

**U.S.- Ukraine Foundation
Financial Statements for
Year Ended August 31, 2014**

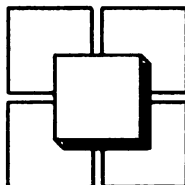
U.S.- Ukraine Foundation, Inc.
Audited Financial Statements for
Year Ended August 31, 2014

Table of Contents

1. Independent Auditor's Report on Basic Financial Statements
2. Balance Sheet
3. Statement of Financial Position
4. Statement of Cash Flows
5. Statement of Unrestricted Revenues, Expenses and Changes in Unrestricted Net Assets
6. Statement of Changes in Net Assets
7. Statement of Activities
8. Statement of Functional Expenses
9. Schedule of Federal Financial Assistance
10. Schedule of Financial Assistance
11. Fund Accountability Statement- Open World Civic Hosting Project #OWLC-1217
12. Fund Accountability Statement- Open World Civic Hosting Project #OWLC-1321
13. Fund Accountability Statement- Open World Civic Hosting Project #OWLC-1402
14. Fund Accountability Statement - Petrach Project
15. Fund Accountability Statement- Healthcare and Humanitarian Aid Program.
16. Fund Accountability Statement - Information Services Program
17. Fund Accountability Statement- Education Program
18. Fund Accountability Statement- Public Policy Program
19. Fund Accountability Statement- Kovaluk Scholarship Fund
20. Fund Accountability Statement - Maryniuk Scholarship Fund

21. Fund Accountability Statement- Economic Development Program
22. Fund Accountability Statement - Zapytiv Community
Development Fund
23. Fund Accountability Statement - Sutaruk Scholarship Fund
24. Schedule of Expenses, Indirect Costs and Donated Services
25. Schedule of Findings and Questioned Costs
26. Status of Prior Year Findings
27. Notes to Financial Statements

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Board of Directors
U.S.-Ukraine Foundation, Inc.

We have audited the accompanying balance sheet of the U.S.-Ukraine Foundation, Inc. at August 31, 2014 and the related statement of activities and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the U.S.-Ukraine Foundation, Inc. as of August 31, 2014, and the results of its operations for the period then ended in conformity with accounting principles generally accepted in the United States.

Charchalis & Company, P.A.
Timonium, Maryland
July 20, 2015

**U.S.-UKRAINE FOUNDATION
BALANCE SHEET AT
AUGUST 31, 2014**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
ASSETS:				
CURRENT ASSETS:				
CASH-GENERAL ACCOUNT	\$ 993	\$ 18,322	\$ 20,205	\$ 39,520
CASH & INVESTMENTS	-	-	142,814	142,814
PREPAID EXPENSES	-	-	4,635	4,635
ACCOUNT RECEIVABLE	-	-	49,899	49,899
TOTAL ASSETS	<u>\$ 993</u>	<u>\$ 18,322</u>	<u>\$ 217,553</u>	<u>\$ 236,868</u>
LIABILITIES AND NET ASSETS:				
CURRENT LIABILITIES:				
DEFERRED REVENUE:				
- OPEN WORLD	-	18,322	-	18,322
ACCOUNTS PAYABLE	116,181	-	-	116,181
PAYROLL TAXES PAYABLE	3,787	-	-	3,787
TOTAL CURRENT LIABILITIES	<u>\$ 119,968</u>	<u>\$ 18,322</u>	<u>\$ -</u>	<u>\$ 138,290</u>
NET ASSETS:	<u>(118,975)</u>	<u>-</u>	<u>217,553</u>	<u>98,578</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 993</u>	<u>\$ 18,322</u>	<u>\$ 217,553</u>	<u>\$ 236,868</u>

SEE NOTES TO FINANCIAL STATEMENTS

**U.S.-UKRAINE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
FOR YEAR ENDED AUGUST 31, 2014**

ASSETS:

CURRENT ASSETS:

CASH-GENERAL	\$	39,521
CASH AND INVESTMENTS		147,448
ACCOUNTS RECEIVABLE		49,899
TOTAL CURRENT ASSETS		236,868
 TOTAL ASSETS	 \$	 236,868

LIABILITIES AND NET ASSETS:

DEFERRED REVENUE:

OPEN WORLD		18,322
ACCTS PAYABLE		-
SHORT-TERM LOAN		116,181
PAYROLL TAXES PAYABLE		3,787
TOTAL LIABILITIES		138,290

NET ASSETS: UNRESTRICTED		98,578
TEMPORARILY RESTRICTED		-
PERMANENTLY RESTRICTED		-
TOTAL NET ASSETS		98,578

TOTAL LIABILITIES AND NET ASSETS	\$	236,868
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U.S.-UKRAINE FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR YEAR ENDED AUGUST 31, 2014

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
SURPLUS/(DEFICIT) FROM OPERATIONS	\$ (298)	\$ -	\$ (16,812)	\$ (17,110)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
DECREASE IN DEFERRED GRANT REVENUE	-	(12,522)	-	(12,522)
DECREASE IN PAYROLL TAX PAYABLE	(335)	-	-	(335)
DECREASE IN ACCOUNTS PAYABLE	(121,103)	(333)	(19,450)	(140,886)
INCREASE IN SHORT TERM LOAN	116,181	-	-	116,181
(INCREASE)/DECREASE IN RECEIVABLES	<u>33,386</u>	<u>12,855</u>	<u>41,461</u>	<u>87,702</u>
INCREASE IN CASH	<u>27,831</u>	<u>-</u>	<u>5,199</u>	<u>33,030</u>
BEGINNING CASH	<u>11,690</u>	<u>-</u>	<u>142,250</u>	<u>153,940</u>
ENDING CASH 08/31/14	<u>\$ 39,521</u>	<u>\$ -</u>	<u>\$ 147,449</u>	<u>\$ 186,970</u>

SEE NOTES TO FINANCIAL STATEMENTS

U.S.-UKRAINE FOUNDATION, INC.
STATEMENT OF UNRESTRICTED REVENUES, EXPENSES, AND
CHANGES IN UNRESTRICTED NET ASSETS
FOR YEAR ENDED AUGUST 31, 2014

UNRESTRICTED REVENUE:

FUND RAISING CONTRIBUTIONS	\$ 504,579
PROGRAM SERVICE	22,025
IN KIND CONTRIBUTIONS	202,756
SPECIAL EVENTS	(7,098)
INTEREST/DIVIDEND	263
GAIN ON INVESTMENTS	426
NON PROGRAM REVENUE	<u>121,557</u>
TOTAL UNRESTRICTED REVENUE	844,508
 NET ASSETS RELEASED FROM RESTRICTIONS:	 <u>-</u>
TOTAL UNRESTRICTED REVENUE	844,508

EXPENSES:

GENERAL EXPENSES	693,862
IN KIND EXPENSES	<u>167,756</u>
TOTAL UNRESTRICTED EXPENSES	861,618

DECREASE IN UNRESTRICTED NET ASSETS	<u><u>\$ (17,110)</u></u>
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SEE NOTES TO FINANCIAL STATEMENTS

**U.S.-UKRAINE FOUNDATION, INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR YEAR ENDED AUGUST 31, 2014**

REVENUE/OTHER SUPPORT:	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
UNRESTRICTED REVENUE	\$ 570,259	\$ 240,373	\$ 33,876	\$ 844,508
NET ASSETS RELEASED FROM RESTRICTIONS:	-	-	-	-
TOTAL REVENUE	<u>570,259</u>	<u>240,373</u>	<u>33,876</u>	<u>844,508</u>
EXPENSES	570,557	240,373	50,688	861,618
INCREASE (DECREASE) IN NET ASSETS	(298)	-	(16,812)	(17,110)
NET ASSETS 08/31/13	(118,677)	-	234,365	115,688
NET ASSETS 08/31/14	<u><u>\$ (118,975)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 217,553</u></u>	<u><u>\$ 98,578</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

**U.S.-UKRAINE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR YEAR ENDED AUGUST 31, 2014**

REVENUE/OTHER SUPPORT:	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
CONTRIBUTIONS	\$ 457,439	\$ -	\$ -	\$ 457,439
OPEN WORLD	-	121,557	-	121,557
SUTARUK FUND	-	-	47,140	47,140
PROGRAM SERVICE	21,770	-	-	21,770
NON-PROGRAM REVENUE	255	-	-	255
SPECIAL EVENTS	(7,098)	-	-	(7,098)
INTEREST/DIVIDENDS	-	-	263	263
IN KIND CONTRIBUTIONS	83,940	118,816	-	202,756
UNREALIZED GAIN ON INVESTMENT	-	-	426	426
 NET ASSETS RELEASED FROM RESTRICTIONS:	 13,953	 -	 (13,953)	 -
SATISFACTION OF PROGRAM RESTRICTIONS:	 -	 -	 -	 -
TOTAL REVENUE	<u>\$ 570,259</u>	<u>\$ 240,373</u>	<u>\$ 33,876</u>	<u>\$ 844,508</u>
 EXPENSES:				
INSURANCE	\$ 1,395	-	-	\$ 1,395
ACCOUNTING FEES	7,831	-	-	7,831
RENT	24,126	-	-	24,126
EMPLOYEE BENEFITS	7,807	-	-	7,807
GRANTS/ALLOCATIONS	88,060	73,978	47,410	209,448
FEES-PROFESSIONAL & CONTRACTS	39,358	14,470	-	53,828
TRAVEL/PARKING	33,534	10,385	-	43,919
OFFICE EXPENSES	34,453	-	1,278	35,731
INFORMATIONAL TECHNOLOGY	3,082	-	-	3,082
CONFERENCES	110,967	3,537	2,000	116,504
SALARIES-UKRAINE	2,000	-	-	2,000
SALARIES-US	110,840	19,187	-	130,027
PAYROLL TAX	11,241	-	-	11,241
INTEREST	11,923	-	-	11,923
DONATED SERVICES	83,940	118,816	-	202,756
TOTAL EXPENSES	<u>\$ 570,557</u>	<u>\$ 240,373</u>	<u>\$ 50,688</u>	<u>\$ 861,618</u>
 CHANGE IN NET ASSETS	 (298)	 -	 (16,812)	 (17,110)
 NET ASSETS 08/31/2013	 \$ (118,677)	 \$ -	 \$ 234,365	 \$ 115,688
NET ASSETS 08/31/2014	<u>\$ (118,975)</u>	<u>\$ -</u>	<u>\$ 217,553</u>	<u>\$ 98,578</u>

SEE NOTES TO FINANCIAL STATEMENTS

U.S.-UKRAINE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR YEAR ENDED AUGUST 31, 2014

INSURANCE	\$	1,395
ACCOUNTING FEES		9,331
RENT		24,126
EMPLOYEE BENEFITS		7,807
GRANTS/ALLOCATIONS		207,576
FEES-PROFESSIONAL & CONTRACTS		62,164
TRAVEL/PARKING		43,919
CONFERENCES		116,504
SALARIES		132,027
PAYROLL TAX		11,241
INTEREST		11,923
DONATED SERVICES		202,756
OFFICE EXPENSE		28,623
INFORMATIONAL TECHNOLOGY		2,226
TOTAL EXPENSES	<u>\$</u>	<u>861,618</u>

SEE NOTES TO FINANCIAL STATEMENTS

**U.S.-UKRAINE FOUNDATION, INC.
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR PERIOD ENDING 8/31/14**

	<u>UNITED STATES INFORMATION SYSTEM</u>	<u>GRANT NUMBER</u>	<u>PROJECT PERIOD</u>	<u>TOTAL GRANT AWARD</u>	<u>ACCRUED GRANT REVENUE SEPTEMBER 1, 2013</u>	<u>CASH RECEIVED 9/1/13- 8/31/14</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>	<u>ACCRUED GRANT REVENUE AUGUST 31, 2014</u>
OPEN WORLD	LOC	OWLC-1217	1/1/13-12/31/2013	\$ 187,400	21,406	-	21,406	21,406	\$ -
OPEN WORLD	LOC	OWLC-1321	1/1/13-12/31/2013	\$ 203,950	\$ 9,439	57,941	67,380	67,380	\$ -
OPEN WORLD	LOC	OWLC-1402	01/1/14-12/31/14	\$ 95,750	-	72,500	72,500	54,178	\$ 18,322

SEE NOTES TO FINANCIAL STATEMENTS

**U.S.-UKRAINE FOUNDATION, INC.
SCHEDULE OF FINANCIAL ASSISTANCE
FOR PERIOD ENDING 8/31/14**

<u>GRANT NUMBER</u>	<u>PROJECT PERIOD</u>	<u>TOTAL GRANT AWARD</u>	<u>ACCRUED GRANT REVENUE SEPTEMBER 1, 2013</u>	<u>CASH RECEIVED 9/1/13 - 8/31/14</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>	<u>ACCRUED GRANT REVENUE AUGUST 31, 2014</u>
HEALTH CARE AND HUMANITARIAN AID PROGRAM		-	20,220	139,004	159,224	61,466	97,758
ECONOMIC DEVELOPMENT PROGRAM		-	(100,209)	500	(99,709)		(99,709)
PETRACH FUND PROJECT		-	321,310	476	321,786	-	321,786
ZAPYTIV COMMUNITY DEVELOPMENT FUND		-	29,800	44	29,844	-	29,844
PUBLIC POLICY PROGRAM		-	(98,241)	-	(98,241)	74,907	(173,148)
EDUCATION PROGRAM		-	23,215	-	23,215	17,180	6,035
KOVALUK SCHOLARSHIP FUND		-	116,992	166	117,158	4,498	112,660
MARYNIUK SCHOLARSHIP FUND		-	96,454	(2,565)	93,889	-	93,889
SUTARUK SCHOLARSHIP FUND		-	53,275	46,715	99,990	46,190	53,800
INFORMATIONAL SERVICES AND DEVELOPMENT		-	99,945	160,484	260,429	193,181	67,248

SEE NOTES TO FINANCIAL STATEMENTS

U.S.-UKRAINE FOUNDATION, INC.
FUND ACCOUNTABILITY STATEMENT
OPEN WORLD CIVIC HOSTING PROJECT
AWARD # OWLC-1217
FOR YEAR ENDED AUGUST 31, 2014

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>QUESTIONED COSTS</u>		<u>REFERENCE NOTES</u>
			<u>INELIGIBLE</u>	<u>UNSUPPORTED</u>	
REVENUE:	\$ 187,400	\$21,406			23
PROGRAM EXPENDITURES:					
SALARIES AND BENEFITS	13,088	-			
DIRECT PROGRAM EXPENSES	128,364	-			
OFFICE	7,548	-			
GRANTS	38,400	-			
TOTAL EXPENDITURES	\$187,400	-			
ALLOCATED INDIRECT COSTS	-	-			
SURPLUS	\$ -	\$ 21,406			

SEE NOTES TO FINANCIAL STATEMENTS

**U.S.-UKRAINE FOUNDATION, INC.
 FUND ACCOUNTABILITY STATEMENT
 OPEN WORLD CIVIC HOSTING PROJECT
 AWARD # OWLC-1321
 FOR YEAR ENDED AUGUST 31, 2014**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>QUESTIONED COSTS</u>		<u>REFERENCE NOTES</u>
			<u>INELIGIBLE</u>	<u>UNSUPPORTED</u>	
REVENUE:	\$ 203,950	\$67,380			15
PROGRAM EXPENDITURES:					
SALARIES AND BENEFITS	53,000	5,449			
INTERPRETING SERVICES	-	14,470			
TRAVEL & ACCOMODATIONS	101,100	30,106			
OFFICE EXPENSES	8,250	1,355			
SUBGRANTS	41,600	16,000			
TOTAL EXPENDITURES	203,950	67,380			
ALLOCATED INDIRECT COSTS	-	8,611			
DEFICIT	<u>\$ -</u>	<u>\$ (8,611)</u>			

SEE NOTES TO FINANCIAL STATEMENTS

U.S.-UKRAINE FOUNDATION, INC.
FUND ACCOUNTABILITY STATEMENT
OPEN WORLD CIVIC HOSTING PROJECT
AWARD # OWLC-1402
FOR YEAR ENDED AUGUST 31, 2014

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>QUESTIONED COSTS</u>		<u>REFERENCE NOTES</u>
			<u>INELIGIBLE</u>	<u>UNSUPPORTED</u>	
REVENUE:	\$ 95,750	\$54,178			16
PROGRAM EXPENDITURES:					
SALARIES AND BENEFITS	13,000	13,738			
DIRECT PROGRAM EXPENSES	51,952	23,896			
OFFICE	5,198	544			
GRANTS	25,600	16,000			
TOTAL EXPENDITURES	\$95,750	54,178			
ALLOCATED INDIRECT COSTS	-	21,711			
DEFICIT	\$ -	\$ (21,711)			

SEE NOTES TO FINANCIAL STATEMENTS

U.S.-UKRAINE FOUNDATION, INC.
FUND ACCOUNTABILITY STATEMENT
PETRACH COMMUNITY DEVELOPMENT
FUND FOR STARIJ DOBROTVIR
FOR YEAR ENDED AUGUST 31, 2014

<u>REVENUE</u>	<u>ACTUAL</u>	<u>QUESTIONED COSTS</u>	<u>REFERENCE</u>
		<u>INELIGIBLE</u> <u>UNSUPPORTED</u>	<u>NOTE</u>
DONATIONS	\$ -		8
INTEREST/DIVIDENDS	106		
UNREALIZED GAIN/LOSS ON INVESTMENT	<u>370</u>		
TOTAL REVENUE	\$ 476		
EXPENDITURES	-		
SURPLUS	<u>\$ 476</u>		

SEE NOTES TO FINANCIAL STATEMENTS

U.S.-UKRAINE FOUNDATION, INC.
FUND ACCOUNTABILITY STATEMENT
HEALTH CARE & HUMANITARIAN AID PROGRAM
FOR YEAR ENDED AUGUST 31, 2014

	<u>ACTUAL</u>	<u>QUESTIONED COSTS</u> <u>INELIGIBLE</u>	<u>UNSUPPORTED</u>	<u>REFERENCE</u> <u>NOTE</u>
REVENUE:				
GENERAL CONTRIBUTIONS	\$ 139,004			6
EXPENSES:				
GRANTS	60,766			
BANK FEES	<u>350</u>			
TOTAL EXPENSES		<u>61,116</u>		
SURPLUS		<u>\$ 77,888</u>		

SEE NOTES TO FINANCIAL STATEMENTS

**U.S.-UKRAINE FOUNDATION, INC.
 FUND ACCOUNTABILITY STATEMENT
 INFORMATION SERVICES
 FOR YEAR ENDED AUGUST 31, 2014**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>QUESTIONED COSTS</u>		<u>REFERENCE</u>
			<u>INELIGIBLE</u>	<u>UNSUPPORTED</u>	<u>NOTES</u>
REVENUE:					7, 19
DONATIONS		\$ 160,229			
ADVERTISING		<u>255</u>			
TOTAL REVENUE		\$ 160,484			
PUBLIC AFFAIRS:					
BANK FEES		50			
CONFERENCES & MEETINGS		45,321			
POSTAGE		104			
PRINTING		780			
SALARIES		43,401			
SUPPLIES		13			
TRAVEL		<u>6,654</u>			
SUB-TOTAL PUBLIC AFFAIRS		<u>96,323</u>			
FEES		27,410			
INFORMATIONAL TECHNOLOGY		<u>858</u>			
TOTAL EXPENDITURES		124,591			
ALLOCATED INDIRECT COSTS		<u>68,590</u>			
DEFICIT		<u>\$ (32,697)</u>			

SEE NOTES TO FINANCIAL STATEMENTS

**U.S.-UKRAINE FOUNDATION, INC.
 FUND ACCOUNTABILITY STATEMENT
 EDUCATION PROGRAM
 FOR YEAR ENDED AUGUST 31, 2014**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>QUESTIONED COSTS</u>		<u>REFERENCE</u>
			<u>INELIGIBLE</u>	<u>UNSUPPORTED</u>	<u>NOTES</u>
CONTRIBUTIONS:					9
EDUCATION PROGRAM DONATIONS		\$ -			
SUMMER WORK TRAVEL FEES		-			
TOTAL REVENUE		\$ -			
PROGRAM EXPENDITURES:					
<u>KOVALUK SCHOLARSHIP EXPENSES</u>					
GRANTS/ALLOCATIONS		4,400			
POSTAGE & HANDLING		98			
	SUB-TOTAL	4,498			
<u>SUTARUK SCHOLARSHIP EXPENSES</u>					
SCHOLARSHIPS		43,010			
BANK EXP		-			
UKRAINE MEETINGS		2,000			
SHIPPING/HANDLING		1,180			
	SUB-TOTAL	46,190			
<u>OTHER EXPENSES</u>					
SUPPLIES		115			
<u>GRANTS/ALLOCATIONS:</u>					
- UKRAINE MATH AWARD PROGRAM		6,950			
PROFESSIONAL SERVICES		2,700			
TRAVEL		7,415			
	SUB-TOTAL	17,180			
TOTAL EXPENDITURES		67,868			
ALLOCATED INDIRECT COSTS		-			
(LESS AVAILABLE SUTARUK RESTRICTED FUNDS)		(46,190)			
(LESS AVAILABLE KOVALUK RESTRICTED FUNDS)		(4,498)			
DEFICIT		<u>\$ (17,180)</u>			

SEE NOTES TO FINANCIAL STATEMENTS

**U.S.-UKRAINE FOUNDATION, INC.
 FUND ACCOUNTABILITY STATEMENT
 PUBLIC POLICY PROGRAM
 FOR YEAR ENDED AUGUST 31, 2014**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>QUESTIONED COSTS</u>		<u>REFERENCE</u>
			<u>INELIGIBLE</u>	<u>UNSUPPORTED</u>	<u>NOTES</u>
REVENUE:					
CONTRIBUTIONS		\$ -			11, 20
PROGRAM EXPENDITURES:					
FEEES		375			
SALARY		21,000			
GRANTS/ALLOCATIONS:					
PYLYP ORLYK INSTITUTE		<u>20,344</u>			
TOTAL PROGRAM EXPENDITURES		<u>41,719</u>			
ALLOCATED INDIRECT COSTS		33,188			
DEFICIT		<u>\$ (74,907)</u>			

U.S.-UKRAINE FOUNDATION, INC.
FUND ACCOUNTABILITY STATEMENT
KOVALUK SCHOLARSHIP FUND
FOR YEAR ENDED AUGUST 31, 2014

<u>REVENUE</u>	<u>ACTUAL</u>	<u>QUESTIONED COSTS</u>		<u>REFERENCE</u>
		<u>INELIGIBLE</u>	<u>UNSUPPORTED</u>	<u>NOTE</u>
DONATIONS	\$ -			10
INTEREST/DIVIDENDS	37			
GAIN/LOSS ON INVESTMENT	<u>129</u>			
TOTAL	166			
<u>EXPENDITURES</u>				
GRANTS/ALLOCATIONS	4,400			
SHIPPING/HANDLING	<u>98</u>			
TOTAL	4,498			
DEFICIT	<u>\$ (4,332)</u>			

SEE NOTES TO FINANCIAL STATEMENTS

U.S.-UKRAINE FOUNDATION, INC.
FUND ACCOUNTABILITY STATEMENT
MARYNIUK SCHOLARSHIP FUND
FOR YEAR ENDED AUGUST 31, 2014

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>QUESTIONED COSTS</u>		<u>REFERENCE NOTE</u>
			<u>INELIGIBLE</u>	<u>UNSUPPORTED</u>	
REVENUE:					5
INTEREST/DIVIDENDS		\$ 3,310			
UNREALIZED LOSS ON INVESTMENT		(5,875)			
ADMIN FEE		-			
TOTAL REVENUE		(2,565)			
TOTAL EXPENDITURES		-			
DEFICIT		\$ (2,565)			

SEE NOTES TO FINANCIAL STATEMENTS

**U.S.-UKRAINE FOUNDATION, INC.
 FUND ACCOUNTABILITY STATEMENT
 ECONOMIC DEVELOPMENT PROGRAM
 FOR YEAR ENDED AUGUST 31, 2014**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>QUESTIONED COSTS</u>		<u>REFERENCE</u>
			<u>INELIGIBLE</u>	<u>UNSUPPORTED</u>	<u>NOTES</u>
REVENUE:		\$ 500			12
TOTAL EXPENDITURES		-			
ALLOCATED INDIRECT COSTS		-			
SURPLUS		<u>\$ 500</u>			

SEE NOTES TO FINANCIAL STATEMENTS

U.S.-UKRAINE FOUNDATION, INC.
FUND ACCOUNTABILITY STATEMENT
ZAPYTIV COMMUNITY DEVELOPMENT FUND
FOR YEAR ENDED AUGUST 31, 2014

<u>REVENUE</u>	<u>ACTUAL</u>	<u>QUESTIONED COSTS</u>		<u>REFERENCE</u>
		<u>INELIGIBLE</u>	<u>UNSUPPORTED</u>	<u>NOTE</u>
DONATIONS	\$ -			13
INTEREST/DIVIDENDS	10			
GAIN/LOSS ON INVESTMENT	<u>34</u>			
TOTAL REVENUE	44			
SURPLUS	<u>\$ 44</u>			

SEE NOTES TO FINANCIAL STATEMENTS

U.S.-UKRAINE FOUNDATION, INC.
FUND ACCOUNTABILITY STATEMENT
SUTARUK SCHOLARSHIP FUND
FOR YEAR ENDED AUGUST 31, 2014

<u>REVENUE</u>	<u>ACTUAL</u>	<u>QUESTIONED COSTS</u>		<u>REFERENCE</u>
		<u>INELIGIBLE</u>	<u>UNSUPPORTED</u>	<u>NOTE</u>
DONATIONS	\$ 47,140			14
INTEREST/DIVIDENDS	17			
GAIN/LOSS ON INVESTMENT	58			
ADMIN FEE	<u>(500)</u>			
TOTAL REVENUE	46,715			
 <u>EXPENDITURES</u>				
SCHOLARSHIPS	43,010			
MEETINGS	2,000			
SHIPPING/HANDLING	<u>1,180</u>			
TOTAL EXPENDITURES	<u>46,190</u>			
 SURPLUS	 <u>\$ 525</u>			

SEE NOTES TO FINANCIAL STATEMENTS

U.S.-UKRAINE FOUNDATION
STATEMENT OF EXPENSES, INDIRECT COSTS AND DONATED SERVICES
FOR YEAR ENDED AUGUST 31, 2014

TOTAL COSTS	MGMT & GENL UNALLOW	MGMT & GENL ALLOW	FUND-RAISING	PROGRAM SERVICES TOTAL	ECONO LEVEL	EDUC PROG	HUMAN AID	PUBLIC POLICY PROG	INFO SVCS	OPEN WORLD PROJ	
ACCOUNTING FEES	7,831	-	7,831	-	-	-	-	-	-	-	
ADVERTISING	-	-	-	-	-	-	-	-	-	-	
CONFERENCES & MEETINGS	116,504	-	203	73,969	42,332	-	2,000	-	36,795	3,537	
EMPLOYEE BENEFITS	7,807	-	7,807	-	-	-	-	-	-	-	
FEES FOR SERVICES	53,828	-	748	-	53,080	-	2,700	-	35,910	14,470	
FEES-UKR TAXES ON SVCS	-	-	-	-	-	-	-	-	-	-	
GRANTS/ALLOCATIONS	209,448	-	-	-	209,448	-	54,360	60,766	20,344	73,978	
INFORMATIONAL TECHNO	3,082	-	2,225	-	857	-	-	-	857	-	
INSUR - GEN'L LIAB	1,395	-	1,395	-	-	-	-	-	-	-	
INTEREST	11,923	11,923	-	-	-	-	-	-	-	-	
LEGAL FEES	-	-	-	-	-	-	-	-	-	-	
OCCUPANCY/RENT	24,126	461	23,665	-	-	-	-	-	-	-	
OFFICE EXPENSES	35,731	-	14,875	17,765	3,091	-	1,393	350	375	973	
PAYROLL TAXES - UKRAINE	-	-	-	-	-	-	-	-	-	-	
PAYROLL TAXES - U.S.	11,241	-	11,241	-	-	-	-	-	-	-	
SALARY/WAGES-UKRAINE	2,000	-	-	-	2,000	-	-	-	-	2,000	
SALARY/WAGES-US	130,027	-	48,439	-	81,588	-	-	21,000	41,401	19,187	
TRAVEL	43,919	-	13,671	5,793	24,455	-	7,415	-	6,655	10,385	
TOTAL	\$658,862	\$12,384	\$132,100	\$97,527	\$416,851	\$0	\$67,868	\$61,116	\$41,719	\$124,591	\$121,557

Allocation of Indirect Costs At 158.04% (on Direct Salaries)	TOTAL \$132,100	ECONO -	EDUC \$0	HUMAN \$0	PUBLIC \$33,188	INFO \$68,590	OW \$30,322
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Donated Services/ In-Kind Contributions	TOTAL \$202,756	MGMT & GENL \$15,000	FUND-RAISING \$20,000	PROGRAM SERVICES TOTAL \$167,756	ECONO \$ -	EDUC \$5,000	HUMAN \$5,000	PUBLIC POLICY \$10,000	INFO SVCS \$33,940	OPEN WORLD \$118,816
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SEE NOTES TO FINANCIAL STATEMENTS

U.S.- Ukraine Foundation, Inc.
Independent Auditor's Schedule of
Findings and Questioned Costs
for the Year Ended August 31, 2014

Section I - Summary of Auditors Results

Financial Statements

Type of auditors report issued: Unqualified

Internal Control over financial reporting:
Material weakness(es) identified? _____ yes X no
Significant deficiency(ies) identified that
are not considered to be material weaknesses _____ yes X none
Noncompliance material to financial statements
noted? _____ yes X no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? _____ yes X no
Significant deficiency(ies) identified that
are not considered to be material weaknesses _____ yes X none
Type of auditors report issued on compliance
For major programs: Unqualified
Any audit findings disclosed that are required
to be reported in accordance with
section 510(a) OMB Circular A-133? _____ yes X no

Section II - Financial Statement Findings

None

Corrective Action Plan:
None Recommended

U.S.-UKRAINE FOUNDATION

STATUS OF PRIOR-YEAR FINDINGS

FOR YEAR ENDED AUGUST 31, 2014

<i>Last Year's Findings</i>	<i>Status of Findings This Year</i>	<i>Disposition</i>	<i>Status of Prior-Year Audit Findings*</i>
1.NONE	1.NONE	1. N/A	1. N/A
2.	2.	2.	2.
3.	3.	3.	3.
4.	4.	4.	4.
5.	5.	5.	5.
6.	6.	6.	6.

U.S.-Ukraine Foundation, Inc.
Notes to Financial Statements
For Year Ended August 31, 2014

1. The U.S. - Ukraine Foundation, Inc. was formed under the Virginia Non-stock Corporate Act and is registered as an organization exempt from tax under the Internal Revenue Code Section 501 (c) (3) and operates on a fiscal year ending August 31.
2. The U.S. - Ukraine Foundation is an independent, non-commercial, non-sectarian organization. The purpose of the U.S. - Ukraine Foundation is to promote democratic values in Ukraine, providing humanitarian, ecological, medical, scientific and cultural assistance to Ukraine as well as advancing an understanding of Ukraine in the U.S.
3. The U.S.- Ukraine Foundation was not formed for pecuniary or financial gain, and in no part of its assets, income, or profit is distributable to, or inures to the benefit of, its directors or officers.
4. Funds collected or obtained by the U.S. - Ukraine Foundation through membership fees, annual dues, private foundations, fund-raisers, and other charitable events shall be used to promote the objectives of the organization. The U.S.-Ukraine Foundation held the annual board of directors meeting on August 28, 2014.
5. Maryniuk Scholarship Fund – The Foundation is administering a scholarship fund for the benefit of students in Zheldets, Ukraine (Lviv Oblast). The fund’s end-of-year value was \$ 93,889.
6. Health Care and Humanitarian Aid Program - U.S.-Ukraine Foundation’s Program to improve health care in Ukraine as well as provide humanitarian aid.
7. Informational Services – The Foundation informs the general public about its activities in the U.S. and Ukraine, the mutual objectives of both nations, and areas for assistance. Support is for the Foundation’s e-newsletter, *Update*, and meetings with the public.
8. Petrach Community Development Fund for Starij Dobrotvir - The William Petrach Charitable Trust awarded the Foundation funds to support on-going community needs in Starij Dobrotvir, Ukraine. The fund’s year end value was \$321,786.
9. Education Program – This program educates the public regarding Ukraine and the U.S. and provides assistance to institutions and individuals in expanding educational opportunities relating to public policy, economic development, health care, leadership and democratic values. Cash grants were awarded during the year.
10. Melania Denys Kovaluk Scholarship Fund - The Foundation and the Canada Ukraine Foundation (CUF) are administering a scholarship fund for the benefit of students in the village of Zabolotivci (Lviv Oblast). The fund totaled \$112,660 at year end.
11. Public Policy Program - Grant assistance was provided to the Pylyp Orlyk Institute for Democracy, a public policy informational resource center in Kyiv.
12. Economic Development Program- The program includes expenses for the Foundation’s business informational service on its website (*Market of Ukraine*), promoting travel to Ukraine, and other economic development efforts.
13. Zapytiv Community Development Fund – A fund, established with initial gifts from the Family of Mychailo and Irena Boyko, to benefit the citizens of Zapytiv (Lviv oblast). A library/resource center has been constructed. The fund’s year-end value was \$29,844.
14. Sutaruk Scholarship Fund - The Foundation established the Sutaruk Scholarship Fund for the benefit of students in Dubno (Rivne oblast), Netishyn and Slavuta (Khmelnyskyj oblast). The fund’s end-of-year value was \$53,800.
15. 2013 Ukraine Civic Hosting Program #OWLC-1321 - The Open World Leadership Center of the Library of Congress awarded the Foundation a \$203,950 grant to host 78 Ukrainian officials in the communities of Arlington, VA, Birmingham, AL, Columbus, OH, Des Moines, IA, Kansas City, MO, Little Rock, AR, Longview, TX, Louisville, KY, Modesto/Sacramento, CA, Omaha, NE, Rochester/Irondequoit, NY, Santa Fe, NM, and Springfield, IL.
16. 2014 Ukraine Civic Hosting Program #OWLC-1402 - The Open World Leadership Center of the Library of Congress awarded the Foundation a \$95,750 grant to host 60 Ukrainian leaders in the cities of Arlington, VA, Birmingham, AL, Kansas City, MO, Longview, TX, Modesto/Sacramento, CA, Omaha, NE, Philadelphia, PA, and Springfield, IL.

17. In-Kind Contributions/Services were provided as follows:

Humanitarian Aid	\$	5,000
Info Services	\$	33,940
Open World Projects	\$	118,816
Public Policy Program	\$	10,000
Management and General	\$	15,000
Fund Raising	\$	20,000
Total	\$	202,756

18. The Foundation had unrelated business income of \$255 comprising of public relations and advertising fees. The Foundation has appropriately submitted its annual Federal Form 990 and a Federal Form 990-T, disclosing this income.

19. The Foundation did not incur any lobbying expenses during the year. This amount was also reflected in the organization's Federal Form 990.

20. The Foundation provided grant support of \$20,344 to the Pylyp Orlyk Institute for Democracy (POID). In addition, the Foundation provided POID with free rental space in its Kyiv office calculated on a square meter basis at a cost of \$461. This amount has reduced the organization's allowable management overhead costs for Federal Indirect Cost calculations and is reflected on the Statement of Expenses, Indirect Costs and Donated Services.

21. The U.S.-Ukraine Foundation has received the designation of a Private Voluntary Organization as of September 15, 1996 pursuant to Part 203, Registration of Agencies for Voluntary Foreign Aid, of Title 22, Code of Federal Regulations.

22. The Foundation was found eligible for inclusion in the 2014 Combined Federal Campaign (CFC) Charity List by the U.S. Office of Personnel Management. The Foundation's CFC code is 53914.

23. 2013 Ukraine Civic Hosting Program #OWLC-1217 – A payment of \$21,406 , representing deferred revenue from the previous year, was made to the Open World Leadership Center during the year.