



AUDIT FIRM "DEGRESSION GROUP LTD"

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INDEPENDENT AUDITOR'S REPORT

Regarding the report on the use of funds under projects

CHARITABLE ORGANIZATION

**"UKRAINIAN INSTITUTE ON PUBLIC HEALTH
POLICY"**

for the Year Ended 31 December 2022

Kyiv 2023

Report recipients: Owners and the Management Board of the CHARITABLE ORGANIZATION "UKRAINIAN INSTITUTE ON PUBLIC HEALTH POLICY"

Auditor's Opinion

We conducted an audit of the financial report for the projects of the CHARITABLE ORGANIZATION "UKRAINIAN INSTITUTE ON PUBLIC HEALTH POLICY" (hereinafter referred to as the Organization):

- «Implementation study of the data usage strategy to improve the cascade of HIV treatment and dependencies among PLHIV in Ukraine»;
- «Utilizing social networks to improve access to substitution maintenance therapy, HIV prevention, and medical assistance among injecting drug users in Ukraine»;
- «Training program for HIV research in Ukraine»;
- «Unhealthy alcohol consumption and other associated illnesses among HIV-positive tuberculosis patients in Ukraine»;
- «Treatment of mental disorders in patients at methadone clinics in Ukraine»;
- «Using latent class analysis to assess the impact of multi-level stigma on the engagement of HIV-positive women who use drugs in Ukraine»;
- «Training program for HIV research in Ukraine (including COVID-19 services)»

the financial report, prepared by the Organization, covers the year ended December 31, 2022, and includes the result of funding from donors and notes to the financial report regarding the use of funds for the projects, including a concise summary of significant accounting policies (hereinafter referred to as the financial report).

In our opinion, the attached financial report accurately reflects, in all material respects, the financial inflows and utilization of funds of the Organization for the year ended December 31, 2022, in accordance with the basis of accounting for cash inflows and expenditures described in Note 1.1.

Basis for Auditor's opinion

We conducted the audit in accordance with International Standards on Auditing (ISA). Our responsibility as per these standards is set out in the section "Auditor's Responsibility for the Audit of Special Purpose Financial Statements" of our report. We are independent of the Organization in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA) and ethical requirements applicable in Ukraine in relation to our audit of special purpose financial statements, 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.

Explanatory Paragraph

Basis of Accounting and Distribution Restrictions

We paid attention to Note 1.1, "Basis of Accounting for the Preparation of the Report on the Use of Funds for USG projects", which states that this report is prepared in accordance with the donor contract requirements, based on the cash receipts and expenditures basis on accounting, which is a comprehensive basis of accounting different from the generally accepted accounting principles in the USA. According to this basis of accounting, revenue is recognized when cash is received, rather than when earned, and expenses are recognized when paid, rather than when incurred. The financial report was prepared in compliance with the donor contracts to provide them with information on the

results of the funding provided by the Organization. Therefore, the financial report may not be suitable for other purposes. Our opinion has not been modified in relation to this matter.

Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial report in accordance with the cash receipts and expenditures basis of accounting as described in Note 1.1.; this includes determining that the cash receipts and expenditures basis of accounting is acceptable for the circumstances of preparing the financial report and for designing, implementing, and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement due to fraud or error.

During the special purpose financial report compilation, the management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern, and using the going concern assumption as the basis for accounting, except in cases where management intends to liquidate the Organization or cease operation or has no realistic alternative but to do so.

Auditor's Responsibility for the audit of the Financial Statements:

Our objectives are to obtain the reasonable assurance that the financial report as a whole is free from material misstatement due to fraud or error and to issue an auditor's report containing our opinion. Reasonable assurance is a high level of confidence, but it does not guarantee that an audit conducted in accordance with International Standards on Auditing (ISA) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users based on this financial report.

In conducting the audit in accordance with ISA, we use professional judgment and Professional skepticism throughout the entire audit engagement. Additionally, we:

- Identify and assess the risks of material misstatements of the financial report due to fraud or error, develop and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to use as a basis for our Opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal controls.
- Obtain an understanding of internal control relevant to the audit for designing audit procedures that are appropriate to the circumstances, but not for expressing an opinion on the effectiveness of the Organization's internal control system.
- Conclude on the appropriateness of using the going concern assumption as the basis for accounting and, based on the audit evidence obtained, determine whether there is a significant uncertainty that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that there is significant uncertainty, we are required to draw attention to the relevant disclosures in the financial report or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease operations as a going concern.
- Evaluate the acceptability of the accounting policies applied and the reasonableness of accounting estimates and related disclosures made by management.
- Assess the overall presentation, structure, and content of the financial report, including information disclosures, as well as whether the financial report presents operations and events that have formed the basis for its preparation in a true and fair manner.

We communicate with those charged with governance, along with other matters, information about the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified by us during the audit.

Information about the Auditing entity:

Full name:

Degression group Ltd

Location:

Ukraine, Kyiv, Berezneva Street, 10

Registration information:

Degression group Ltd is included in the "Register of auditors and subjects of auditing activities" under number 2663

Legal Entity Identification code:

31450876

Key partner responsible for the audit task, resulting in this independent auditor's report

Auditor's registration number in the Register of auditors and subjects of auditing activities: 100478

Date of report: 10 of August 2023



Maryna Hryhorivna Karpenko

Appendix 1

Charitable Organization «Ukrainian Institute on Public Health Policy»

FUND ACCOUNTABILITY STATEMENT UNDER USG-FUNDED PROJECTS

as at December 31, 2022 and for the year then ended

(in US dollars)

Categories	PROJECTS										NOTE		
	Грант 1- D2C	Грант 2- SN MAT	Грант 3- FIC	Грант 4- TB-ALKO	Грант 5- Medium	Грант 6- HOPKINS - 2	Грант 7 - COVSUP						
	Agreement Budget 01/09/21-31/08/24	Actual Revenues and Expenditure \$	Agreement Budget 01/08/21-31/07/24	Actual Revenues and Expenditure \$	Agreement Budget 11/08/17-30/04/23	Actual Revenues and Expenditure es	Agreement Budget 15/10/20-31/10/22	Actual Revenues and Expenditure es	Agreement Budget 01/06/18-31/05/23	Actual Revenues and Expenditure es	Agreement Budget 15/08/21-30/06/24	Actual Revenues and Expenditure es	
Outstanding Fund Balance as at January 01, 2023													
Bank account USD	-	-	-	-	-	-	-	-	-	-	-	-	
Bank account UAH	-	-	-	-	-	-	-	-	-	-	-	-	
Revenue													
Revenue - received grants	\$ 36 217,77	\$ 60 808,37	\$ 25 897,75	\$ 10 146,27		\$ 155 696,20		\$ 9 321,28		\$ 44 076,59			
USG Contribution	-	-	-	-	-	-	-	-	-	-	-		
Expenditures													
Direct costs													
Personnel	\$ 88 767,20	\$ 33 280,83	\$ 124 256,45	\$ 59 742,50	\$ 4 348,00	\$ 4 919,91	\$ 651,62	\$ 651,62	\$ 73 803,00	\$ 72 490,94	\$ 1 508,65	\$ 45 628,00	\$ 35 898,56
Fringe benefits									\$ 23 159,00	\$ 14 644,96			
Consultant Labor	\$ 17 000,00	\$ -	\$ 10 156,55			\$	984,45	\$ 984,45	\$ 4 143,00	\$ 3 986,98			
Travel, Workshops, and Meetings	\$ 29 400,00	\$ 4 238,42	\$ 19 705,00			\$ 35 388,00	\$ 8 690,76		\$ 21 600,00	\$ 4 989,53	\$ 6 428,79	\$ 10 744,00	\$ 1 815,71
Equipment - initial purchase													
Office supplies	\$ 720,00	\$ 368,63	\$ 8 920,00	\$ 2 630,25	\$ 755,00	\$ 321,25			\$ 2 160,00	\$ 444,51			
Other direct charges	\$ 10 524,00	\$ 3 767,91	\$ 11 717,00	\$ 661,51	\$ 6 566,00	\$ 3 033,50	\$ 4 706,71	\$ 4 706,71	\$ 24 300,00	\$ 9 305,49	\$ 1 621,28	\$ 4 374,00	\$ 4 822,87
Sub-Contracts									\$ 280 132,00	\$ 52 975,02			
Total direct costs	\$ 146 411,20	\$ 41 655,78	\$ 174 755,00	\$ 63 034,26	\$ 47 057,00	\$ 16 965,42	\$ 6 342,78	\$ 6 342,78	\$ 429 297,00	\$ 158 837,43	\$ 9 558,72	\$ 60 746,00	\$ 42 537,14
Indirect costs	\$ 11 712,90	\$ 3 332,47	\$ 13 980,00	\$ 5 042,74	\$ 3 405,00	\$ 1 333,07			\$ 12 142,00	\$ 6 718,98	\$ 769,95	\$ 4 860,00	\$ 3 357,92
Total direct and indirect costs incurred	\$ 158 124,10	\$ 44 988,25	\$ 188 735,00	\$ 68 077,00	\$ 50 462,00	\$ 18 298,49	\$ 6 342,78	\$ 6 342,78	\$ 441 439,00	\$ 165 556,41	\$ 10 328,67	\$ 65 606,00	\$ 45 895,06



Director

Dvorjak S.

Note 6

Note 8

Note 3

**NOTES TO THE FUND ACCOUNTABILITY STATEMENT UNDER USG-FUNDED PROJECTS
as at December 31, 2022 and for the year then ended**

NOTE 1: ACCOUNTING POLICIES

The main accounting policies and principles, which are used by management regarding grant agreements, are disclosed below.

1.1. Accounting basis of preparation of the Fund Accountability statement under USG-funded projects

The Fund accountability statement under USG-funded projects was prepared in accordance with terms and conditions of agreements.

The Fund accountability statement was prepared based on accounting by cash receipts and expenditures, which is the common basis of accounting other than the Generally Accepted US Accounting Principles. Under this guidance, the revenue is recognized to the extent received, and not to the extent accrued, and the expenses are recognized when paid rather than when incurred.

The Charitable organization "Ukrainian Institute on Public Health Policy" (the Organization or UIPHP) has separate bank accounts and analytics in accounting data held by registration of revenues and expenses under each project. The accumulation of the revenue and cost generates the Fund Accountability Statement under projects which is audited for the period from January 1, 2022 to December 31, 2022.

The Fund Accountability Statement revenue corresponds to flow of funds received from USG. Costs of the Fund Accountability Statement correspond to funds disbursed in payment of cost incurred or in advance payments.

1.2. Budgets

The Charitable organization "Ukrainian Institute on Public Health Policy" implements its statutory goals by using funds received from more than one donor. In accordance with Grant agreements, the duration of each project is different and distinct from generally accepted financial year.

Budgets of the projects presented at the Fund Accountability Statement have been prepared in accordance with the budgets approved by Grant agreements. Such budgets are expressed in USD.

1.3. Functional and presentation currency

The Fund Accountability Statement provided to auditors by UIPHP is stated in local currency of Ukraine – hryvnias (UAH).

The functional currency for funds received from USG under the grants is USD. The funds from USG were received in USD.

The expenses incurred in connection with performance of the Grant agreements signed with USG are made mostly in hryvnias. As a general rule the expenditure of funds are recalculated into USD at the rate of the currency conversion for each tranche.

Grant 1, Grant 2, Grant 3, Grant 4, Grant 6, Grant 7 provides for compensation of the actually incurred costs by donors based on the invoices billed on a periodic basis. Such expenses were converted UIPHP according to terms of agreements at the NBU exchange rate effective at the date when respective invoices were issued for the purposes of presentation in the Fund Accountability Statement for the year ended December 31, 2022.

Grant 5 - advance payments ordered in the PMS system (payment management system).

NOTE 2: REVENUES RECEIVED FROM USG

During 2022, the Organization received target funds from USG on its bank accounts in total amount of \$ 342,164.33.

These amounts are detailed by the following receptions:

Project	Month	Nature of reception	Amount in local currency (UAH)	Amount in USD
Grant 1	January	Bank transfer received in January 2022 (as reimbursement)	84 680,77	2 989,76
Grant 1	February	Bank transfer received in February 2022 (as reimbursement)	77 679,85	2 774,30
Grant 1	March	Bank transfer received in March 2022 (as reimbursement)	98 296,46	3 360,00
Grant 1	April	Bank transfer received in April 2022 (as reimbursement)	86 954,05	2 972,29
Grant 1	May	Bank transfer received in May 2022 (as reimbursement)	75 796,52	2 590,90
Grant 1	June	Bank transfer received in June 2022 (as reimbursement)	113 431,49	3 877,35
Grant 1	July	Bank transfer received in July 2022 (as reimbursement)	146 849,62	4 015,73
Grant 1	August	Bank transfer received in August 2022 (as reimbursement)	138 698,12	3 792,82
Grant 1	September	Bank transfer received in September 2022 (as reimbursement)	166 614,95	4 556,23
Grant 1	November	Bank transfer received in November 2022 (as reimbursement)	193 389,02	5 288,39
Grant 1	D2C	Total	1 182 390,85	36 217,77
Grant 2	February	Bank transfer received in February 2022 (as reimbursement)	160 190,18	5 475,67
Grant 2	March	Bank transfer received in March 2022 (as reimbursement)	151 962,82	5 194,44
Grant 2	April	Bank transfer received in April 2022 (as reimbursement)	177 193,42	6 056,88
Grant 2	May	Bank transfer received in May 2022 (as reimbursement)	149 370,25	5 105,82
Grant 2	June	Bank transfer received in June 2022 (as reimbursement)	148 413,91	5 073,13
Grant 2	July	Bank transfer received in July 2022 (as reimbursement)	144 151,47	4 927,43

Grant 2	August	Bank transfer received in August 2022 (as reimbursement)	156 834,31	4 288,77
Grant 2	October	Bank transfer received in October 2022 (as reimbursement)	203 427,83	5 562,91
Grant 2	October	Bank transfer received in October 2022 (as reimbursement)	222 473,12	6 083,72
Grant 2	November	Bank transfer received in November 2022 (as reimbursement)	236 007,89	6 453,84
Grant 2	December	Bank transfer received in December 2022 (as reimbursement)	240 832,02	6 585,76
Grant 2	SN Mat	Total	1 990 857,22	60 808,37
Grant 3	January	Bank transfer received in January 2022 (as reimbursement)	64 266,49	2 262,10
Grant 3	February	Bank transfer received in February 2022 (as reimbursement)	200 386,10	7 161,89
Grant 3	March	Bank transfer received in March 2022 (as reimbursement)	138 793,14	4 744,27
Grant 3	April	Bank transfer received in April 2022 (as reimbursement)	118 467,43	4 049,49
Grant 3	June	Bank transfer received in June 2022 (as reimbursement)	224 677,63	7 680,00
Grant 3	FIC	Total	746 590,79	25 897,75
Grant 4	February	Bank transfer received in February 2022 (as reimbursement)	34 687,86	1 240,54
Grant 4	March	Bank transfer received in March 2022 (as reimbursement)	23 520,94	804,00
Grant 4	June	Bank transfer received in June 2022 (as reimbursement)	113 053,22	3 864,42
Grant 4	September	Bank transfer received in September 2022 (as reimbursement)	57 264,96	1 565,96
Grant 4	November	Bank transfer received in November 2022 (as reimbursement)	42 498,20	1 162,15
Grant 4	December	Bank transfer received in December 2022 (as reimbursement)	55 189,33	1 509,20
Grant 4	TB Alko	Total	326 214,51	10 146,27
Grant 5	January	Bank transfer received in January 2022 (as reimbursement)	160 083,82	5 636,00
Grant 5	January	Bank transfer received in January 2022 (as	97 216,23	3 432,34

		reimbursement)		
Grant 5	February	Bank transfer received in February 2022 (as reimbursement)	116 811,82	4 105,07
Grant 5	February	Bank transfer received in February 2022 (as reimbursement)	114 604,43	4 037,13
Grant 5	February	Bank transfer received in February 2022 (as reimbursement)	159 472,58	5 688,42
Grant 5	February	Bank transfer received in February 2022 (as reimbursement)	124 518,43	4 371,43
Grant 5	February	Bank transfer received in February 2022 (as reimbursement)	154 465,87	5 280,00
Grant 5	March	Bank transfer received in March 2022 (as reimbursement)	98 364,63	3 362,33
Grant 5	March	Bank transfer received in March 2022 (as reimbursement)	173 113,53	5 917,42
Grant 5	March	Bank transfer received in March 2022 (as reimbursement)	245 741,16	8 400,00
Grant 5	April	Bank transfer received in April 2022 (as reimbursement)	104 285,53	3 564,72
Grant 5	April	Bank transfer received in April 2022 (as reimbursement)	61 013,43	2 085,58
Grant 5	May	Bank transfer received in May 2022 (as reimbursement)	58 382,83	1 995,66
Grant 5	May	Bank transfer received in May 2022 (as reimbursement)	153 209,08	5 237,04
Grant 5	June	Bank transfer received in June 2022 (as reimbursement)	136 673,04	4 671,80
Grant 5	June	Bank transfer received in June 2022 (as reimbursement)	184 836,55	6 318,14
Grant 5	July	Bank transfer received in July 2022 (as reimbursement)	74 810,34	2 557,19
Grant 5	July	Bank transfer received in July 2022 (as reimbursement)	61 068,10	1 669,96
Grant 5	July	Bank transfer received in July 2022 (as reimbursement)	247 352,20	6 764,06
Grant 5	July	Bank transfer received in July 2022 (as reimbursement)	138 375,58	3 784,00
Grant 5	August	Bank transfer received in August 2022 (as reimbursement)	110 228,37	3 014,29
Grant 5	August	Bank transfer received in August 2022 (as reimbursement)	101 696,18	2 780,97
Grant 5	August	Bank transfer received in August 2022 (as	253 054,71	6 920,00

		reimbursement)		
Grant 5	September	Bank transfer received in September 2022 (as reimbursement)	189 062,59	5 170,08
Grant 5	September	Bank transfer received in September 2022 (as reimbursement)	317 049,76	8 670,00
Grant 5	September	Bank transfer received in September 2022 (as reimbursement)	130 549,90	3 570,00
Grant 5	October	Bank transfer received in October 2022 (as reimbursement)	147 371,46	4 030,00
Grant 5	October	Bank transfer received in October 2022 (as reimbursement)	365 686,00	10 000,00
Grant 5	November	Bank transfer received in November 2022 (as reimbursement)	175 793,67	4 807,23
Grant 5	November	Bank transfer received in November 2022 (as reimbursement)	149 943,69	4 100,34
Grant 5	November	Bank transfer received in November 2022 (as reimbursement)	65 969,75	1 804,00
Grant 5	November	Bank transfer received in November 2022 (as reimbursement)	277 043,71	7 576,00
Grant 5	December	Bank transfer received in December 2022 (as reimbursement)	159 987,63	4 375,00
Grant 5	Medium	Total	5 107 836,60	155 696,20
Grant 6	March	Bank transfer received in March 2022 (as reimbursement)	24 504,20	837,61
Grant 6	April	Bank transfer received in April 2022 (as reimbursement)	54 536,69	1 864,19
Grant 6	September	Bank transfer received in September 2022 (as reimbursement)	13 672,63	373,89
Grant 6	November	Bank transfer received in November 2022 (as reimbursement)	228 392,48	6 245,59
Grant 6	Hopkins	Total	321 106,00	9 321,28
Grant 7	February	Bank transfer received in February 2022 (as reimbursement)	278 813,63	9945,34
Grant 7	March	Bank transfer received in March 2022 (as reimbursement)	264 728,47	9049,03
Grant 7	April	Bank transfer received in April 2022 (as reimbursement)	295 493,80	10 100,66
Grant 7	June	Bank transfer received in June 2022 (as reimbursement)	299 709,43	10 244,76
Grant 7	July	Bank transfer received in July 2022 (as reimbursement)	21 263,92	726,85

Grant 7	September	Bank transfer received in September 2022 (as reimbursement)	34 704,33	949,02
Grant 7	October	Bank transfer received in October 2022 (as reimbursement)	24 896,63	680,82
Grant 7	November	Bank transfer received in November 2022 (as reimbursement)	33 828,88	925,08
Grant 7	November	Bank transfer received in November 2022 (as reimbursement)	33 928,35	927,80
Grant 7	November	Bank transfer received in November 2022 (as reimbursement)	19 280,06	527,23
Grant 7	CovSup	Total	1 306 647,50	44 076,59

NOTE 3: EXPENSES INCURRED

From January 1, 2022 to December 31, 2022, the Organization incurred direct and indirect expenditures in a total amount of \$ 359,482.42 (appendix 1 to the notes).

NOTE 4: COMPLIANCE WITH APPROVED BUDGETS

Throughout the implementation of mentioned above Grants, the Organization incurred cumulative expenses which do not exceed approved obligated amounts by donors.

In general, reallocations between approved budget lines were less than 10% of obligated amounts. In addition, all budget overruns were allowed by the donors at the moment of financial statements and/or interim fund accountability reports approval.

NOTE 5: RECONCILIATION WITH ACCOUNTING BALANCES

Revenues and expenses recorded by the Organization in the Fund Accountability Statement under the projects and in invoices to donors for the period from January 01, 2022 to December 31, 2022 are consistent with accounting books.

The remaining funds received from donors are equal to closing balances in bank accounts of the Organization confirmed by bank statements.

NOTE 6: FUND BALANCE RECONCILIATION

The remaining balances on the bank accounts of the Organization as at December 31, 2022 reconciles with the remaining balances received from USG and recorded in the accounting books and in the Funds Accountability Statement of the Organization.

NOTE 7: QUESTIONED COSTS

Ineligible costs are costs that are explicitly questioned because they are unreasonable, prohibited by the agreements or applicable laws and regulations, or not program related. In addition, if a recipient was required to place USG funds in an interest-bearing account but did not, then the imputed interest that would have been earned is also classified as an ineligible cost.

Unsupported costs are not supported with adequate documentation and/or did not have required prior approvals or authorizations (if it is applicable).

All question costs must be refunded to the donor. In case of donor prior approval, a recipient may reduce its future project expenses in amount of questioned costs.

During the 2022 year, the Organization has not incurred any ineligible and/or unsupported costs. In addition, the majority of projects which are audited are implemented on a reimbursement basis, and then the Organization is not required to hold any funds from USG with interest-bearing bank accounts. Under Medium project the Organization receives advances and spends it on monthly basis. Hereby, the closing balances in bank accounts of mentioned projects are scanty to be hold with interest-bearing bank accounts.

NOTE 8: INDIRECT COSTS OF THE ORGANIZATION

In 2022 the Organization re-invoiced to Donors the expenses actually incurred which included indirect costs in amount of 8% of total direct expenses (or if it was required by donor in amount of 8% of modified total direct costs less the equipment). Mentioned overhead charges are allowed by grant agreements but does not correspond with its actual amount.

The Organization has a separate bank account for indirect costs accounting.

For the purposes of inclusion of indirect costs related to the grants mentioned above to the Fund Accountability Statement for the year ended December 31, 2022 applied actual amount of indirect costs in case of such indirect costs have been incurred from each bank accounts.

NOTE 9: ADJUSTMENTS IN THE FUND ACCOUNTABILITY STATEMENT

9.1. Adjustments in respect of currency transfers

Expenses under Grant agreements conducted with USG were incurred mainly in hryvnas.

Expenses incurred in UAH under the projects were converted in USD for the reporting purposes at:

- NBU exchange rate effective at the date of cash to be used under the projects funded in UAH
- NBU exchange rate effective at the date of invoice to be issued for projects under Grant agreements which required such approach and for projects without any approved approach for cost transfers in USD in agreements;
- exchange rate effective at the date of currency to be sold under projects with advance funding in USD.

Revenues received from the USG were recognized in the Fund Accountability statement in USD as at the date of such funds to receive.

For the Fund Accountability statement purposes for the year ended December 31, 2022, the closing balances under the projects were adjusted in respect of currency translation done by using different approaches for revenue and expenses recognition in USD.

9.2. Adjustments in respect of cash transfers to other project

The Organization has opened separate bank accounts for each Grant for the purpose of the cash accumulation and spending for projects' goals realization in compliance with requirements of Grant Agreements.

If there is an absence or lack of the funds on project bank account, the Organization transfers funds in order to pay off the expenses on its realization from another Grant bank account.

Transferred funds are returned on projects bank account in part or in full amount after regular tranche from the donor.

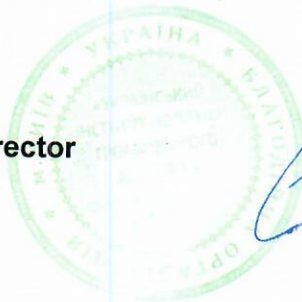
For the purposes of the Fund Accountability Statement, closing balances on the projects' bank accounts were adjusted on the amount of funds borrowed or transferred and not returned in favor of other projects as at December 31, 2022.

NOTE 10: REFUNDS

According to the Grant agreements' conditions under audited projects, the amounts of funds received but did not spend must be refunded to the donor.

During 2022 year the Organization did not refund any funds to the donor.

Director



Dvoryak S.