



EDRPOU Code: 22843466

Address: 92H Nezalezhnosti Avenue, Chernivtsi, 58029, Ukraine

Certificate of Inclusion in the Register of Audit Firms and Auditors: No. 3889 dated October 26, 2006

### **AUDITOR'S REPORT**

#### ***on the factual results of the verification of the use of funds for the statutory activities of the Charitable Foundation "City of Goodness"***

To the Chair of the Board / President  
of the Charitable Foundation "City of Goodness"

Ms. Marta Levchenko

Chernivtsi

August 23, 2023

We have performed the procedures agreed with you and listed below regarding the verification of the use of funds for the statutory activities of the Charitable Foundation "City of Goodness" for the period from January 1, 2022, to December 31, 2022.

#### **Purpose**

Our engagement consisted of verifying expenditures through the performance of certain agreed procedures. The purpose of this interim review of expenditures is to enable us to perform the agreed procedures and provide you with a report on the procedures performed.

#### **Standards**

Our engagement was conducted in accordance with International Standard on Auditing (ISA) 805 "Special Considerations — Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement," which applies to engagements involving agreed procedures.

#### **Information about the Audit Firm**

The independent audit firm "West Audit" is located in Chernivtsi, 92H Nezalezhnosti Avenue, tel. +38 (0372) 555-700; mobile +38 (050) 690-77-70, and is included in the Register of Audit Entities by decision of the Audit Chamber of Ukraine No. 1673 dated October 26, 2006, under No. 3889.

**The procedures performed included:**

- verification of the reliability of accounting records based on primary documents (including contracts, service acceptance acts, invoices, and other supporting documentation);
- verification of the efficiency, accuracy, and appropriateness of the targeted use of funds;
- verification of the compliance of expenditures with the relevant cost categories: personnel, travel, and other costs (rent, consumables, operating expenses, etc.);
- verification of the relationship between expenditures and revenues, possible double (duplicate) financing, and the overall financial management practices;
- verification that the expenditures of the Charitable Foundation “City of Goodness” were properly reflected in accounting records and supported by primary documentation.

### **Results of the Audit**

The Charter of the Charitable Foundation “City of Goodness” was approved in accordance with the decision of the General Meeting of Founders dated October 30, 2020, Protocol No. 1/20.

The main objective of the Foundation is to carry out charitable activities in the interests of low-income parents, women, children, and elderly people who find themselves in difficult circumstances; to provide shelter and accommodation; and to ensure social protection, social support, and social services aimed at poverty reduction, as well as the development and support of these areas in the public interest (Clause 2.2 of the Charter).

To achieve its statutory objectives, the Foundation performs the following tasks:

- promoting the practical implementation of programs aimed at protecting the rights of children and the population (Clause 2.3.1 of the Charter);
- improving the financial situation of beneficiaries of charitable assistance and providing social assistance, support, and facilitation of social rehabilitation for children, low-income individuals, the unemployed, persons with disabilities, refugees, asylum seekers, and other persons requiring care (Clause 2.3.4 of the Charter);
- providing assistance to citizens affected by natural disasters, environmental and technological catastrophes, social conflicts, accidents, as well as refugees (Clause 2.3.5 of the Charter);
- promoting the development of healthcare, participating in the provision of medical assistance to the population, and providing social care to the sick, persons with

disabilities, the lonely, elderly people, and other individuals who require social support due to physical, financial, or other circumstances (Clause 2.3.12 of the Charter).

The project was implemented from January 1, 2022, to December 31, 2022.

The total project budget amounted to UAH 27,847,407.87.

The duration of the agreement, corresponding to the project implementation period, was 12 months, from January 1, 2022, to December 31, 2022.

All payments were made in Ukrainian hryvnias (UAH).

Payments to partners depended on:

- the timely submission of financial, operational (construction), and narrative reports in accordance with applicable requirements;
- compliance with the terms of the agreement and applicable laws and regulations.

<b>Schedule of Fund Transfers</b>			
<b>Type of Payment</b>	<b>Currency</b>	<b>Amount</b>	<b>Requirements / Notes</b>
Payments (charitable assistance) – total amount	Ukrainian Hryvnia (UAH)	27,847,407.87 UAH	None
<b>Total</b>		<b>27,847,407.87</b> <b>UAH</b>	

### **Project Description (Specific Objectives)**

1. To provide temporary housing, care, and essential supplies.
2. To contribute to improving the quality of child upbringing and development.
3. To promote equal opportunities.
4. To increase children's confidence in their abilities.

### **Expected Results**

1. Personal development.
2. Humanitarian and psychological support for children.

<b>No.</b>	<b>Budget Item</b>	<b>Budget (UAH) for the period January 1, 2022 – December 31, 2022 (12 months)</b>
1	Capital investments	15,093,792.30
2	Operating expenses (service payments)	67,668.95
3	Salaries	1,062,278.92
4	Household goods	1,598,502.53
5	Vehicles	783,500.00

<b>No.</b>	<b>Budget Item</b>	<b>Budget (UAH) for the period January 1, 2022 – December 31, 2022 (12 months)</b>
6	Vehicle repairs	51,190.00
7	Medical treatment (payment for services and purchase of emergency medicines)	112,012.35
8	Equipment	1,689,433.85
9	Utility payments	9,100.28
10	Food	1,156,590.37
11	Furniture	1,978,924.75
12	Children's playgrounds	766,400.00
13	Printing services	798,648.00
14	Children's activities	110,200.00
15	Territory improvement	857,575.08
16	Generators	1,232,891.60
17	Plumbing	246,315.02
18	Social security contribution (SSC / Unified Social Contribution)	232,383.87
	<b>Total project expenditures</b>	<b>27,847,407.87</b>

During the period from January 1, 2022 to December 31, 2022, a total of UAH 27,847,407.87 was used to finance the project.

<b>No.</b>	<b>Expenditure Item</b>	<b>Actual Expenditures (UAH) for the period January 1, 2022 – December 31, 2022 (12 months)</b>
1	Capital investments	15,093,792.30
2	Operating expenses (service payments)	67,668.95
3	Salaries	1,062,278.92
4	Household goods	1,598,502.53
5	Vehicles	783,500.00
6	Vehicle repairs	51,190.00
7	Medical treatment (payment for surgeries and purchase of emergency medicines)	112,012.35
8	Equipment	1,689,433.85
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No.	Expenditure Item	Actual Expenditures (UAH) for the period January 1, 2022 – December 31, 2022 (12 months)
16	Generators	1,232,891.60
17	Plumbing	246,315.02
18	Unified Social Contribution (USC)	232,383.87
	<b>Total project expenditures</b>	<b>27,847,407.87</b>

The audit was conducted through an analysis of the primary documents submitted for review for each expenditure category.

Primary documents (payment orders, delivery notes, and service completion certificates) confirm the use of funds under the respective expenditure items.

### CONCLUSION

The accounting and financial records of the Charitable Foundation “City of Goodness” are maintained in accordance with the Law of Ukraine “On Accounting and Financial Reporting in Ukraine” No. 996-XIV dated July 16, 1999, and the Regulation on Documentary Support of Accounting Records, approved by the Order of the Ministry of Finance of Ukraine No. 88 dated May 24, 1995.

The actual expenditures for the period from January 1, 2022 to December 31, 2022 for the implementation of the project of the Charitable Foundation “City of Goodness”, according to the accounting documents provided, amount to UAH 27,847,407.87.

**DIRECTOR**

**LLC Audit Firm “WEST AUDIT”**



**IVAN KUKUL**

**(Registration number in the Register of Auditors – 102070)**

**(Auditor Certificate No. 001218)**