

**AUDIT OF THE SCHEDULE OF EXPENDITURES
OF USG AWARDS**

**ALL-UKRAINIAN CIVIL ORGANIZATION «CIVIL
NETWORK «OPORA»**

**under the Program “Domestic Oversight of Elections and Political
Processes (DO EPP) Activity” funded by USAID**

**under the Program “Promoting Social Cohesion in Communities and
Strengthening Democratic Values” funded by NED**

for the year ended December 31, 2024

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To the Management
of ALL-UKRAINIAN CIVIL ORGANIZATION «CIVIL NETWORK «OPORA»

34A Hrushevskoho Street, office 93
Kyiv, 01021, Ukraine

1. TRANSMITTAL LETTER

Pursuant to the terms of the Service agreement № OPR/26-05-25/EO, entered into by and between Emergex Outsourcing Limited Liability Company (hereinafter – “Emergex Outsourcing LLC” or “Auditors”) and ALL-UKRAINIAN CIVIL ORGANIZATION «CIVIL NETWORK «OPORA» (hereinafter – the Organization or OPORA), we provide our reports on the Organization’s audit findings for the period from January 01, 2024 to December 31, 2024.

According to the specification, we provide brief information about the Organization, a description of the programs funded by the United States Government (hereinafter – USG) in Ukraine, the period for which the audit was conducted, the programs objectives, the Organization details, the list of audit reports and other relevant information.

If you have any questions or comments, please, contact with us by phone +38 (044) 249-79-05 at any time, convenient to you.

Sincerely,

Olena Volska
Managing Partner and Director


(signature)

Emergex Outsourcing LLC
13A Universytetska Str., Kyiv 03110, Ukraine

August 11, 2025

2. SUMMARY

2.1 GENERAL INFORMATION

All-Ukrainian Public Organization "Civil Network "OPORA" (hereinafter - "the Organization") is one of the leading non-governmental and non-party all-Ukrainian public control and advocacy organizations in the fields of monitoring elections and referenda, legislative reform, countering disinformation, monitoring political processes, increasing interaction between authorities and citizens for effective governance at the local level. The Organization was established on September 29, 2006.

The Organization's mission: to develop the practice of responsible decisions and actions in society through the advocacy of fair rules for the establishment of a safe and democratic Ukraine.

The activities of the Organization are financed by the funds of international donor organizations.

Main areas of activity

- **Elections.** The organization views elections as an integral part of the political process and a tool of democracy. OPORA observes elections, advocates for legislative reforms, and monitors the implementation of relevant practices. The organization defends citizens' political rights and works on voter education.
- **Security.** The organization integrates security mechanisms into democratic governance practices, analyzing conditions for political participation even in frontline communities.
- **Countering disinformation.** The organization researches disinformation to inform data-driven solutions for citizens' resilience to such influences.
- **Justice.** OPORA documents war crimes committed by the Russian Federation and works on creating mechanisms to hold perpetrators accountable to ensure sustainable peace in the future.
- **International Advocacy.** OPORA advances Ukraine's interests at the international level, supporting democratic reforms and European integration .

The governing bodies of the Organization are the Congress, the Coordination Council and the Board. In the period between congresses, the activities of the Organization are managed by its Coordination Council. Its members include the Head of the Organization, heads of regional organizations, and the Head of the Board. The Board of the Organization is a permanent administrative and executive body.

Legal address of the Organization: Hrushevskogo street, 34A, Office 93, Kyiv, 01021, Ukraine.

2.2 PROGRAMS

GRANT-1

Program "Domestic Oversight of Elections and Political Processes (DO EPP) Activity" (hereinafter – Grant-1) is implemented based on Cooperative Agreement №72012123CA00001 dated November 01, 2022 (hereinafter – Agreement №72012123CA00001) concluded with the USAID.

The implementation period was defined from November 01, 2022 to January 31, 2026.

The approved amount of funding under Agreement №72012123CA00001 was equal to \$8 000 000.

The program aims to fulfill the following goals:

- 1) Improve the electoral and political processes environment through effective civil society advocacy and watchdog initiatives.
- 2) Improve the fairness and integrity of Ukrainian electoral events through domestic oversight.
- 3) Increase the sustainability of domestic oversight organizations.

According to Agreement \$3.5M of the total award amount is funding for activities to prepare for and implement election observation in liberated territories that meet these conditions, and as discussed with the Agreement Officer's Representative. In September 2024, a modification to the Agreement was signed between the parties, which provided for the removal of this provision. As a result, the total operational budget of the project, without any additional conditions, amounted to \$8 000 000.

In accordance with President Trump's Executive Order on the review and reorientation of U.S. foreign assistance, the grant was suspended following an official notification received on January 25, 2025.

GRANT-2

Program "Promoting Social Cohesion in Communities and Strengthening Democratic Values" (hereinafter – Grant-2) is implemented based on Cooperative Agreement №2022-0957 dated July 01, 2022 (hereinafter – Agreement №2022-0957) concluded with NATIONAL ENDOWMENT FOR DEMOCRACY (NED).

The implementation period was defined from July 01, 2022 to December 31, 2023.

The approved amount of funding under Agreement №2022-0957 was equal to \$347 000.

In accordance with Modification 1, signed on April 14, 2023 reallocation of expenses was carried out within the budget, while the total amount of the budget remained unchanged and expanded the geography of the project to an additional community in the Kyiv region.

In accordance with Modification 2, signed on December 29, 2023, program implementation period was extended to June 30, 2024.

In accordance with Modification 3, signed on January 12, 2024, program description and budget were revised.

In accordance with Modification 4, signed on August 05, 2024, program implementation period was extended to August 31, 2024.

Project Objectives:

1. To develop a strategic framework for future Ukraine-Russia interaction in political, cultural, economic, legal, and social spheres.
2. To foster social cohesion among local communities and internally displaced people.

The programs do not provide for cost sharing contributions and incurring indirect costs. The Schedule of Expenditures of USG Awards was prepared for the period from January 01, 2024 to December 31, 2024.

2. 3 CLOSEOUT AUDIT

Program "Promoting Social Cohesion in Communities and Strengthening Democratic Values" (hereinafter – Grant-2) ended on August 31, 2024. Thus, the audit under Grant-2 for the period from January 1, 2024 to December 31, 2024 is the closeout audit. On May 5, 2025, the Organization received a letter from the donor stating that after reviewing their

documents/materials, it was determined that all grant reporting requirements were met. Grant-2 was officially closed, and the relevant documents were archived.

3. AUDIT OBJECTIVES AND SCOPE

3.1 AUDIT OBJECTIVES

A financial audit of USG funds provided to recipient must be performed in accordance with U.S. Government Auditing Standards (GAGAS) issued by Comptroller General of the United States Government Accountability Office and comply with U.S. Generally Accepted Audit Standards (GAAS). The primary purpose of a financial statement audit is to provide an opinion about whether an entity's financial statements are presented fairly, in all material respects, in accordance with applicable generally accepted accounting principles and financial reporting standards. Reporting on financial audits performed in accordance with GAGAS also includes but not limited reports on internal controls over financial reporting and on compliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Audit objectives include the following:

- Express an opinion on whether the Schedule of Expenditures of USG Awards for the programs is prepared fairly in all material respects in relation to the Organization's financial statements as a whole and in revenues received, costs incurred and assets, commodities, and technical assistance directly procured with USG funding for the period audited in conformity with the terms of agreements and generally accepted accounting principles;
- Evaluate and obtain a sufficient understanding on Organization's internal control related to the USG-funded programs, assess control risk and identify any significant deficiencies and material weaknesses in internal control;
- Perform tests to determine whether the Organization complied in all material respects with agreements' terms and applicable laws and regulations (including requirements mentioned in 2 CFR 200) related to USG-funded programs. Identify all material instances of noncompliance and all illegal acts that have occurred or are likely to have occurred, including fraud;
- Determine if the Organization has taken adequate corrective action on prior audit report recommendations.

3.2 AUDIT SCOPE AND METHODOLOGY

Audit scope on the Schedule of Expenditures of USG Awards included but was not limited by following:

- Review direct costs billed to and reimbursed by USG, identifying and quantifying any questioned costs (ineligible and/or unsupported with adequate primary documents). All costs that are not supported with adequate documentation or/and are not in accordance with the agreements' terms must be reported as questioned.
- Review general and programs' ledgers to determine whether costs incurred were properly recorded. Reconcile direct costs billed to and reimbursed by USG to the programs and general ledgers.
- Review the procedures used to control the funds. Review the bank accounts and the controls on those bank accounts. Perform positive confirmation of balances in bank accounts as at December 31, 2024, from Bank, where the Organization has opened bank accounts for programs.
- Determine whether programs income was used to further eligible programs objectives.

- Review procurement procedures to determine whether sound commercial practices including competition were used, reasonable prices were obtained, and adequate controls were in place over the qualities and quantities received.
- Review Organization's direct salary charges to determine whether salary rates are reasonable for that position, in accordance with those approved by USG when USG approval is required and supported by appropriate payroll records.
- Review Organization's travel and transportation expenses to determine whether they are adequately supported, complied with agreements' terms and approved.
- Review fixed assets (office equipment, furniture) procured by the Organization to determine whether such fixed assets were used for their intended purposes in accordance with the terms of agreements, and whether control procedures exist and have been placed in operation to adequately safeguard the fixed assets. As part of the procedures to perform end-us reviews for an appropriate sample of fixed assets.
- Review technical assistance and services procured by the Organization to determine whether they were used for their intended purposes in accordance with the terms of agreements.
- Determine if the Organization has taken adequate corrective action on prior audit reports recommendation.
- For final closeout audit, additionally, we have reviewed unliquidated advances to the recipient and pending reimbursements by USG. Ensured that all assets (inventories, fixed assets, commodities, etc.) procured with program funds were disposed of in accordance with the terms of the agreement. Determined whether an Annex to the Schedule of Expenditures of USG Awards showing the balances and details of final inventories of nonexpendable property acquired under the grant agreement is presented accurately in all material respects in relation to the financial statements.

Audit scope on internal control included the following main directions:

- Obtain an understanding of the design of the internal control the Organization related to USG programs and determine whether they have been placed in operation.
- Assess inherent risk, control risk, and determine the detection risk. Inherent risk is the susceptibility of an assertion, such as an account balance, to a misstatement that could be material, either individually or when aggregated with other misstatements, assuming that there are no related controls of the Organization. Control risk is the risk that a material misstatement, either individually or when aggregated with other misstatements could occur in a relevant assertion and will not be prevented or detected on a timely basis by the Organization's internal controls. Detection risk is the risk that the procedures performed by the auditor to reduce audit risk to an acceptably low level will not detect a misstatement that exists and that could be material, either individually or when aggregated with other misstatements.
- Evaluate the control environment, the adequacy of the accounting systems, and control procedures. Analyze the policies and procedures that pertain to the Organization's ability to record, process, summarize, and report financial data consistent with the assertions embodied in each account of the Schedule of Expenditures of USG Awards. This evaluation included, but not limited to, internal control systems for:
 - ensuring that charges to the programs are proper and supported;
 - managing cash in bank accounts;
 - procuring goods and services;
 - managing inventory and function, in order to identify the actual availability of fixed assets;

- managing personnel functions such as timekeeping, salaries, and benefits;
- ensuring compliance with agreements' terms and applicable laws and regulations that collectively have a material impact on the Schedule of Expenditures of USG Awards.

Audit scope on compliance with provisions of laws, regulations, contracts, and agreement includes but is not limited by following:

- Identify the agreements' terms and pertinent laws and regulations and determine which of those could have a direct and material effect on the Schedule of Expenditures of USG Awards;
- Determine if payments have been made in accordance with agreements' terms and applicable laws and regulations;
- Determine if funds have been expended for purposes not authorized or not in accordance with applicable agreements' terms;
- Determine whether fixed assets which were either directly procured by the Organization actually existed and were used for their intended purposes in accordance with the agreements;
- Determine whether any technical assistance and services, either procured by the Organization were used for their intended purposes in accordance with the agreements;
- Determine whether the recipient's financial reports and claims for advances contain information that is supported by the books and records.

4. SUMMARY OF AUDIT RESULTS

4.1 PROCEDURE PERFORMED AND SCOPE LIMITATIONS

We have audited the Schedule of Expenditures USG Awards under the programs for the year then ended December 31, 2024 and the related notes. In our opinion, the Schedule of Expenditures of USG Awards present fairly, in all material respects, Organization's expenditures of USG awards for the year ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

During our audit we assessed accounting principles used by the Organization, gained reasonable understanding of the control environment, assessed significant estimates made by the Management, and examined audit evidence. For the purposes of the audit, we have detected the level of materiality.

The examination of audit evidence was conducted on a sampling basis. Audit sampling size was 51% of total expenditures. We, as auditors of the Schedule of Expenditures of USG Awards, were allowed to have access to all supporting documentation for financial transactions which were required. We assess the information received to be sufficient and reasonable evidence.

For final closeout audit under Grant-2, we have confirmed that:

- As at December 31, 2024 the closing funding balance per Grant-2 is equal to zero.
- No nonexpendable assets were purchased during the implementation of Grant-2.

As a result of audit conducted, we provide:

- 1) Independent auditors' report on the Schedule of Expenditures of USG Awards;
- 2) Independent auditors' report on Internal Control;

3) Independent auditors' report on Compliance;

We do not have a continuing education program that fully satisfies the requirement set forth in U.S. Government Auditing Standards (GAGAS). However, our current program provides at least 160 hours of continuing education and training every two years. We are taking appropriate steps to implement a continuing education program that fully satisfies that requirement.

We do not have an external quality control review by an unaffiliated audit Organization as required by U.S. Government Auditing Standards (GAGAS), since no such program is offered by professional organizations in Ukraine. We believe that the effects of this departure from U.S. Government Auditing Standards are not material as we designed and maintained policies and procedures in the quality control system that is subject to periodic control by Audit Public Oversight Body (APOB). Also, we received Regular Approval to perform audits of USG funds which also foresees conducting of quality control reviews by Regional Inspector General (RIG).

Except as discussed in the previous two paragraphs, we conducted our audit of the Schedule of Expenditures of USG Awards in accordance with U.S. Generally Accepted Audit Standards (GAAS) and the standards applicable to financial audits contained in U.S. Government Auditing Standards (GAGAS), issued by Comptroller General of the United States Government Accountability Office.

4.2 AUDIT FINDINGS

Our audit findings are mentioned below:

- We did not identify any questioned costs related to the programs.
- We did not identify any material weaknesses and significant deficiency in internal control system of the Organization related to the programs.
- The results of our tests disclosed no material instances of noncompliance that are required to be included in the Independent Auditors' Report on Compliance.
- We did not identify any issues that should be presented in the Management Letter.
- We draw your attention to Note 9 to The Schedule of Expenditures of USG Awards which describes the management assessment of the impact of the invasion of Ukraine and the existing military aggression of the Russian Federation on the Organization. These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Organization's ability to continue its activities on a going concern basis. During the audit of the financial statements, we concluded that the use of going concern basis in the preparation of financial statements is appropriate. We have found that it's very difficult to predict the situation and negative consequences that may occur in future due to the unpredictability of the actions of the leadership of the aggressor country. It is impossible to predict the extent of the impact of risks on the future activities of the Organization at the moment with sufficient reliability. Therefore, the financial statements do not contain any adjustments that could be a result of the impact of such risks. Our opinion has not been modified in respect of this matter.

4.3 INSPECTION AND ACCEPTANCE OF AUDIT WORK AND REPORTS

The results of our audit have been discussed with the management of the Organization on August 11, 2025. The Management of the Organization provided us with the Schedule of Expenditures of USG Awards with notes as at December 31, 2024 and for the year ended on the mentioned date.

The statements mentioned above were approved by Head of the Board, Olha Aivazovska, and Chief Accountant, Lidiia Kurianova.

4.4 FOLLOW-UP OF PRIOR AUDIT FINDINGS

There are no findings from the previous audit require follow-up action.

5. MANAGEMENT COMMENTS ON AUDIT RESULTS

For the purpose to obtain an audit opinion on whether the financial statements are presented fairly, in all material respects, we have provided auditors with:

- access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
- unrestricted access to persons within the entity from whom auditors determined it necessary to obtain audit evidence;
- confirm, that all transactions have been recorded in the accounting records and are reflected in the financial statements;
- other additional information that auditors have requested from us for the purpose of the audit.

Based on audit results, we were provided with the full list of Independent auditor's reports.

INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF USG AWARDS

To the Management
of ALL-UKRAINIAN CIVIL ORGANIZATION «CIVIL NETWORK «OPORA»

34a Hrushevskoho Street, Office 93
Kyiv, 01021, Ukraine

OPINION

We have audited the Schedule of Expenditures of USG Awards for the year then ended December 31, 2024 and the related notes on the following programs:

- Program "Domestic Oversight of Elections and Political Processes (DO EPP) Activity (hereinafter – Grant-1) Agreement implemented based on Cooperative Agreement №72012123CA00001 dated November 01, 2022 (hereinafter – Agreement №72012123CA00001) concluded with the USAID.
- Program "Promoting Social Cohesion in Communities and Strengthening Democratic Values" (hereinafter – Grant-2) implemented based on Cooperative Agreement №2022-0957 dated July 01, 2022 (hereinafter – Agreement №2022-0957) concluded with NATIONAL ENDOWMENT FOR DEMOCRACY (NED).

In our opinion, the accompanying Schedule of Expenditures of USG Awards presents fairly, in all material respects, Organization's expenditures of USG awards for the year ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We do not have a continuing education program that fully satisfies the requirement set forth U.S. Government Auditing Standards (GAGAS). However, our current program provides for at least 160 hours of continuing education and training every two years. We are taking appropriate steps to implement a continuing education program that fully satisfies that requirement.

We do not have an external quality control review by an unaffiliated audit Organization as required by U.S. Government Auditing Standards (GAGAS), since no such program is offered by professional organizations in Ukraine. We believe that the effects of this departure from U.S. Government Auditing Standards are not material as we designed and maintained policies and procedures in the quality control system that is subject to periodic control by Audit Public Oversight Body (APOB). Also, we received Regular Approval to perform audits of USG funds which also foresees conducting of quality control reviews by Regional Inspector General (RIG).

Except as discussed in the paragraphs 1 and 2 above, we conducted our audit in accordance with U.S. Generally Accepted Audit Standards (GAAS) and the standards applicable to financial audits contained in U.S. Government Auditing Standards (GAGAS), issued by Comptroller General of the United States Government Accountability Office. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit the Schedule of Expenditures of USG Awards section of our report.

We are required to be independent of Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

SIGNIFICANT UNCERTAINTY ON GOING CONCERN

We draw your attention to Note 9 to the Schedule of Expenditures of USG Awards which describes the management assessment of the impact of the invasion of Ukraine and the existing military aggression of the Russian Federation on the Organization. These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Organization's ability to continue its activities on a going concern basis.

During the audit of the financial statements, we concluded that the use of going concern basis in the preparation of financial statements is appropriate. We have found that it's very difficult to predict the situation and negative consequences that may occur in future due to the unpredictability of the actions of the leadership of the aggressor country. It is impossible to predict the extent of the impact of risks on the future activities of the Organization at the moment with sufficient reliability. Therefore, the financial statements do not contain any adjustments that could be a result of the impact of such risks. Our opinion has not been modified in respect of this matter.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE SCHEDULE OF EXPENDITURES OF USG AWARDS

Management is responsible for the preparation and fair presentation of the Schedule of Expenditures of USG Awards in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule of Expenditures of USG Awards that are free from material misstatement, whether due to fraud or error.

In preparing the Schedule of Expenditures of USG Awards, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization's ability to continue as a going concern for the time period set by the applicable financial reporting framework.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT THE SCHEDULE OF EXPENDITURES OF USG AWARDS

Our objectives are to obtain reasonable assurance about whether the Schedule of Expenditures of USG Awards as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is a guarantee that an audit conducted in accordance with U.S. Government Auditing Standards (GAGAS) and U.S. Generally Accepted Audit Standards (GAAS) will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable users based on the Schedule of Expenditures of USG Awards .

In performing an audit in accordance with U.S. Government Auditing Standards (GAGAS) and U.S. Generally Accepted Audit Standards (GAAS), we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule of Expenditures of USG Awards , whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in Schedule of Expenditures of USG Awards .
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule of Expenditures of USG Awards .
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

OTHER REPORTING REQUIRED BY U.S. GOVERNMENT AUDITING STANDARDS

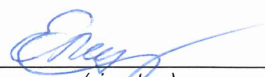
In accordance with U.S. Government Auditing Standards, we have also issued our reports dated August 11, 2025, on our consideration of Organization's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. Those reports are an integral part of an audit performed in accordance with U.S Government Auditing Standards and should be read in conjunction with this Independent Auditor's Report in considering the results of our audit. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance.

EMPHASIS OF MATTER PARAGRAPH

Our report is intended solely for the information and use of Organization and USG and is not intended to be and should not be used by anyone other than the specified parties. However, upon release by USG this report is a matter of public record, and its distribution is not limited.

Sincerely,

Olena Volska
Managing Partner and Director


(signature)

Emergex Outsourcing LLC
13A Universytetska Str., Kyiv 03110, Ukraine

August 11, 2025

ALL-UKRAINIAN CIVIL ORGANIZATION «CIVIL NETWORK «OPORA»
THE SCHEDULE OF EXPENDITURES OF USG AWARDS AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2024
(in USD)

Elements	Grant-1(Agreement №72012123CA00001)			Grant-2 (Agreement №2022-0957)			Questioned costs	
	Budget under the Agreement	Actual revenue and expenses	Cumulative revenue and expenses (unaudited)	Budget under the Agreement	Actual revenue and expenses	Cumulative revenue and expenses (unaudited)	Ineligible	Unsupported
	01.11.2022-31.01.2026	01.01.2024-31.12.2024	01.11.2022-31.12.2024	01.07.2022-30.08.2024	01.01.2024-31.12.2024	01.07.2022-31.12.2024	01.01.2024-31.12.2024	01.01.2024-31.12.2024
Opening cash balance as at January 01, 2024	-	80 950		-	18 891	-	-	-
Revenue								
Received grants from the donors	8 000 000	1 372 901	2 139 452	347 000	100 000	347 000	-	-
Total revenue	8 000 000	1 372 901	2 139 452	347 000	100 000	347 000	-	-
Costs								
Personnel costs								
Payroll of stuff employees	1 702 396	573 151	876 321	107 219	24 233	109 529	-	-
Total personnel costs	1 702 396	573 151	876 321	107 219	24 233	109 529	-	-
Direct costs								
Administrative expenses	905 921	126 406	180 210	14 309	1 896	11 420	-	-
Materials	29 300	8 342	14 122	201	-	201	-	-
Total direct costs	935 221	134 749	194 332	14 510	1 896	11 621	-	-
Contractual costs								
Public Summits	35 375	25 812	25 812	-	-	-	-	-
International Activities	92 500	2 660	2 660	-	-	-	-	-
Project activities				73 757	41 188	71 851	-	-
Documentary Production	45 250	12 118	12 118	-	-	-	-	-
Monitoring of Political Processes	58 300	30 189	55 401	-	-	-	-	-
Education of vorers	167 226	145 404	198 795					
Election Observation	3 447 588	43 542	60 038	-	-	-	-	-
Development of Political Process Legislation	7 250	22 547	31 647	-	-	-	-	-
Technical support from international partners	200 000	-	-	-	-	-	-	-
Increasing the Organizational and Technical Capacity of OPORA	82 500	37 596	86 127	-	-	-	-	-
Support/Training on Election Security	741 134	44 603	44 603	-	-	-	-	-
Engagement of Specialists/Experts	485 260	238 516	408 634	151 514	51 574	154 000	-	-
Total contractual costs	5 362 383	602 986	925 835	225 271	92 761	225 850	-	-

Elements	Grant-1(Agreement №72012123CA00001)			Grant-2 (Agreement №2022-0957)			Questioned costs	
	Budget under the Agreement	Actual revenue and expenses	Cumulative revenue and expenses (unaudited)	Budget under the Agreement	Actual revenue and expenses	Cumulative revenue and expenses (unaudited)	Ineligible	Unsupported
	01.11.2022-31.01.2026	01.01.2024-31.12.2024	01.11.2022-31.12.2024	01.07.2022-30.08.2024	01.01.2024-31.12.2024	01.07.2022-31.12.2024	01.01.2024-31.12.2024	01.01.2024-31.12.2024
Total costs	8 000 000	1 310 886	1 996 488	347 000	118 891	347 000	-	-
Closing cash balance as at December, 31	-	142 964	142 964	-	-	-	-	-

Head of the Board

Chief Accountant



 (signature)



 (signature)

Olha Aivazovska

Lidiia Kurianova

**NOTES TO THE SCHEDULE OF EXPENDITURES OF USG AWARDS FOR THE YEAR THAT ENDED
December 31, 2024**

NOTE 1: ACCOUNTING POLICIES

The Schedule of Expenditures of USG Awards has been prepared in accordance with the related accounting requirements of the Financial Audit Guide for Foreign Organizations, which is a general basis of accounting, other than accounting principles generally accepted in the United States of America. On this basis, revenue is recognized when received rather than earned, and costs are recognized when paid rather than incurred.

The following are the principal of the accounting policies applied by management of the Program:

1.1. Basis of preparation of THE SCHEDULE OF EXPENDITURES OF USG AWARDS

The Organization has settlement accounts for each project, which are used for accounting of revenue and costs on daily basis.

The Schedule of Expenditures of USG Awards is prepared based on the revenue received and costs incurred.

The Schedule of Expenditures of USG Awards revenue corresponds to the total flow of funds received from donors.

Costs of the Schedule of Expenditures of USG Awards correspond to funds disbursed in payment of cost incurred or in advance payments for goods, works and services.

1.2. Basis of budget preparation

Budgets of the Programs presented in the Schedule of Expenditures of USG Awards, have been prepared in accordance with the budgets approved by the USG stipulated by the Agreements with amendments and additions effective as of December 31, 2024.

1.3. Conversion of Ukrainian Hryvnia to US Dollar

Revenue, costs and balance of funds in the Schedule of Expenditures of USG Awards are presented in US dollars (hereinafter – “USD”). For the convenience of users, the use of funds in hryvnias is also presented for reference in Note 3 “Expenses incurred”.

Revenue under the Grant-1 and Grant-2 is presented in the amount of contributions received by the Organization in foreign currency (USD) and converted to UAH using the interbank exchange rates on the dates when the tranche received by the Organization from the donor were exchanged for hryvnias, and also, in the absence of such an exchange until December 31, 2024, the conversion took place on the basis of the official exchange rates of the hryvnia to the US dollar of the National Bank of Ukraine on the dates when the donor transferred the relevant funds in favor of the Organization.

Under Grant-1 currency conversion was carried out at the weighted average exchange rate:

- January - 37.7595 UAH/USD;
- February - 37.7636 UAH/USD;
- March - 38.2528 UAH/USD;
- April - 39.1624 UAH/USD;
- May - 39.8571 UAH/USD;
- June - 40.4008 UAH/USD;
- July - 40.6644 UAH/USD;
- August - 40.9633 UAH/USD;
- September - 41.0496 UAH/USD;
- October - 41.0369 UAH/USD;
- November - 41.2426 UAH/USD;
- December - 41.5843 UAH/USD.

Under Grant-2 currency conversion was carried out using the exchange rate at the date of the transaction:

- January 8 - 37.91 UAH/USD;
- January 31 - 37.555 UAH/USD;
- February 29 - 38.01 UAH/USD;
- March 29 - 38.985 UAH/USD;
- May 21 - 39.51 UAH/USD;
- June 14 - 40.54 UAH/USD;
- June 24 - 40.24 UAH/USD;
- August 13 - 41.10 UAH/USD.

The remaining funds under the Programs are converted into US dollars using the official UAH to USD exchange rates. Exchange rate set by the National Bank of Ukraine as of January 01, 2024 was 38,002 UAH/USD and as of December 31, 2024 - 42,0390 UAH/USD.

NOTE 2: REVENUES RECEIVED FROM DONORS

For the period from January 01, 2024 to December 31, 2024 Organization received funds to the current account from donors for amount \$1 472 901. Detailed information on the amounts received is presented below:

Date	Payment reference	Amount, UAH	Amount, USD
Grant-1 (Agreement № 72012123CA00001)			
30.01.24	Bank transfer received from the USAID request for February 24, voucher 29	4 181 690	110 375
29.02.24	Bank transfer received from the USAID request for March 24, voucher 31	3 443 818	90 134
28.03.24	Bank transfer received from the USAID request for April 24, voucher 33	2 589 431	66 011
29.04.24	Bank transfer received from the USAID request for May 24, voucher 35	2 792 575	70 397
29.05.24	Bank transfer received from the USAID request for June 24, voucher 37	3 156 118	77 961
28.06.24	Bank transfer received from the USAID request for July 24, voucher 39	4 860 217	120 141
29.07.24	Bank transfer received from the USAID request for August 24, voucher 41	4 493 513	109 470
03.09.24	Bank transfer received from the USAID request for September 24, voucher 43	6 301 742	153 336
26.09.24	Bank transfer received from the USAID request for October 24, voucher 45	5 797 850	140 695
30.10.24	Bank transfer received from the USAID request for November 24, voucher 47	5 548 989	134 426
27.11.24	Bank transfer received from the USAID request for December 24, voucher 49	6 924 489	166 450
26.12.24	Bank transfer received from the USAID request for January 25, voucher 51	5 586 373	133 503
Total under Grant-1 (Agreement № 72012123CA00001)		55 676 805	1 372 901
Grant-2 (Agreement №2022-0957)			
22.03.24	Bank transfer received from the NED- USAID for final request	3 892 340	100 000
Total under Grant-2 (Agreement №2022-0957)		3 892 340	100 000

NOTE 3: EXPENSES INCURRED

From January 1, 2024 to December 31, 2024, the Organization incurred direct expenditures in a total amount of \$ 1 429 777:

- Grant-1 (Agreement № 72012123CA00001) - \$1 310 886 (UAH 52 786 549);
- Grant-2 (Agreement №2022-0957) - \$118 891 (UAH 4 715 365).

Donors did not directly provide any goods for the Programs.

NOTE 4: RECONCILIATION WITH ACCOUNTING BALANCES

Revenues and expenses recorded by the Organization in the SEFA under the programs for the period from January 01, 2024 to December 31, 2024 are consistent with accounting books. The cash balance as of December 31, 2024 are equal to closing balances in bank accounts of the Organization confirmed by bank statements. The balances per bank statements are translated into USD by NBU rate as of December 31, 2024 for purpose of reconciliation and are presented the table below.

Description	GRANT-1	GRANT-2
Closing cash balance as at December 31, 2024	142 959	-
Bank balance as at December 31, 2024	142 959	-

NOTE 5: FUND BALANCE RECONCILIATION

The balances on the bank account of the Organization as at January, 01, 2024 and as at December 31, 2024 are reconciled with the funding balances received from USG and recorded in the accounting books and in the SEFA of the Organization. Reconciliation of balances is presented in the table below:

Description	Note	2024	
		Grant-1	Grant-2
Funding balance as at January 01		80 950	18 891
Opening cash balance as at January 01	(i)	80 950	18 891
Funds received during year ended December 31		1 372 901	100 000
Total expenditures for year ended December 31		1 310 886	118 891
Funding balance as at December 31		142 964	-
Closing cash balance as at December 31	(ii)	142 964	-

- (i) The opening balance on the bank account as at January, 01 in national currency has been translated into US dollars using the last weighted average exchange rate on that date.
- (ii) The closing balance on the bank account as at December, 31 in national currency has been translated into US dollars using the last weighted average exchange rate on that date.

NOTE 6: PROGRAM CONTROL

After the signing of the Agreement with USAID, an updated checklist was implemented for the purpose of internal control over compliance with the terms of the USAID's Program Agreement.

NOTE 7: NONEXPENDABLE PROPERTY ACQUIRED UNDER THE GRANT AGREEMENT

In 2024, the period of implementation of the project under Grant-2 was ended. No nonexpendable assets were purchased during the implementation of Grant-2.

NOTE 8: CONTINGENT LIABILITIES

8.1 Taxation

The Organization conducts its activities in accordance with the legislation of Ukraine, including tax laws. Given the dynamics of changes in the tax field and the specifics of national regulation, the Organization carefully monitors the accuracy of its reporting and obligations to the state budget.

On a regular basis, including monthly, the Organization performs reconciliation of accrued and paid taxes and fees through the Electronic Taxpayer Cabinet, which allows for the prompt identification and resolution of any discrepancies.

At the same time, it should be noted that the current tax legislation of Ukraine is complex, subject to frequent changes, and can have ambiguous interpretations. Tax authorities at various levels may interpret certain provisions differently. Therefore, despite the Organization's adherence to all current obligations, the possibility of future tax risks cannot be fully excluded.

The management of the Organization believes that its obligations to the budget are accurately reflected in the accounting records, in accordance with current legislation, official clarifications, and established practice. However, controlling authorities may reach a different interpretation, which could impact future financial reporting.

8.2 Legal issues

According to data from the Unified State Register of Court Decisions, between December 31, 2023, and June 26, 2025, there was a court case in case No. 761/35892/24, filed by citizen Serhiy Mykolayovych Lahura against the All-Ukrainian Civil Organization "Civil Network OPORA," LLC "Ukrainian Media House Publishing," LLC "Oligrah-Media Information Agency," LLC "UP Media," the Civil Organization "Agency of Free Information," LLC "LigaBusinessInform," and LLC "KyivVlada" concerning the protection of honor, dignity, business reputation, and the recognition of information as false.

By a ruling of the Shevchenkivskyi District Court of Kyiv on April 24, 2025, the proceedings in case No. 761/35892/24 were closed (<https://reyestr.court.gov.ua/Review/126919974>).

It should be noted that between December 31, 2023, and August 05, 2025, there have been no claims or lawsuits from third parties, including tax authorities, against the All-Ukrainian Civil Organization "Civil Network OPORA."

NOTE 9: POLITICAL AND ECONOMIC SITUATION

The year 2024 marked the third year of the full-scale war waged by the Russian Federation against Ukraine. Throughout 2024, Ukraine remained under martial law, accompanied by continued missile and drone attacks from Russia, targeting, in particular, energy infrastructure, critical facilities, residential buildings, hospitals, and schools. According to human rights and monitoring organizations, the level of destruction of civilian infrastructure remained high, further aggravating the humanitarian situation and increasing the number of internally displaced persons.

Ukraine continued its fight against the aggressor with the support of an international coalition. However, 2024 was marked by a slowdown and reduction in the volume of foreign military assistance, particularly from the United States due to domestic political processes, including the presidential elections. This resulted in limited offensive capabilities, shortages of ammunition, and insufficient air defense systems. Despite this, Ukrainian defense forces maintained control over key directions and actively strengthened defensive positions.

Mass migration abroad remained one of the key social challenges. As of early autumn 2024, more than 6.8 million Ukrainian citizens were living outside Ukraine, according to OPORA and the Ministry of Foreign Affairs of Ukraine. At the same time, the number of returnees was gradually increasing, especially to relatively safe regions. The main host countries for Ukrainians remained Germany, Poland, the United States, Canada, the Czech Republic, and the United Kingdom.

The economic situation in Ukraine in 2024 was difficult but manageable. In December 2024, annual inflation accelerated to 12.0%. On a monthly basis, prices rose by 1.4%, according to data published by the State Statistics Service of Ukraine. Actual consumer inflation in December 2024 was higher than the National Bank's forecast published in its October 2024 Inflation Report. On the one hand, significant price growth drivers and the main reasons for deviations from the forecast were temporary factors, primarily the sharp rise in food prices caused by lower harvests and the occupation of parts of the southern regions. On the other hand, fundamental price pressures intensified significantly amid further increases in business costs for energy supply and wages. The depreciation of the hryvnia also had some impact.

The official exchange rate of the hryvnia remained relatively stable throughout 2024. The average annual official exchange rate in 2024 was UAH 40.15 per USD, compared to UAH 36.57 per USD in 2023.

International partners' financial assistance played a key role in maintaining macro-financial stability. In 2024, Ukraine received USD 41.7 billion in international aid, with the largest amounts coming from the European Union, the United States, the World Bank, and the IMF. International assistance remains a vital instrument for sustaining Ukraine's macro-financial stability in the context of full-scale war and enables the state to fulfill all its social obligations to citizens.

In the political context, 2024 was a landmark year for Ukraine's European integration. In June, official negotiations on Ukraine's accession to the European Union began. The approval of the negotiation framework and the first round of talks became a historic milestone and a symbol of the country's unwavering European perspective. At the same time, government efforts were focused on meeting the criteria for further progress toward membership, particularly in the areas of anti-corruption policy, judicial reform, and the rule of law.

Organization's activities in war conditions

Despite the challenging security situation, the Organization continues to operate within the framework of current legislation, monitors risks, and takes all possible measures to ensure the continuity of operations, record-keeping, reporting, and fulfilling obligations to donors, government bodies, and other interested parties.

Staff turnover did not have a detrimental effect on the operational activities of the Organization, however, OPORA faces typical problems of the Ukrainian labor market during the war. In particular, large-scale forced migration of the able-bodied population outside the country and mobilization to the Armed Forces caused a shortage of qualified candidates for employment. In addition, due to the lack of workers, an increase in the average level of wages can be observed. In order to ensure the competitiveness of OPORA on the labor market in the relevant segment, to respond flexibly to changes in the labor market and to introduce salary levels for positions that correspond to the value of each position for the Organization and the salary trends in the Ukrainian market, starting from June 1, 2024, OPORA implemented grading structure of remuneration. Corresponding changes to the personnel policy were adopted based on the analysis and recommendations provided by Ernst and Young. This approach should also ensure the continuity of the Organization's activities. All further plans are being developed in negotiations with donors according to their programs and will depend on the development of the situation in Ukraine.

Considering the unstable situation in the country due to the external threat from the Russian Federation, constant shelling of critical infrastructure and residential areas, OPORA began to develop its own security policy, which was finalized in May 2024. The Organization sees an urgent need to invest in security and a seamless operation of office, so employees can work during periods of power outages and such outages have a minimal impact on the work process.

At present, the management team of the Organization believes that it will be able to continue its operations on an ongoing basis during the martial law period, and the financial reporting does not require adjustments due to restrictions caused by the current circumstances. The Organization has sufficient cash flow to meet payroll obligations, settle accounts with key suppliers, and fulfill other liabilities.

The Organization's management believes at this time that the Organization will be able to continue its operations on an ongoing basis under martial law and that the financial statements do not need to be adjusted due to limitations caused by the current circumstances. The Organization has sufficient cash flow to cover payroll obligations, make payments to key suppliers, and repay other obligations. However, it is currently impossible to reliably predict the extent to which the negative consequences of Russia's military aggression against Ukraine will affect the future activities of the Organization. These conditions and circumstances indicate an existing material uncertainty that may lead to significant doubt on the Organization's ability to continue as a going concern.

At the same time, the management is closely monitoring the situation and is seeking ways to minimize any potential impact on the Organization and will take all possible measures to mitigate any consequences.

Continuity of the Organization's activities is evidenced by the following concluded contracts on new projects:

1.Funding from the United Kingdom of Great Britain and Northern Ireland

The Organization concluded an agreement to implement a project with the United Kingdom of Great Britain and Northern Ireland, acting through the Foreign, Commonwealth & Development Office (FCDO). Under the terms of the agreement, starting from 28 July 2025, the Organization began receiving funding for a period of 8 months — until 31 March 2026. The total amount of funding is GBP 534,105.00.

2.Funding from the National Endowment for Democracy

The Organization concluded an agreement to implement a project with the National Endowment for Democracy (NED). Under the terms of the agreement, starting from 1 June 2025, the Organization began receiving funding for a period of 12 months — until 31 May 2026. The total amount of funding is USD 150,000.00.

3.Funding from the Embassy of France

On 28 July 2025, the Organization concluded an agreement with the Embassy of France in Ukraine to implement a project lasting six months, with the expected completion date no later than 28 February 2026. The total amount of funding under this agreement is EUR 200,000.00.

NOTE 10: EVENTS AFTER THE REPORTING PERIOD

Due to the ongoing armed aggression of the Russian Federation against Ukraine, in accordance with Presidential Decree No. 64/2022 of February 24, 2022, "On the Introduction of Martial Law in Ukraine," and subsequent decisions, martial law continues to be in effect throughout the entire territory of Ukraine.

The latest extension of martial law and general mobilization was approved by the Verkhovna Rada of Ukraine on July 25, 2025, through the adoption of Laws of Ukraine No. 4524 and No. 4525. These laws were published in the official newspaper "Voice of Ukraine" on July 26, 2025. According to them, the period of martial law has been extended for another 90 days, from August 7 to November 5, 2025.

On January 25, 2025 in accordance with President Trump's Executive Order on Reevaluating and Realigning United States Foreign Aid, Notice on Implementation of Executive Order: DEIA Activities Under Existing USAID Awards the Organization received a Stop Work Order - FAR 52.242-15, pursuant to which the Organization must immediately stop work under the USAID/Ukraine contract/task order Organization was awarded.

Despite the completion of the main cooperation program with USAID, the Organization continues the implementation of a project in partnership with the Institute for European Politics (Berlin), supported by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). This project will last until December 2025, with a total amount of \$125 241.62.

Additionally, after the reporting period, OPORA implemented two projects:

- From February 21, 2025, with support from IFES, OPORA received funding for 4 months, until June 25, 2025, in the amount of \$260 902.89.
- From February 21, 2025, with support from the International Renaissance Foundation, OPORA received funding for 3 months, until May 21, 2025, in the amount of UAH 1 797 307.00.

Head of the Board


(signature)

Olha Aivazovska

Chief Accountant


(signature)

Lidiia Kurianova

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

**To the Management
of ALL-UKRAINIAN CIVIL ORGANIZATION «CIVIL NETWORK «OPORA»**

34a Hrushevskoho Street, Office 93
Kyiv, 01021, Ukraine

We conducted audit, in accordance with U.S. Generally Accepted Audit Standards (GAAS) and the standards applicable to financial audits contained in U.S. Government Auditing Standards (GAGAS), issued by Comptroller General of the United States Government Accountability Office the Schedule of Expenditures of USG Awards and the related notes for the period from January 1, 2024 to December 31, 2024 and have issued our report on it dated August 11, 2025 on the following programs:

- Program “Domestic Oversight of Elections and Political Processes (DO EPP) Activity (hereinafter – Grant-1) Agreement implemented based on Cooperative Agreement №72012123CA00001 dated November 01, 2022 (hereinafter – Agreement №72012123CA00001) concluded with the USAID.
- Program “Promoting Social Cohesion in Communities and Strengthening Democratic Values” (hereinafter – Grant-2) implemented based on Cooperative Agreement №2022-0957 dated July 01, 2022 (hereinafter – Agreement №2022-0957) concluded with NATIONAL ENDOWMENT FOR DEMOCRACY (NED).

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Except for not having a fully satisfactory continuing education program and not having an external quality control review by an unaffiliated audit organization (as described in our Auditor’s Report on the Schedule of Expenditures of USG Awards), we conducted our audit in accordance with U.S. Generally Accepted Audit Standards (GAAS) and the standards applicable to financial audits contained in U.S. Government Auditing Standards (GAGAS). In planning and performing our audit of the Schedule of Expenditures of USG Awards, we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule of Expenditures of USG Awards, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization’s Schedule of Expenditures of USG Awards will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any material weaknesses and significant deficiency in internal control system of the Organization related to the programs. However, material weaknesses or significant deficiencies may exist that were not identified.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control. This report is an integral part of an audit of the Schedule of Expenditures of USG Awards performed in accordance with U.S. Government Auditing Standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

This report is intended for the information of Organization and USG. However, upon release by the USG, this report is a matter of public record and its distribution is not limited.

Sincerely,

Olena Volska

Managing Partner and Director

Energex Outsourcing LLC

13A Universytetska Str., Kyiv 03110, Ukraine

August 11, 2025


(signature)

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

**To the Management
of ALL-UKRAINIAN CIVIL ORGANIZATION «CIVIL NETWORK «OPORA»**

34a Hrushevskoho Street, Office 93
Kyiv, 01021, Ukraine

We conducted audit ,in accordance with U.S. Generally Accepted Audit Standards (GAAS) and the standards applicable to financial audits contained in U.S. Government Auditing Standards (GAGAS), issued by Comptroller General of the United States Government Accountability Office the Schedule of Expenditures of USG Awards and the related notes for the period from January 1, 2024 to December 31, 2024 and have issued our report on it dated August 11, 2025 on the following programs:

- Program “Domestic Oversight of Elections and Political Processes (DO EPP) Activity (hereinafter – Grant-1) Agreement implemented based on Cooperative Agreement №72012123CA00001 dated November 01, 2022 (hereinafter – Agreement №72012123CA00001) concluded with the USAID.
- Program “Promoting Social Cohesion in Communities and Strengthening Democratic Values” (hereinafter – Grant-2) implemented based on Cooperative Agreement №2022-0957 dated July 01, 2022 (hereinafter – Agreement №2022-0957) concluded with NATIONAL ENDOWMENT FOR DEMOCRACY (NED).

REPORT ON COMPLIANCE

Except for not having a fully satisfactory continuing education program and not having an external quality control review by an unaffiliated audit organization (as described in our Auditor’s Report on the Schedule of Expenditures of USG Awards), we conducted our audit in accordance with U.S. Generally Accepted Audit Standards (GAAS) and the standards applicable to financial audits contained in U.S. Government Auditing Standards (GAGAS).

Compliance with agreement terms and laws and regulations applicable to the Organization is the responsibility of the Organization's management.

As part of obtaining reasonable assurance about whether the Organization's the Schedule of Expenditures of USG Awards is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the Schedule of Expenditures of USG Awards . However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported here under GAGAS.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit of the Schedule of Expenditures of USG Awards performed in accordance with U.S. Government Auditing Standards in considering the Organization's compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of Organization and USG. However, upon release by the USG, this report is a matter of public record and its distribution is not limited.

Sincerely,

Olena Volska

Managing Partner and Director

Emergex Outsourcing LLC

13A Universytetska Str., Kyiv 03110, Ukraine

August 11, 2025



(signature)