the fair value of the consideration receivable. In subsequent periods, it is measured and interest income is charged on it using the effective interest rate method. Receivables acquired for resale are measured at their fair value.

Plant, property and equipment and intangible assets

Non-current assets

In line with the materiality concept, an asset is recognised as non-current if its cost exceeds 600 euros and estimated useful life extends beyond a year.

An item of property, plant and equipment is recognised initially at its cost, which comprises its purchase price (including import duties and other non-refundable taxes) and other direct costs incurred in bringing the asset to the location and condition necessary. After initial recognition, an item of property, plant and equipment is carried at its cost less any accumulated depreciation and any impairment losses. Items of property, plant and equipment are depreciated over their estimated useful lives using the straight-line method.

In the statement of financial position, non-current assets are classified in line with the format provided in the Accounting Act. The foundation has the following classes of non-current assets:

- Property, plant and equipment, which comprises computers and equipment and other fixtures and fittings.

Where an item of property, plant and equipment consists of parts that have different useful lives, the parts are accounted for separately and assigned depreciation rates that correspond to their useful lives. Where the recoverable amount of an item of property, plant and equipment (i.e. the higher of its net selling price and value in use) declines below its carrying amount, the asset is written down to its recoverable amount.

Minimal acquisition cost 600 EUR

Depreciation of fixed assets is calculated by usually using the following depreciation rates:

- Computing equipment, 33%, 3 years
- Business equipment 33%, 3 years
- Furniture 10%, 10 years

In justified cases, different depreciation rates may be applied.

Leases

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the foundation. All other leases are classified as operating leases.

The foundation as a lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charge (interest expense) and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. A leased asset is depreciated similarly to assets that are owned. When it is not sufficiently certain that the lessee will acquire the asset by the end of the lease term, the leased asset is depreciated over the shorter of its lease term and estimated useful life.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Financial liabilities

Financial liabilities comprise trade payables, accrued expenses and other current and non-current payables and borrowings. When a financial liability is recognised initially, it is measured at its cost which is the fair value of the consideration received for it. The initial cost of a financial liability comprises all transaction charges directly attributable to its acquisition. After initial recognition, financial liabilities are measured at their amortised cost.

A financial liability is removed from the statement of financial position when it is discharged or cancelled or expires.

Vacation pay liability

Expenses related to the vacation pay liability are recognised in the period in which the liability arises. The vacation pay liability is adjusted on an annual basis – at the end of the financial year. The vacation pay earned by the employees is recognised as an expense in the statement of financial performance and a current liability to employees in the statement of financial position.

Grants and donations

The activities of e-Governance Academy are financed to a significant extent with grants and transfers.

In the statement of financial performance, the item Grants and transfers comprises specific-purpose grants and transfers – for example, the transfers received for carrying out the development cooperation projects of the Ministry of Foreign Affairs, the grants provided by Open Estonia Foundation and specific-purpose grants and transfers received from other organisations and persons.

The cash received for a project is recognized in the statement of financial position as a liability (deferred income), which is taken to revenue in proportion to the expenses incurred in the reporting period in respect of the same project or at the rate of execution of the project. When a financed activity (project) ends, the foundation has to submit to the provider of the specific-purpose grant (the donor) a report on the use of funds received. As a rule, the amount of a grant that remains unused is returned.

When the expenses of a project funded with a specific-purpose grant are incurred in the eligibility period and meet the eligibility rules but the cash to be provided by the donor has not yet been received, the expenses are recognized as project expenses in the period in which they are incurred and are taken to revenue in the same amount in accordance with the principle of matching revenues and expenses. An amount of the same size is recognized as a receivable until cash is received from the donor.

Other income comprises other project-based funding provided by donors for specific-purpose projects or training. The cash received for a project is recognized in the statement of financial position as a liability (deferred income), which is taken to revenue in proportion to the expenses incurred in the reporting period in respect of the same project or at the rate of execution of the project. Other income comprises mainly financing for short-term projects and training events.

Grants are recognized as income on a systematic basis over the periods in which the foundation recognizes as expenses the costs for which the grants are intended to compensate. A grant received for compensating for expenses incurred in previous periods or which do not have any attaching conditions that have to be complied with in the future are recognized as income in the period in which the grant was provided. A grant is not recognized as income until there is reasonable assurance that the foundation will comply with the conditions attaching to the grant and the grant proceeds become receivable. In the statement of cash flows, specific-purpose grants are reported using the indirect method.

Revenue recognition

Revenue from trading activities comprises income generated by economic activities. The item also includes successful bids for public procurement projects, short-term consulting revenue and revenue from services that support the foundation's statutory activities.

Related parties

A related party is a person or a company that is related to e-Governance Academy to such an extent that transactions between them may be conducted on terms other than market terms.

Related parties include:

- 1) the founders;
- 2) the members of the executive and higher governing bodies; and
- 3) close family members of the founders and the members of the executive and higher governing bodies;
- 4) companies under the control or significant influence of all of the above persons.

Events after the reporting period

The financial statements reflect all significant events affecting the valuation of assets and liabilities that became evident between the reporting date (31 December 2019) and the date on which the financial statements were authorized for issue but are related to the reporting or prior periods. Subsequent events that are indicative of conditions that arose after the reporting date but which will have a significant effect on the result of the next financial year are disclosed in the notes to the financial statements.

Note 2 Cash and cash equivalents

(In Euros)

	31.12.2019	31.12.2018
Cash on hand, EUR	11 374	7 449
Cash on hand, foreign currencies	1 090	1 770
Cash at bank, EUR	2 948 042	2 108 448
Cash at bank, foreign currencies	359 564	197 758
Total cash and cash equivalents	3 320 070	2 315 425

Note 3 Receivables and prepayments

(In Euros)

	31.12.2019	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	608 474	608 474		
Accounts receivables	608 474	608 474		
Tax prepayments and receivables	87 434	87 434		4
Other receivables	362 644	362 644		5
Accrued income	362 644	362 644		
Prepayments	344 714	344 714		
Deferred expenses	344 714	344 714		
Other receivables and prepayments	16 570		16 570	
Total receivables and prepayments	1 419 836	1 403 266	16 570	

	31.12.2018	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	396 044	396 044		
Accounts receivables	396 044	396 044		
Tax prepayments and receivables	18 391	18 391		4
Other receivables	50 362	50 362		5
Accrued income	50 362	50 362		
Prepayments	20 000	20 000		
Deferred expenses	20 000	20 000		
Other receivables and prepayments	16 570		16 570	
Total receivables and prepayments	501 367	484 797	16 570	

Note 4 Tax prepayments and liabilities

(In Euros)

	31.12.2019		31.12.2018	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax	48 646		5 185	
Personal income tax		18 814		13 415
Fringe benefit income tax		1 290		1 100
Social tax		33 764		24 407
Contributions to mandatory funded pension		1 456		988
Unemployment insurance tax		1 793		1 329
Interest		7		
Other tax prepayments and liabilities		14		14
Prepayment account balance	38 788		13 206	
Total tax prepayments and liabilities	87 434	57 138	18 391	41 253

Note 5 Other receivables

(In Euros)

	31.12.2019	Within 12 months	Note
Accrued income	362 644	362 644	3
Receivables from donors	352 506	352 506	
Miscellaneous short-term receivables	10 138	10 138	
Total other receivables	362 644	362 644	
	31.12.2018	Within 12 months	Note
Accrued income	50 362	50 362	3
Receivables from donors	39 170	39 170	
Miscellaneous short-term receivables	11 192	11 192	
Total other receivables	50 362	50 362	

Note 6 Property, plant and equipment

(In Euros)

			Total
	Computers and computer systems	Other property, plant and equipment	
31.12.2018			
Carried at cost	80 734	50 003	130 737
Accumulated depreciation	-43 063	-28 933	-71 996
Residual cost	37 671	21 070	58 741
Acquisitions and additions	4 151		4 151
Other acquisitions and additions	4 151		4 151
Depreciation	-14 935	-10 001	-24 936
Other changes	-280		-280
31.12.2019			
Carried at cost	83 280	50 003	133 283
Accumulated depreciation	-56 673	-38 934	-95 607
Residual cost	26 607	11 069	37 676

Note 7 Operating lease

(In Euros)

Accounting entity as lessee

	2019	2018	Note
Operating lease expenses	151 791	159 254	13,14

The operating lease cost includes the rent of office equipment, fixtures, furniture and the rent costs of office premises.

Note 8 Payables and prepayments

(In Euros)

	31.12.2019	Within 12 months	Note
Trade payables	333 658	333 658	
Employee payables	54 439	54 439	9
Tax payables	57 138	57 138	4
Other payables	3 490	3 490	
Other accrued expenses	3 490	3 490	
Prepayments received	297 623	297 623	
Deferred income	297 623	297 623	
Total payables and prepayments	746 348	746 348	
	31.12.2018	Within 12 months	Note
Trade payables	25 892	25 892	
Employee payables	46 190	46 190	9
Tax payables	41 253	41 253	4
Prepayments received	23 040	23 040	
Deferred income	23 040	23 040	
Total payables and prepayments	136 375	136 375	

Note 9 Employee payables

(In Euros)

	31.12.2019	31.12.2018	Note
Vacation pay liability	30 695	23 939	
Salaries payable	23 488	22 050	
Other payables to employees	256	201	
Total employee payables	54 439	46 190	8

Note 10 Grants with special terms

(In Euros)

Assets at cost

	31.12.2017		Received	Repaid	Recognized in statement of revenues and expenses	31.12.2018	
	Receivables	Liabilities				Receivables	Liabilities
Grants for operating expenses							
Grants for operating expenses	12 874	4 142 834	1 255 761	-20 336	-3 067 816	39 170	2 284 147
Total grants for operating expenses	12 874	4 142 834	1 255 761	-20 336	-3 067 816	39 170	2 284 147
Total grants	12 874	4 142 834	1 255 761	-20 336	-3 067 816	39 170	2 284 147
	31.12.2018		Received	Repaid	Recognized in statement of revenues and expenses	31.12.2019	
	Receivables	Liabilities				Receivables	Liabilities
Grants for operating expenses							
Grants for operating expense	39 170	2 284 147	4 412 618	-32	-2 939 090	352 506	3 444 307
Total grants for operating expenses	39 170	2 284 147	4 412 618	-32	-2 939 090	352 506	3 444 307
Total grants	39 170	2 284 147	4 412 618	-32	-2 939 090	352 506	3 444 307

Note 11 Grants and donations

(In Euros)

	2019	2018
Grants and donations related to income	36 000	28 500
Specific-purpose grants and transfers for carrying out projects	2 903 090	3 039 316
Total grants and donations	2 939 090	3 067 816
Provision from state budget	781 756	866 628
Other specific-purpose grants	2 157 334	2 201 188

Monetary and non-monetary grants and donations		
	2019	2018
Monetary grant	8 800	23 000
Total grants and donations	8 800	23 000

Note 12 Other income

(In Euros)

	2019	2018
Statutory training activities	499 872	333 760
Donations	8 800	23 000
Other	23 671	4 700
Total other operating income	532 343	361 460

Note 13 Direct expenses of projects financed by grants and donations (In Euros)

	2019	2018	Note
Transportation expense	33 358	34 237	
Office expense	149 056	131 100	7
Travel expense	136 377	152 085	
Labor expense	1 049 643	874 028	15
Expenses on visas	97	62	
Training participants' accommodation expenses	24 899	28 149	
Other project/training execution expenses	1 502 374	1 922 404	
Total direct expenses of projects financed by grants and donations	2 895 804	3 142 065	

Note 14 Miscellaneous operating expenses (In Euros)

	2019	2018	Note
Leases	41 703	44 648	7
Energy	4 472	1 730	
Electricity	1 751	1 219	
Heat energy	2 721	511	
Water supply services	563	370	
Miscellaneous office expenses	69 760	64 398	7
Travel expense	362 860	249 490	
Training expense	917	502	
Sub-contracted experts and technical implementation	411 321	251 966	
Expenditure on organizing training and project events	168 028	64 786	
Other	28 327	14 463	
Total miscellaneous operating expenses	1 087 951	692 353	

Note 15 Labor expense (In Euros)

	2019	2018	Note
Wage and salary expense	1 266 232	1 016 304	16
Social security taxes	312 818	261 090	
Total labor expense	1 579 050	1 277 394	
Thereof disclosed as direct expenses of projects financed by grants and donations	1 049 643	874 029	13
Average number of employees in full time equivalent units	22	20	

Average number of full-time employees was 22.

Employment by type specified in subsection 25 1 of the Taxation Act:

- 1) a person employed on the basis of an employment contract: 20
- 2) a member of the management or control body of a legal person: 2

In addition, staff costs include fees paid to more than thirty external experts and lecturers.

Note 16 Related parties

(In Euros)

Related party balances according to groups

Purchases and sales of goods and services

	2019		2018	
	Purchases of goods and services	Sales of goods and services	Purchases of goods and services	Sales of goods and services
Founders and members	38 768		123 225	
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher		417	380	7 700

Remuneration and other significant benefits calculated for members of management and highest supervisory body	2019	2018
	Remuneration	129 500

Related party transactions:

The Purchases column reflects transactions made with companies related to the founders of the foundation (expert work and consultation and expenses).

The Sales column is the sales of the conference service provided to the organization related to the executive and senior management.

The amounts of fees and other significant benefits calculated for the executive and senior management are also reflected in Note 15 Labor expense.

Note 17 Events after the reporting date

The spread of the corona virus (COVID-19) in the world and in Estonia has characterized the first quarter of 2020. We treat this virus outbreak as non-adjusting event after the balance sheet date. Due to the uncertain situation and its rapid development, it is not practical providing an accurate quantitative assessment of the potential impact of the virus outbreak on the Foundation.

The activities of the e-Government Academy have been moderately affected by the pandemic spread of the virus and the accompanying economic shutdown in the world.

Training visits to Estonia have been most affected and we decided to organize our annual conference in May, virtually.

Other EGA projects have remained broadly on schedule despite the crisis, with some minor delays due to expert missions postponement due to travel restrictions. As the deadline for most of the projects concerned is 2021, it is possible to replace the lost time in project schedules when travel restrictions eased.

According to current forecasts, we do not expect the foundation to end the 2020 financial year with a loss.