

**INTERNATIONAL RENAISSANCE
FOUNDATION**

Financial Reporting Package

For the year ended 31 December 2013

DRAFT

INTERNATIONAL RENAISSANCE FOUNDATION

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PART I: FINANCIAL STATEMENTS

INTERNATIONAL RENAISSANCE FOUNDATION

Statement of Assets, Liabilities and Fund Balance as at 31 December 2013

	Notes	31 December 2013	31 December 2013	31 December 2012	31 December 2012
		UAH	USD	UAH	USD
ASSETS					
Current Assets					
Cash and cash equivalents	3	614,267	74,190	1,694,067	211,941
Receivables	4	21,579,958	2,606,385	25,090,431	3,138,699
Prepayments, net	5	23,151	2,796	277,438	34,711
Inventories	6	30,079	3,633	7,908	989
		<u>22,247,455</u>	<u>2,687,004</u>	<u>27,069,844</u>	<u>3,386,340</u>
Non-current assets					
Property, equipment and intangible assets	7	2,697,991	325,858	2,459,582	309,115
		<u>24,945,446</u>	<u>3,012,862</u>	<u>29,529,426</u>	<u>3,695,455</u>
LIABILITIES AND FUND BALANCE					
Current liabilities					
Accruals	8	23,793,522	2,873,735	26,987,693	3,376,416
Other liabilities	9	375,511	45,354	509,607	63,755
		<u>24,169,033</u>	<u>2,919,089</u>	<u>27,497,300</u>	<u>3,440,171</u>
FUND BALANCE		<u>776,413</u>	<u>93,773</u>	<u>2,032,126</u>	<u>255,284</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>24,945,446</u>	<u>3,012,862</u>	<u>29,529,426</u>	<u>3,695,455</u>

On behalf of the Board of Directors:

Yevgen Bystrytsky
Executive Director

XX April 2014

Natalia Sannikova
Finance Director

XX April 2014

See accompanying notes to the financial statements

INTERNATIONAL RENAISSANCE FOUNDATION

**Statement of Revenues and Expenses
for the year ended 31 December 2013**

	Notes	31 December 2013 UAH	31 December 2013 USD	31 December 2012 UAH	31 December 2012 USD
Contribution Income					
OSF income	10	70,885,594	8,685,918	83,021,014	10,387,702
Third party income	11	326,358	39,989	260,359	32,332
		<u>71,211,952</u>	<u>8,725,907</u>	<u>83,281,373</u>	<u>10,420,034</u>
Expenses					
FOSI program and administrative expenses	12	(47,895,949)	(5,853,684)	(73,252,916)	(9,166,439)
FPOS program and administrative expenses	13	(23,876,863)	(2,925,735)	(10,266,759)	(1,284,743)
Third party related expenses	14	(312,568)	(38,300)	(375,678)	(47,011)
		<u>(72,085,380)</u>	<u>(8,817,719)</u>	<u>(83,895,353)</u>	<u>(10,498,193)</u>
Deficit of contribution income over expenses		<u>(873,428)</u>	<u>(91,812)</u>	<u>(613,980)</u>	<u>(78,159)</u>
Other income (expenses)					
Other income		144,957	15,684	11,714	1,465
Foreign exchange gain (loss)	15	183,797	10,052	480,055	61,089
		<u>(544,674)</u>	<u>(66,076)</u>	<u>(122,211)</u>	<u>(15,605)</u>

On behalf of the Board of Directors:

Yevgen Bystrytsky
Executive Director

XX April 2014

Natalia Sannikova
Finance Director

XX April 2014

See accompanying notes to the financial statements

INTERNATIONAL RENAISSANCE FOUNDATION

Statement of Changes in Fund Balance for the year ended 31 December 2013

	UAH	USD
Fund balance as at 31 December 2011	2,154,337	270,899
Deficit for the year	(122,211)	(15,605)
Foreign currency translation difference	-	(10)
	<hr/>	<hr/>
Fund balance as at 31 December 2012	2,032,126	255,284
Deficit for the year	(544,674)	(66,076)
Foreign currency translation difference	(711,039)	(95,435)
	<hr/>	<hr/>
Fund balance as at 31 December 2013	776,413	93,773

On behalf of the Board of Directors:

Yevgen Bystrytsky
Executive Director

XX April 2014

Natalia Sannikova
Finance Director

XX April 2014

See accompanying notes to the financial statements

INTERNATIONAL RENAISSANCE FOUNDATION

Statement of Cash Flows for the year ended 31 December 2013

	Notes	31 December 2013	31 December 2013	31 December 2012	31 December 2012
		UAH	USD	UAH	USD
Cash flows from operating activities					
Deficit for the year		(544,674)	(66,076)	(122,211)	(15,605)
Adjustments for:					
Depreciation/amortization		681,776	83,541	645,759	80,810
Foreign currency exchange (gain) loss, net		(183,819)	(4,734)	(29,621)	(4,734)
Decrease (increase) in receivables		3,592,511	537,048	(9,470,868)	(1,182,735)
(Increase) decrease in prepayments		254,287	31,915	223,381	27,971
(Increase) decrease in inventories		(22,171)	(2,644)	53,105	6,647
(Decrease) increase in accruals		(3,194,171)	(502,681)	9,020,865	1,127,695
Loss on disposal of property, equipment and intangible assets		5,190	635	4,626	585
Other movements in property, equipment and intangible assets		-	-	-	-
Increase (decrease) in other liabilities		(134,096)	(18,401)	148,129	18,513
Cash inflow from operating activities		<u>454,833</u>	<u>58,603</u>	<u>473,165</u>	<u>59,147</u>
Cash flows from investing activities					
Purchase of property, equipment and intangible assets		(823,594)	(100,919)	(575,798)	(72,070)
Cash used in investing activities		<u>(823,594)</u>	<u>(100,919)</u>	<u>(575,798)</u>	<u>(72,070)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(368,761)	(42,316)	(102,633)	(12,923)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3	1,694,067	211,941	1,796,700	224,874
Translation difference related to the Statement of Cash Flows		(711,039)	(95,435)	-	(10)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3	<u><u>614,267</u></u>	<u><u>74,190</u></u>	<u><u>1,694,067</u></u>	<u><u>211,941</u></u>

On behalf of the Board of Directors:

Yevgen Bystrytsky
Executive Director

Natalia Sannikova
Finance Director

XX April 2014

XX April 2014

See accompanying notes to the financial statements

INTERNATIONAL RENAISSANCE FOUNDATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

ORGANIZATION

International Renaissance Foundation (the “Foundation” or “IRF”) was established on 8 April 1990 as a not-for-profit organization to provide charitable, scientific, literary and educational support in Ukraine. The registered office of the Foundation is 46 Artema Str., 04053 Kyiv, Ukraine. All activities of the Foundation are currently performed by the Kyiv office. In 2013 the Foundation employed on average 34 employees (2012: 34 employees).

The International Renaissance Foundation is part of the Open Society Foundations, which are represented by numerous not-for-profit organizations which mainly receive their funding from the Foundation Open Society Institute (FOSI). The major programs of the Foundation during 2013 were as follows:

1. **The Rule of Law Program** focuses on implementation of judicial reform, including the reform of criminal justice and penitentiary systems and policies. Besides offering assistance in monitoring and education on human rights, the program carries out successful pilot projects aimed at introduction of free legal aid, free access to information, and legal protection of vulnerable groups.
2. **European and East-East Programs** supports non-governmental organizations (NGOs) and think tanks to influence the process of development and implementation of the European integration policy of Ukraine and the European Union’s policy towards Ukraine and help increase general awareness of the real reforms toward European standards.
3. **Civil Society Enhancement Program** focuses on support and institutionalization of various effective forms of civil self-governance such as monitoring, advocacy, and policy dialogue, which should sustain the tradition of civil society in Ukraine through future legislative decentralization of power and local self-governance. It gives support to pilot implementation of the regional e-governance center cooperating with the government structures.
4. **Public Health Program** focuses on the protection of patients’ rights. Its activities include development of the educational course called “Health and Law” development of palliative care policy, budget monitoring, and ensuring provision of essential health care as well as protection of the rights of drug users, and the rights of Roma to get better access to quality health care.
5. **Media Program** focuses on the reform of state-owned and municipal media, the establishment of public TV. It makes active promotion of increased social responsibility of journalists, support to investigative journalism to increase transparency of state authorities in the areas of other IRF programs’ interests.
6. **Education Program** completes the University Autonomy Project; it is finalizing a project to establish an education policy network (with MATRA); it supports the public *Center for Testing Technologies* to monitor the state implementation of the test systems; it supports government policy on inclusive education, initiatives “Education and Law” and “School of Tolerance” aimed at prevention of forms of intolerance through revision of history education programs.
7. **Roma of Ukraine Program** promotes Ukraine’s participation in the Roma Decade, in close cooperation with the State Committee for Migration and Ethnicities, gives support to improving Roma access to health care services and protecting Roma rights.

INTERNATIONAL RENAISSANCE FOUNDATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

8. **Anti-crisis Humanitarian Program** assists people, cultural and public centers that had been most impacted by the financial and economic crisis. The Program provides support to social, cultural and humanitarian projects, targeted on retaining educational and health-improving programs for children and youth from rural areas and economically depressed regions; retaining rural cultural institutions and their transformation into centers of public activity and children's out-of-school leisure.

The IRF programs are focused on promotion of all the abovementioned initiatives by giving support to NGOs.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance – These financial statements have been prepared in accordance with Open Society Foundations Accounting Policies. The Open Society Foundations Accounting Policies are designed to follow the fundamental recognition principles laid down in International Financial Reporting Standards (IFRS) for Assets, Liabilities, Revenues and Expenses; however, they are not meant to comply with all the disclosure requirements of IFRS.

Basis of measurement – These financial statements are prepared on the historical cost basis.

Basis of accounting – The Foundation prepares its financial statements using the accrual basis of accounting.

Functional Currency and Presentation Currency – The Foundation maintains its underlying accounting records in Ukrainian hryvnias (“UAH”). Management identified the Ukrainian hryvnia (“UAH”) as the functional currency. Accordingly, all currencies other than UAH are treated as foreign currencies. However, the US dollar remains the presentation currency of International Renaissance Foundation.

Transactions in foreign currencies and foreign exchange differences – Transactions in foreign currencies are translated to the functional currency at the exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at that rate. Foreign exchange differences arising upon the translation and settlement of foreign currency monetary items are recognized in the statement of revenue and expenses of the period in which they arise.

Rates of exchange – The exchange rates at the end of the period used by the Foundation in the preparation of the financial statements are as follows:

	31 December 2013	31 December 2012
UAH/1 US Dollar	8.2797	7.993
UAH/1 Euro	11.4062	10.5372

Translation of the Financial Statements from the functional currency to the presentation currency (USD) - The Foundation presents its financial statements in USD. The translation of the financial statements from the Foundation's functional currency to USD is made by translating assets and liabilities at the closing rates of the balance sheets presented and translation of revenues and expenditures are made at the average exchange rate of the period. The exchange rates between the functional currency and USD applied in the translation were as follows: average rate for 2013: 8.161 UAH/1 US Dollar (2012: 7.9911 UAH/1 US Dollar), 2013 year end rate: 8.2797 UAH/1 US Dollar (2012: 7.993 UAH/1 US Dollar).

Translation differences arising from the translation of the Balance Sheet and the Statement of Revenue and Expenses from the functional currency into USD are recognized as a separate component of the fund balance.

Recognition of contribution income (Grant Income) – Grant income is recorded on an accrual basis, that is, when the Foundation becomes eligible for earning revenue under the terms of the grants (rather than when receiving the cash).

INTERNATIONAL RENAISSANCE FOUNDATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Recognition of contribution income from FOSI (FOSI Income) – In both years, 2013 and 2012, the FOSI core budget has been provided as a conditional support where the condition is that the Foundation is required to incur expenditures or legally binding commitments chargeable under the 2013 and 2012 core budgets, respectively. The same funding and income recognition policy applies for the budgets allocated by the Open Society Foundations Programs to the Foundation during both 2013 and 2012.

The External Match Fund provided by FOSI (if any) is conditional upon obtaining matching contributions from external sources and it is also conditional upon incurring legally binding commitments. The Foundation should obtain approval, on a project basis, from FOSI to establish that matching contributions obtained from external sources are eligible for co-funding the External Match Funds committed by FOSI.

The FOSI Income is restricted and should be spent on the purposes underlying the calculation of such Income.

The FOSI Income is denominated mainly in USD in which FOSI denominated its budget to the Foundation.

Recognition of contribution income from OSI (OSI Income or FPOS Income) - OSI's 2013 support is recognized as contribution income in the year it was provided for, and it is recognized in the amounts the Foundation expended it on an accrual basis in the given year for activities which were eligible under OSI's grant (with reference to applicable clauses and restrictions discussed in OSI's Grant Agreement and in the US Internal Revenue Code, Section 170(c)(2)(B)).

The OSI Income is restricted and should be spent on the purposes underlying the calculation of such Income.

The OSI Income is denominated in USD in which OSI denominated its budget to the Foundation.

Recognition of Expenses – Expenses are recorded on an accrual basis, when goods are received or when services are performed.

Expenses related to grants provided by the Foundation are recognized when the grant agreement is signed by the Foundation and counter-signed by the grant recipient. If grants are provided with conditions, the grant expense is recorded when the grantee meets the condition or the condition becomes remote.

Property, equipment and intangible assets – Property, equipment and intangible assets are initially recognized at cost which is directly attributable to the acquisition of the assets. Cost is recognized if it is probable that future economic benefits will flow to the Foundation and the cost can be measured reliably. After initial recognition property, equipment and intangible assets are carried at cost less any accumulated depreciation and amortization and any accumulated impairment losses.

Subsequent costs are included in the assets' carrying amount (or recognized as a separate asset if their useful life is different from that of the asset), only if it is probable that future economic benefits will flow to the Foundation and the cost can be measured reliably.

The costs of maintenance and day-to-day servicing of the property, equipment and intangible assets are recognized in the statement of revenues and expenses in the year when they are incurred.

Depreciation and amortization are recorded as a charge to the statement of revenues and expenses on a straight-line basis so as to write off the cost of the assets to their residual value over their useful life. Depreciation and amortization commences in the month following the acquisition. Land is not depreciated.

INTERNATIONAL RENAISSANCE FOUNDATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

The useful lives of the key asset categories are as follows:

Buildings	20 years
Equipment	4 years
Furniture	4 years
Vehicles	4 years
Software	2 years

Receivables and prepayments – Receivables and prepayments represent Receivable from FOSI and from third party donors, as well as prepayments for goods and services. Receivables are stated at amortized cost.

Cash – Cash includes cash at banks and cash on hand. Cash balances related to FOSI and Third Party funded operations are disclosed separately in the Financial Statements.

Accruals and payables – Accruals and payables are stated at amortized cost and they are recognized when it is probable that an outflow of economic benefits will be required to settle the obligation.

Inventories - Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Interest income – interest income is recognised as it accrues in income or expenses, using the effective interest method.

CASH AND CASH EQUIVALENTS

	31 December 2013	31 December 2013	31 December 2012	31 December 2012
	UAH	USD	UAH	USD
Cash and cash equivalent balance related to:				
FOSI funded operations	(35,328,600)	(4,266,920)	11,511,231	1,440,164
FPOS funded operations	35,616,387	4,301,678	(9,929,017)	(1,242,214)
Third party funded operations	326,480	39,432	111,853	13,991
Total	614,267	74,190	1,694,067	211,941

The Foundation uses separate bank accounts for different donors' contributions. In the course of activities of the Foundation certain timing reallocations of the funds on bank accounts take place.

The total amount of cash reallocated from FOSI's bank account for FPOS's funded activities is UAH 35,328,600 (USD 4,266,920) (2012: FPOS's bank account for FOSI's funded activities is UAH 9,929,017 (USD 1,242,214)).

INTERNATIONAL RENAISSANCE FOUNDATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

RECEIVABLES

	31 December 2013	31 December 2013	31 December 2012	31 December 2012
	UAH	USD	UAH	USD
Receivables from FOSI	23,172,290	2,798,704	15,066,744	1,883,809
Receivables from FPOS	(1,601,284)	(193,400)	10,023,087	1,254,815
Third party funded activities	-	-	-	-
Receivables related to:				
FOSI funded activities due from:				
Employees	4,297	519	289	36
Tax authorities	-	-	-	-
FPOS funded activities due from:				
Employees	4,655	562	311	39
Total	21,579,958	2,606,385	25,090,431	3,138,699

As at 31 December 2013 there were temporary cash reallocations between receivables from employees related to FOSI and FPOS donors. Total amount of cash reallocated from FOSI's budget for FPOS's funded receivables is UAH 10,828 (USD 1,308).

PREPAYMENTS, NET

	31 December 2013	31 December 2013	31 December 2012	31 December 2012
	UAH	USD	UAH	USD
Prepayments related to FOSI funded operations	12,039	1,454	438,934	54,916
Prepayments related to FPOS funded operations	11,112	1,342	(161,497)	(20,205)
Prepayments related to third party funded operations	-	-	1	-
	23,151	2,796	277,438	34,711

As at 31 December 2013 there were temporary cash reallocations between prepayments related to FOSI and FPOS donors. Total amount of cash reallocated from FPOS's budget for FOSI's funded prepayments is UAH 164,798 (USD 19,903).

INVENTORIES

	31 December 2013	31 December 2013	31 December 2012	31 December 2012
	UAH	USD	UAH	USD
Inventories related to FOSI funded activities:				
Fuel	50,063	6,047	7,603	951
Grant-related inventory	-	-	305	38
Inventories related to FPOS funded activities:				
Grant-related inventory	(19,984)	(2,414)	-	-
Inventories related to third party funded operations:				
Grant-related inventory	-	-	-	-
Total	30,079	3,633	7,908	989

INTERNATIONAL RENAISSANCE FOUNDATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS

The movements in property, equipment and intangible assets for the year ended 31 December 2013 were as follows:

	Buildings	Equipment	Furniture	Vehicles	Software	Construct ion in progress	Total
<i>(in USD)</i>							
<i>Cost</i>							
At 31 December 2012	494,569	272,249	98,584	194,411	42,823	53,423	1,156,059
Additions	-	32,824	887	65,031	2,177	-	100,919
Disposals	(411)	(30,538)	(2,407)	(35,557)	(4,694)	-	(73,607)
Translation difference							
At 31 December 2013	494,158	274,535	97,064	223,885	40,306	53,423	1,183,371
<i>Accumulated depreciation and amortization</i>							
At 31 December 2012	(313,363)	(230,821)	(89,495)	(172,880)	(40,385)	-	(846,944)
Depreciation charge	(24,718)	(24,325)	(4,405)	(28,732)	(1,334)	-	(83,541)
Disposals	347	30,538	2,407	35,557	4,123	-	72,972
At 31 December 2013	(337,734)	(224,635)	(91,493)	(166,055)	(37,596)	-	(857,513)
Net book value as at 31 December 2012	181,206	41,428	9,089	21,531	2,438	53,423	309,115
Net book value as at 31 December 2013	156,424	49,900	5,571	57,830	2,710	53,423	325,858

INTERNATIONAL RENAISSANCE FOUNDATION

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Buildings	Equipment	Furniture	Vehicles	Software	Constructi on in progress	Total
<i>(in UAH)</i>							
<i>Cost</i>							
At 31 December 2012	3,937,587	2,167,290	784,667	1,547,832	340,938	426,800	9,205,114
Additions	-	267,873	7,239	530,716	17,766	-	823,594
Disposals	(3,358)	(249,218)	(19,646)	(290,181)	(38,310)	-	(600,713)
Translation difference	157,226	87,109	31,396	65,322	13,326	15,524	369,903
At 31 December 2013	<u>4,091,455</u>	<u>2,273,054</u>	<u>803,656</u>	<u>1,853,689</u>	<u>333,720</u>	<u>442,324</u>	<u>9,797,898</u>
<i>Accumulated depreciation and amortization</i>							
At 31 December 2012	(2,489,148)	(1,846,333)	(712,266)	(1,375,889)	(321,896)	-	(6,745,532)
Depreciation charge	(201,723)	(198,736)	(35,949)	(234,481)	(10,887)	-	(681,776)
Disposals	2,832	249,220	19,643	290,180	33,648	-	595,523
Translation difference	(108,280)	(64,050)	(28,958)	(54,687)	(12,147)	-	(268,122)
At 31 December 2013	<u>(2,796,319)</u>	<u>(1,859,899)</u>	<u>(757,530)</u>	<u>(1,374,877)</u>	<u>(311,282)</u>	<u>-</u>	<u>(7,099,907)</u>
Net book value as at 31 December 2012	<u>1,448,439</u>	<u>320,957</u>	<u>72,401</u>	<u>171,943</u>	<u>19,042</u>	<u>426,800</u>	<u>2,459,582</u>
Net book value as at 31 December 2013	<u>1,295,136</u>	<u>413,155</u>	<u>46,126</u>	<u>478,812</u>	<u>22,438</u>	<u>442,324</u>	<u>2,697,991</u>

INTERNATIONAL RENAISSANCE FOUNDATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

The movements in property, equipment and intangible assets for the year ended 31 December 2012 were as follows:

	Buildings	Equipment	Furniture	Vehicles	Software	Construct ion in progress	Total
<i>(in USD)</i>							
<i>Cost</i>							
At 31 December 2011	494,569	273,175	99,625	194,411	41,410	-	1,103,190
Additions	-	15,089	1,853	-	1,705	53,423	72,070
Disposals	-	(16,015)	(2,893)	-	292	-	(19,200)
Translation difference	-	-	(1)	-	-	-	(1)
At 31 December 2012	<u>494,569</u>	<u>272,249</u>	<u>98,584</u>	<u>194,411</u>	<u>42,823</u>	<u>53,423</u>	<u>1,156,059</u>
<i>Accumulated depreciation and amortization</i>							
At 31 December 2011	(288,635)	(219,827)	(87,922)	(151,409)	(36,957)	-	(784,750)
Depreciation charge	(24,728)	(26,425)	(4,466)	(21,471)	(3,720)	-	(80,810)
Disposals	-	15,431	2,893	-	292	-	18,616
At 31 December 2012	<u>(313,363)</u>	<u>(230,821)</u>	<u>(89,495)</u>	<u>(172,880)</u>	<u>(40,385)</u>	<u>-</u>	<u>(846,944)</u>
Net book value as at 31 December 2011	<u>205,934</u>	<u>53,348</u>	<u>11,703</u>	<u>43,002</u>	<u>4,453</u>	<u>-</u>	<u>318,440</u>
Net book value as at 31 December 2012	<u>181,206</u>	<u>41,428</u>	<u>9,089</u>	<u>21,531</u>	<u>2,438</u>	<u>53,423</u>	<u>309,115</u>

INTERNATIONAL RENAISSANCE FOUNDATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	Buildings	Equipment	Furniture	Vehicles	Software	Constructi on in progress	Total
<i>(in UAH)</i>							
<i>Cost</i>							
At 31 December 2011	3,937,587	2,174,681	792,967	1,547,832	329,640	-	8,782,707
Additions	-	120,562	14,806	-	13,630	426,800	575,798
Disposals	-	(127,953)	(23,106)	-	(2,332)	-	(153,391)
At 31 December 2012	<u>3,937,587</u>	<u>2,167,290</u>	<u>784,667</u>	<u>1,547,832</u>	<u>340,938</u>	<u>426,800</u>	<u>9,205,114</u>
<i>Accumulated depreciation and amortization</i>							
At 31 December 2011	(2,291,542)	(1,758,480)	(699,700)	(1,204,316)	(294,500)	-	(6,248,538)
Depreciation charge	(197,606)	(211,165)	(35,687)	(171,573)	(29,728)	-	(645,759)
Disposals	-	123,312	23,121	-	2,332	-	148,765
At 31 December 2012	<u>(2,489,148)</u>	<u>(1,846,333)</u>	<u>(712,266)</u>	<u>(1,375,889)</u>	<u>(321,896)</u>	<u>-</u>	<u>(6,745,532)</u>
Net book value as at 31 December 2011	<u>1,646,045</u>	<u>416,201</u>	<u>93,267</u>	<u>343,516</u>	<u>35,140</u>	<u>-</u>	<u>2,534,169</u>
Net book value as at 31 December 2012	<u>1,448,439</u>	<u>320,957</u>	<u>72,401</u>	<u>171,943</u>	<u>19,042</u>	<u>426,800</u>	<u>2,459,582</u>

As at 31 December 2013 and 2012 property and equipment with a cost of UAH 3,880,380 (USD 485,472) and UAH 3,277,881 (USD 410,094), respectively, were fully depreciated.

The cost of FOSI related additions to property, equipment and intangible assets during 2013 and 2012 is UAH 770,580 (USD 94,442) and UAH 575,799 (USD 72,070), respectively. The cost of FPOS related additions to property, equipment and intangible assets during 2013 is UAH 53,013 (USD 6,496) and during 2012 is nil. There were no third parties' related additions to property, equipment and intangible assets during 2013 and 2012.

The cost of FOSI related disposals during 2013 and 2012 is UAH 582,117 (USD 71,329) and UAH 148,939 (USD 18,643), respectively. There were no FPOS related disposals during 2013 and 2012. The cost of third parties' related disposals during 2013 and 2012 is UAH 18,569 (USD 2,279) and UAH 4,451 (USD 557) respectively.

INTERNATIONAL RENAISSANCE FOUNDATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

ACCRUALS

	31 December 2013 UAH	31 December 2013 USD	31 December 2012 UAH	31 December 2012 USD
FOSI related accruals:				
To grantees and other program related accruals	19,194,143	2,318,231	26,720,541	3,342,992
FOSI related accruals:				
To grantees and other program related accruals	4,353,382	525,793	-	-
Third parties related accruals	245,997	29,711	267,152	33,424
Total	23,793,522	2,873,735	26,987,693	3,376,416

OTHER LIABILITIES

	31 December 2013 UAH	31 December 2013 USD	31 December 2012 UAH	31 December 2012 USD
FOSI related payables to:				
Employees	93,009	11,234	307,281	38,444
Tax authorities	10,217	1,234	48,567	6,076
Other	18,319	2,213	33,644	4,206
FPOS related payables to:				
Employees	85,854	10,369	-	-
Tax authorities	9,432	1,139	-	-
Other	16,910	2,042	10,635	1,331
Third parties related payables	141,770	17,123	109,480	13,698
Total	375,511	45,354	509,607	63,755

As at 31 December 2013 there were temporary cash reallocations between payables related to FOSI and FPOS donors. Total amount of cash reallocated from FPOS's budget for FOSI's funded payables is UAH 1,037,303 (USD 125,283).

OSF INCOME

	Year ended 31 December 2013 UAH	Year ended 31 December 2013 USD	Year ended 31 December 2012 UAH	Year ended 31 December 2012 USD
From FOSI	47,322,344	5,798,612	72,997,927	9,132,887
From FPOS	23,563,250	2,887,306	10,023,087	1,254,815
Total	70,885,594	8,685,918	83,021,014	10,387,702

INTERNATIONAL RENAISSANCE FOUNDATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

THIRD PARTY INCOME

	Year ended 31 December 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2012
	UAH	USD	UAH	USD
Roma Education Fund	325,679	39,906	149,678	18,726
Pinchuk's Foundation (Ukraine)	-	-	99,956	12,505
Revenue Watch Institute	636	78	-	-
APS LTD	-	-	-	-
Poland Institute in Kyiv	-	-	-	-
Goethe-Institute E.V.	-	-	71	9
Embassy of Poland in Ukraine	-	-	2,504	313
Other	43	5	8,150	779
Total	326,358	39,989	260,359	32,332

FOSI PROGRAM AND ADMINISTRATIVE EXPENSES FOSI PROGRAM EXPENSES

	Year ended 31 December 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2012
	UAH	USD	UAH	USD
Civil Society Enhancement Program	10,965,605	1,343,663	10,728,001	1,342,521
Medical and Health	9,523,483	1,166,953	11,471,307	1,435,315
Rule of Law	8,918,522	1,092,825	14,114,904	1,766,299
European Program	6,278,379	769,317	6,699,134	838,251
Education	2,124,277	260,297	3,714,075	464,719
East-East Program	1,603,042	196,428	2,286,327	286,092
Discretionary Fund	1,582,569	193,919	13,308,537	1,665,327
Information (Media, Internet, Publishing, Library)	1,442,932	176,809	4,547,050	569,020
Roma of Ukraine	469,762	57,562	1,401,957	175,432
Other	517,544	63,417	65,121	8,149
Total	43,426,115	5,321,190	68,336,413	8,551,125

INTERNATIONAL RENAISSANCE FOUNDATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

FOSI ADMINISTRATIVE EXPENSES

	Year ended 31 December 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2012
	UAH	USD	UAH	USD
Salaries and benefits	2,586,882	316,982	2,934,435	367,196
Depreciation/amortization	682,326	68,395	521,073	80,811
Auto expenses	214,749	26,314	191,362	23,947
Professional and consulting fees	204,072	25,006	249,547	31,229
Rent and utilities	167,733	20,553	145,203	18,172
Travel, conferences and meetings	137,988	16,908	152,380	19,070
Security	106,229	13,017	109,559	13,710
Conference and meetings	64,106	7,855	30,526	3,820
Telecommunications	62,701	7,683	69,848	8,740
Office supplies	56,445	6,916	90,714	11,353
Publications and printing	31,342	3,840	27,489	3,440
Insurance	20,384	2,498	24,392	3,053
Bank charges	18,212	2,232	27,655	3,461
Air courier and postage	16,044	1,966	17,878	2,237
Change in provision for unused vacations	-	-	0	0
Taxes and fees			44,495	5,569
Other	100,621	12,329	279,947	19,506
Total	4,469,834	532,494	4,916,503	615,314
Total FOSI related expenses	47,895,949	5,853,684	73,252,916	9,166,439

FPOS PROGRAM ADMINISTRATIVE EXPENSES FPOS PROGRAM EXPENSES

	Year ended 31 December 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2012
	UAH	USD	UAH	USD
Roma of Ukraine	3,683,590	451,366	880,818	110,228
Rule of Law	3,479,203	426,322	2,170,297	271,569
Medical and Health	3,057,935	374,702	333,198	41,693
Information (Media, Internet, Publishing, Library)	2,953,833	361,946	481,397	60,238
Discretionary Fund	2,815,104	344,947	539,713	67,540
Education	1,480,790	181,448	552,246	69,106
European Program	1,087,449	133,250	589,481	73,768
Civil Society Enhancement Program	527,418	64,627	973,583	121,823
East-East Program	33,296	4,080	-	-
Other	897,707	110,000	-	-
Total	20,016,325	2,452,688	6,520,733	815,965

INTERNATIONAL RENAISSANCE FOUNDATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

FPOS ADMINISTRATIVE EXPENSES

	Year ended 31 December 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2012
	UAH	USD	UAH	USD
Salaries and benefits	2,837,799	347,728	2,498,104	312,607
Professional and consulting fees	196,317	24,056	253,763	31,757
Travel, conferences and meetings	127,276	15,596	152,203	19,048
Auto expenses	178,774	21,906	180,548	22,594
Office supplies	49,495	6,065	87,463	10,946
Rent and utilities	161,435	19,781	149,094	18,659
Telecommunications	52,322	6,411	73,802	9,235
Security	87,926	10,774	109,082	13,650
Conference and meetings	55,155	6,758	35,694	4,467
Air courier and postage	11,076	1,357	18,632	2,332
Publications and printing	32,087	3,932	32,464	4,062
Bank charges	27,443	3,363	27,436	3,434
Insurance	19,588	2,400	24,392	3,053
Taxes and fees	-	-	44,495	5,569
Other	23,845	2,920	58,854	7,365
Total	3,860,538	473,047	3,746,026	468,778
Total FPOS related expenses	23,876,863	2,925,735	10,266,759	1,284,743

THIRD PARTIES EXPENSES

	Year ended 31 December 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2012
	UAH	USD	UAH	USD
Roma Program	311,890	38,217	188,849	23,628
Civil Society Enhancement Program	636	78	-	-
Rule of Law	42	5	-	-
Discretionary Fund	-	-	108,100	13,531
Other	-	-	78,729	9,852
Total	312,568	38,300	375,678	47,011

FOREIGN EXCHANGE GAIN/(LOSS)

	Year ended 31 December 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2012
	UAH	USD	UAH	USD
Currency conversion	99,708	12,475	450,434	56,355
Exchange differences	(17,670)	13,788	29,621	4,734
Total gain (loss)	82,038	26,263	480,055	61,089

INTERNATIONAL RENAISSANCE FOUNDATION

PART II: OTHER SCHEDULES, CALCULATIONS AND RECONCILIATIONS

1a. CALCULATION OF THE 2013 FOSI CONTRIBUTION INCOME

	Year ended 31 December 2013	Year ended 31 December 2013
	UAH	USD
FOSI related expenses as per the Statement of Revenues and Expenses	47,895,949	5,853,684
Add:		
FOSI related budgetary expenditure not charged to expense (purchase of non-current assets)	770,576	94,422
aFOSI related foreign exchange loss	-	-
Less:		
FOSI related net book value of assets disposed or sold	(5,173)	(634)
FOSI related depreciation charged to expense in the first line	(674,767)	(82,692)
FOSI related foreign exchange gain	(539,994)	(66,168)
2013 FOSI Contribution Income	47,446,591	5,798,612

1b. CALCULATION OF THE 2013 FPOS CONTRIBUTION INCOME

	Year ended 31 December 2013	Year ended 31 December 2013
	UAH	USD
FPOS related expenses as per the Statement of Revenues and Expenses	23,876,863	2,925,735
Add:		
FPOS related budgetary expenditure not charged to expense (purchase of non-current assets)	53,014	6,496
PFOS related foreign exchange loss	-	-
Less:		
FPOS related net book value of assets disposed or sold	-	-
FPOS related depreciation charged to expense	(6,928)	(849)
FPOS related foreign exchange gain	(359,693)	(44,075)
2013 FPOS Contribution Income	23,563,256	2,887,307

INTERNATIONAL RENAISSANCE FOUNDATION

2a. CALCULATION OF THE FOSI RECEIVABLE AS AT 31 DECEMBER 2013 (ROLL FORWARD OF THE BALANCE OF "RECEIVABLES FROM FOSI" FOR 2013)

	Year ended 31 December 2013 UAH	Year ended 31 December 2013 USD
Receivable from FOSI as at 1 January 2013	15,066,744	1,883,809
Add:		
FOSI Contribution Income for 2013	47,446,591	5,798,612
Less:		
Funds received by the Foundation on its bank account from FOSI between 1 January and 31 December 2013	(39,172,704)	(4,800,000)
Year end revaluation difference related to the FOSI Receivable balance	500,807	-
Incorrect booking of PY adjustment	(669,148)	(83,717)
Receivable from FOSI as at 31 December 2013	23,172,290	2,798,704

2b. CALCULATION OF THE FPOS RECEIVABLE AS AT 31 DECEMBER 2013 (ROLL FORWARD OF THE BALANCE OF "RECEIVABLES FROM FPOS" FOR 2013)

	Year ended 31 December 2013 UAH	Year ended 31 December 2013 USD
Receivable from FPOS as at 1 January 2013	10,023,087	1,254,815
Add:		
FPOS Contribution Income for 2013	23,563,256	2,887,307
Less:		
Funds received by the Foundation on its bank account from FPOS between 1 January and 31 December 2013	(36,065,321)	(4,419,239)
Year end revaluation difference related to the FPOS Receivable balance	208,548	
Incorrect booking of PY adjustment	669,148	83,717
Receivable from FPOS as at 31 December 2013	(1,601,282)	(193,400)

INTERNATIONAL RENAISSANCE FOUNDATION

3a. TEST OF THE BALANCE OF FOSI RECEIVABLES AS AT 31 DECEMBER 2013

	Year ended 31 December 2013 UAH	Year ended 31 December 2013 USD
FOSI Receivable as at 31 December 2013:		
FOSI related current liabilities as at 31 December 2013:		
Payables related to FOSI	103,226	12,468
Accruals related to FOSI	19,194,143	2,318,231
Other payables related to FOSI	18,319	2,213
Less:		
FOSI related current assets as at 31 December 2013:		
Cash related to FOSI	(78,424)	(9,827)
Prepayments related to FOSI	(12,039)	(1,454)
Receivables related to FOSI	(4,297)	(519)
FOSI Receivable as at 31 December 2013 as given by this test	19,220,928	2,321,112
Foreign exchange difference	(1,112,617)	(215,808)
Reclassification between budgets	5,063,979	693,400
Balance of FOSI Receivable as at 31 December 2013 as determined in the Receivable calculation under Section 2 above and as reported in the financial statements in Part I	23,172,290	2,798,704

3b. TEST OF THE BALANCE OF FPOS RECEIVABLES AS AT 31 DECEMBER 2013

	Year ended 31 December 2013 UAH	Year ended 31 December 2013 USD
FPOS Receivable as at 31 December 2013:		
FPOS related current liabilities as at 31 December 2013:		
Payables related to FPOS	95,286	11,508
Accruals related to FPOS	4,353,382	525,793
Other payables related to FPOS	16,910	2,042
Less:		
FPOS related current assets as at 31 December 2013:		
Cash related to FPOS	(206,510)	(25,833)
Prepayments related to FPOS	(11,112)	(1,342)
Receivables related to FPOS	(4,655)	(562)
FPOS Receivable as at 31 December 2013 as given by this test	4,243,300	511,606
Foreign exchange difference	(780,601)	(11,606)
Reclassification between budgets	(5,063,979)	(693,400)
Balance of FPOS Receivable as at 31 December 2013 as determined in the Receivable calculation under Section 2 above and as reported in the financial statements in Part I	(1,601,282)	(193,400)

INTERNATIONAL RENAISSANCE FOUNDATION

4a. RECONCILIATION BETWEEN FOSI RELATED EXPENDITURES REPORTED IN THE FINAL MANAGEMENT REPORT (UNAUDITED) AND FOSI RELATED EXPENSES REPORTED IN THE AUDITED FINANCIAL STATEMENTS SHOWN IN PART I. OF THE REPORTING PACKAGE

	Year ended 31 December 2013 USD
Total of FOSI related expenditures reported in the final Management Report submitted to FOSI, including periods 1-15	5,888,192
Less:	
Payments made by FOSI or other members of the Open Society Foundations on behalf of the Foundation (POBs) (unaudited)	(43,467)
FOSI related non-current assets additions during the year	(94,422)
Add:	
FOSI related depreciation charge for the year	82,692
Payments made by the Foundation during the year on behalf of other members of the Open Society Foundations	20,054
Net book value of non-current assets written off during the year	635
<i>Other items identified during the reconciliation</i>	
Total of FOSI related expenses reported in the audited Financial Reporting Package	5,853,684
FOSI program expenses	5,321,190
FOSI administrative expenses	532,494
Total of FOSI related expenses reported in the audited Financial Reporting Package	5,853,684

INTERNATIONAL RENAISSANCE FOUNDATION

4b. RECONCILIATION BETWEEN FPOS RELATED EXPENDITURES REPORTED IN THE FINAL MANAGEMENT REPORT (UNAUDITED) AND FPOS RELATED EXPENSES REPORTED IN THE AUDITED FINANCIAL STATEMENTS SHOWN IN PART I. OF THE REPORTING PACKAGE

	Year ended 31 December 2013 USD
Total of FPOS related expenditures reported in the final Management Report submitted to OSI, including periods 1-15	2,931,382
Less:	
Payments made by FPOS or other members of the Open Society Foundations on behalf of the Foundation (POBs) (unaudited)	-
FPOS related non-current assets additions during the year	(6,496)
Add:	
FPOS related depreciation charge for the year	849
Payments made by the Foundation during the year on behalf of other members of the Open Society Foundations	-
Net book value of non-current assets written off during the year	-
Total of FPOS related expenses reported in the audited Financial Reporting Package	2,925,735
FPOS program expenses	2,452,688
FPOS administrative expenses	473,047
Total of FPOS related expenses reported in the audited Financial Reporting Package	2,925,735