

**„ASSOCIATION RAINBOW“, ŠABAC
INDEPENDENT AUDITOR'S REPORT
ON FINANCIAL STATEMENTS FOR THE YEAR ENDING
DECEMBER 31 2022.**

Belgrade, May 2023.

Table of Contents:

Independent Auditor's report	1 - 2
Profit and Loss Statement	3
Balance Sheet Statement	4
Auditor's notes	5 - 19

AUDITORS REPORT TO THE BOARD OF ASSOCIATION RAINBOW

**Slaviša Kovač, Chairman of the board of directors Association Rainbow
Šabac**

Dear Mr. Kovač,

Opinion

We have audited the accompanying financial statements of the Association Duga, Šabac (hereinafter: the Association) which comprise the balance sheet as of December 31, 2022, and the income statement for the year ending on that day.

In our opinion, the accompanying financial statements presents fairly, in all material matters, the financial position of the Association as of December 31, 2022, as well as the results of its operations, for the year ended on that date, in accordance with the accounting regulations in force. in the Republic of Serbia and the accounting policies disclosed in the Auditor's Notes to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Responsibilities of the Auditor to audit the Financial Statement* section of our report. We are independent of the Association in accordance with the Ethics Code of Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

The Association keeps its record and prepares its financial statements based on the accrual accounting base of business changes and transactions, in accordance with the Law on Accounting of Republic of Serbia ("Official Gazette of Republic of Serbia" 62/2013; 30/2018;73/2022) and the Rule book on the manner of recognition, evaluation, presentation and disclosure of positions in the individual financial statements of micro and other legal entities ("Official Gazette of the Republic of Serbia"; 118/2013; 95/2014; 89/2022) and is obligated to prepare and submit basic financial statements, consisted of: Balance Sheet and Profit and loss statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for those internal controls that it determines are necessary for the preparation of financial statements that do not contain material misstatements resulting from criminal activity or error. In preparing the financial statements, management is responsible for assessing the ability of the Association to continue as a going concern, disclosing, as appropriate, matters relating to business continuity and applying the going concern principle as an accounting basis, unless management intends to liquidate the Association. or to suspend business, or has no real possibility other than to do so. The persons authorized to manage are responsible for overseeing the financial reporting process of the Association.

AUDITORS REPORT TO THE BOARD OF ASSOCIATION RAINBOW (continued)

Responsibilities of the Auditor to audit the Financial Report

Our objectives are to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatements, 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 a guarantee that an audit conducted in accordance to ISAs will always detect a material misstatement when it exists.

Misstatements may arise from fraud or error and are considered material if, individually or as a whole, they could influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We identify and measure the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting material misstatements 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.

We have 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 the Implementing Partner s Internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

Polonca Đurić



Certified Auditor
Belgrade, May 31, 2023

PROFIT AND LOSS STATEMENT

Year ended December 31,

(In thousands of dinars)

	Note	2022.	2021.
Revenues:		<u>34,780</u>	<u>31,860</u>
Revenues from the sale of goods, products and services		354	648
Revenues from grants	4	34,426	31,212
Non-financial revenues		-	-
Expenses:		<u>27,573</u>	<u>21,977</u>
Income from the use of own products, services and goods		-	-
Cost of material and energy	5	3,663	2,302
Wages, salaries, and other employee benefits expenses	6	16,564	14,202
Operating expenses	7	2,589	986
Depreciation costs		454	241
Donation costs		-	-
Intangible expenses	8	4,303	3,691
Operating profit		<u>7,207</u>	<u>9,883</u>
Operating loss		-	-
Financial revenues		-	-
Financial expenses		<u>30</u>	<u>10</u>
Lost from financing		9	14
Other revenues		101	-
Other expenses		10	-
Excess of revenues over expenses for the year before tax		7,284	9,869 -
Excess of expenses over revenues for the year before tax		-	-

BALANCE SHEET
As of December 31.st 2022.

(In thousands of dinars)

	Notes	2022.	2021.
ASSETS:			
Property, plant and equipment:	11	4.631	3,233
CURRENT ASSETS:		30.232	24,205
Inventories		120	104
Short term investments		5.102	-
Cash and cash equivalents	12	25.010	24.101
TOTAL ASSETS		34.863	27,438
FUNDS AND LIABILITES		34.715	27.431
Undistributed surplus of income over expenses		40.535	33.251
Excess Expenditure over revenue		5.820	5.820
Short-term financial liabilities		148	7
TOTAL FUNDS AND LIABILITIES		34.863	27.438

1. GENERAL INFORMATION

Association Rainbow („Асоцијација Дуга“; hereinafter „Association“) is: a voluntary, nonpolitical, nonprofit, non-government organization that acts as an Association of citizens. The Association acts on the territory of the Republic of Serbia and it was established as a non-profit organization it was registered at the Serbian Business Registers Agency. **MB No 17559575, PIB No 103406590 (Tax identification number)**. The headquarters of the Association is on 7. October street, No. 1, Jevremovac, 15000 Šabac

Members of Steering Committee:

Miloš Perić	President of the Assembly
Slaviša Kovač	Chairman of the Board of Directors
Aleksandar Prica	Director
Vladimir Veljković	Deputy chairman of the board of directors
Boro Novaković	Secretary - General of the Board of Directors

The Association has aspects of a civil legal entity, with all the rights and responsibilities resulting from them.

The Association is required to provide an insight into their work only to the competent state authorities.

The main goal of the Association

Improving the human rights of socially vulnerable populations, namely: people of the third age, children and young people, LGBTI people, people who are in institutional accommodation and former wards of institutional accommodation in the social protection, health and justice systems, users of psychoactive substances, people engaged in sex work, young people in conflict with the law, people living with HIV/AIDS, people with disabilities and Roma through reducing violence and discrimination, education, increasing security, providing support, economic empowerment, gender equality and providing health and social services.

Specific goals

1. Advocating for the improvement of the social protection system for defined target populations.
2. Advocating for the improvement of the health care system, especially the prevention of HIV/AIDS and sexually transmitted infections for defined target populations.
3. Advocating for the improvement of the system of education, training and upbringing with the aim of reducing peer and digital violence, discrimination and improving human rights for defined target populations.
4. Advocating for increased security, reduction of violence and discrimination, family and peer violence, digital violence, promotion of the concept of security culture, reduction of gender-based violence and hate crimes for defined target populations.
5. Advocating for the improvement of multisectoral cooperation at the international, national, provincial and local levels in order to have a more adequate approach to solving problems for defined target populations.
6. Advocating for poverty reduction and economic empowerment for defined target populations through the development of social entrepreneurship, cooperatives and incentive measures for self-employment and employment.
7. Advocacy for sustainable development, especially through the processes of planning, initiation, participation in the creation, implementation and monitoring and evaluation of strategic documents at all levels.

NOTES TO FINANCIAL STATEMENTS
December 31, 2022.

1. GENERAL INFORMATION (CONTINUED)

In order to achieve its basic goal and specific goals, the Association will especially organize: creation and provision of health and social services, accreditation of various education programs, preparation and submission of programs and services for standardization, development of minimum standards for services, media campaigns, round tables, trainings, workshops, panel debates, outreach activities, counseling centers, shelters, safe houses, research, publication of educational material, public advocacy, business clubs, cultural and entertainment events, trips, excursions, monitoring and evaluation of the work of state bodies, collecting aid, establishing social companies, drafting guardianship documents at all levels, establishing cooperation with state institutions and other associations and other activities in accordance with binding laws and regulations.

The tables below show the overview of the projects implemented in the period from 2022. to 2020.

Projects retrospective

For the year 2022.*

Table 1

Nmb.	Payer/Name of the project/ Service	Payment in RSD	Amount in RSD
1	Municipality of Raška / "Prevention of HIV and PPI in the territory of the Municipality of Raška"	141.100,80	141.100,80
2	Ministry of Health of Serbia / GFATM / "Prevention of HIV and PPIs in the MSM population in the territory of Belgrade"	4.667.054,72	4.667.054,72
3	Civic initiatives - institutional grant	221.600,00	221.600,00
4	Šabac / Outreach innovative preventive service	800.000,00	800.000,00
5	Reconstruction of the women's fund / Prevention of monkeypox	150.000,00	150.000,00
6	ERA - HIV prevention	1.379.490,00	1.379.490,00
7	TRAG Foundation "Field Associate - Innovative Preventive Service"	1.410.978,00	1.410.978,00
8	BOŠ / "Šabac - a city tailored to young people"	830.530,00	830.530,00

**Association Rainbow,
Šabac; Serbia**
Table 1

For the year 2022.*(continued)

9	Ministry of Health of Serbia / GFATM / "Prevention of HIV and PPIs in the MSM population in the territory of Belgrade"	3.895.346,27	3.895.346,27
10	Ministry of Health of Serbia / GFATM / "Prevention of HIV and PPIs in the MSM population in the territory of Belgrade"	1.334.653,73	1.334.653,73
11	UNDP Swedish Government City of Kruševac / Field Associate	1.511.925,00	1.511.925,00
12	UNDP Swedish Government Municipality of Vrnjačka Banja / Field Associate	1.511.925,00	1.511.925,00
13	City Institute for Public Health Belgrade	92.890,00	92.890,00
	Payer/Name of the project/ Service	Payment in USD	Amount in RSD
14	World Health Organization / "Support in increasing the process of immunization against the Kovid 19 pandemic"	10.188,71	1.067.755,41
15	World Health Organization / "Support in increasing the process of immunization against the Kovid 19 pandemic"	11.000,00	1.192.783,90
16	World Health Organization / "Prevention of mumps"	8.032,00	938.940,80
17	World Health Organization / "Support in increasing the process of immunization against the Kovid 19 pandemic"	11.000,00	1.318.948,40
	Payer/Name of the project/ Service	Payment in EUR	Amount in RSD
18	GILEAD Institutional Grant	82.221,21	9.647.294,12
19	GIZ III tranche / Outreach	7.972,74	936.159,93

For the year 2021.*

Table 2

Br.	Project/ Donation	Amount RSD	Amount Rsd
01.	OSCE / "Concept of Security Culture in the World of Youth"	432.280,00	432.280,00
02.	Civic initiatives / analysis	135.912,00	135.912,00
03.	Municipality of Raska / "HIV Prevention in the Municipality of Raska"	141.092,88	141.092,88
04.	City of Sabac / "Outreach, preventive, integrated, social health method"	500.000,00	500.000,00
05.	OSCE / "Concept of Security Culture in the World of Youth"	214.010,00	214.010,00
06.	Ministry of Health GFATM / "HIV Prevention in MSM Population"	4.550.316,00	4.550.316,00
07.	Ministry of Health GFATM / "HIV Prevention in MSM Population"	1.543.107,21	1.543.107,21
08.	Ministry of Health GFATM / "HIV Prevention in MSM Population"	986.576,79	986.576,79
09.	Ministry of Health GFATM / "HIV Prevention in MSM Population"	802.157,40	802.157,40

For the year 2021.*(continued)

Table 2

Br.	Project/ Donation	Amount RSD	Amount Rsd
10.	City of Sabac / "Outreach, preventive, integrated, social health method"	500.000,00	500.000,00
11.	UNDP / "Outreach - piloting a good practice program in Valjevo"	434.789,58	434.789,58
12.	Chamber of Social Protection / realization of training	71.128,00	71.128,00
13.	Embassy of France / "Marking December 1 and European Testing Week"	234.450,00	234.450,00
14.	ACT - civic initiatives / "Institutional grant"	885.820,00	885.820,00
15.	UNDP / "Support to the Immunization Process in Valjevo"	1.036.934,76	1.036.934,76
16.	ERA / "Celebrating December 1st and European Testing Week"	304.449,71	304.449,71
17.	CPSU Belgrade / realization of training	60.000,00	60.000,00
18.	City Institute SW Belgrade / "Prevention of sexually transmitted infections in the MSM population"	92.890,00	92.890,00
19.	BFPE / "From my city, to my country"	235.160,00	235.160,00
20.	Youth of the Valjevo Jazz / "Celebrating December 1 in Valjevo"	28.500,00	28.500,00
21.	Ministry of Health GFATM / "Support to HIV prevention programs in the conditions of Kovid 19 pandemic"	2.905.594,85	2.905.594,85
22.	TOC / "Support in creating sustainability of HIV prevention programs"	354.258,80	354.258,80

For the year 2021.* (continued)

Table 2

Br.	Project/ Donation	Amount EUR	Amount RSD
23.	GIZ COVID 19 / "Kovid 19, good practices for a more secure future"	45.807,93	5.391.593,36
24.	GIZ OUTREACH / "Outreach, a new preventive method of work in the social protection system"	23.968,00	2.810.248,00
25.	GIZ OUTREACH / "Outreach, a new preventive method of work in the social protection system"	18.565,00	2.176.746,25
26.	GILEAD / Institutional Support	20.400,00	2.390.880,00
27.	GIZ COVID 19 / "Kovid 19, good practices for a more secure future"	5.099,70	601.453,01
Br.	Project/ Donation	Amount USD	Amount RSD
28.	UNDP / "Outreach - piloting a good practice program in Valjevo"	8.097,82	811.628,30
29.	World Health Organization / "Support to increase the immunization process against the Kovid 19 pandemic"	11.410,00	1.179.794,00

NOTES TO FINANCIAL STATEMENTS

December 31, 2022.

1. GENERAL INFORMATION (CONTINUED)

For the year 2020.*

table3

Бр.	Project	Donation	Value	Description
01.	Outreach preventive integrated social - health program on the territory of Sabac	Grad Šabac	RSD 200,000.00	Outreach method included 214 people from vulnerable populations, continued work on the outreach method in the strategy of sustainable development of Sabac.
02.	Outreach - a new service in the social protection system	UNDP – EU – Grad Šabac	USD 23,236.00	Piloted outreach on the territory of Sabac. Services covered 318 people. Minimum standards for the outreach method have been developed and submitted to the competent Ministry.
03.	Social protection - the right of all of us!	TRAG fondacija – British Censl	GBP 3,500.00	Realized research in vulnerable populations and the social protection system. You submit a request to the City of Sabac for an amendment on social protection services.
Бр.	Project	Donation	Value	Description
04.	Response to the COVID 19 pandemic in the territory of Macva and Kolubara districts.	Swiss Agency for Development and Cooperation - Swiss Federal Ministry of Foreign Affairs.	RSD 9,326,000.00	As part of the outreach activities, 1069 packages were distributed to a total of 6478 people. Achieved persons without any income and mapped problems of vulnerable populations.
05.	COVID 19 pandemic - support for the most endangered.	TRAG fondacija	RSD 500,000.00	As part of the outreach activities, 30 packages were distributed for a total of 197 people. Achieved persons without any income and mapped problems of vulnerable populations.
06.	Distribution of humanitarian packages to the vulnerable population due to the COVID pandemic	Katalist fondacija	RSD 40,000.00	As part of the outreach activities, 70 packages were distributed to a total of 714 people. Achieved persons without any income and mapped problems of vulnerable populations.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022.

1. GENERAL INFORMATION (CONTINUED)

For the year 2020.* (continued)

table3

07.	Distribution of humanitarian packages on the territory of the Municipality of Mionica	Municipality of Mionica	RSD 97,500.00	As part of outreach activities, 95 packages were distributed for a total of 211 people. Achieved persons without any income and mapped problems of vulnerable populations.
08.	Distribution of humanitarian packages on the territory of the Municipality of Osecina	Crveni krst Osečina	RSD 105,000.00	As part of the outreach activity, 50 packages were distributed for a total of 93 people. Achieved persons without any income and mapped problems of vulnerable populations.
Бр.	Project	Donation	Value	Description
09.	Distribution of humanitarian packages on the territory of the City of Šabac	City of Šabac	RSD 528,000.00	As part of outreach activities, 300 packages were distributed for a total of 846 people. Achieved persons without any income and mapped problems of vulnerable populations.
10.	Response to COVID 19	Council of Europe	EUR 4,524.00	As part of outreach activities, 30 packages were distributed to a total of 142 people. Achieved persons without any income and mapped problems of vulnerable populations.
11.	Outreach - piloting of the program of good practice in Valjevo	UNDP – Vlada Švedske – Grad Valjevo	USD 24,995.00	Piloting of outreach methods of work in Valjevo has started, training for 20 professional workers and associates have been held. Created and piloted advanced outreach training.
12.	Response to HIV / AIDS and sexually transmitted infections in the Municipality of Raska	Municipality of Raska	RSD 141.025.00	Advised and tested for HIV 176 people. Financing of the service has been established by the Municipality of Raska.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022.

1. GENERAL INFORMATION (CONTINUED)

For the year 2020.* (continued)

table3

13.	Response to HIV infection in the MSM population.	Glakso Smith Klajn company	RSD 353,628.00	Advised and tested for HIV 649 people in Serbia.
14.	HIV prevention and testing among the MSM population in a mobile medical unit.	Gilead Sciences Europe Ltd	EUR 33,044.00	Advised and tested for HIV 839 people in Serbia. Two trainings for MSM outreach workers and two trainings for health workers were held.
15.	HIV prevention in MSM population on the territory of Belgrade.	Global Fund for AIDS, Tuberculosis and Malaria and the Ministry of Health of Serbia	RSD 5,641,250.00	people were advised and tested for HIV on the territory of Belgrade. A total of 2537 MSM people were reached.
Бр.	Project	Donation	Value	Description
17.	Security culture in the world of youth.	OSCE Mission to Serbia	RSD 1,080,700.00	. Organized trainings in 10 high schools for 40 high school students and 40 teachers and psychologists on the topic of increasing safety in schools. The education plan has been submitted for accreditation to the competent state body.
18.	Institutional support for debt development of the DEBT Association	Government of Switzerland Helvetas, Swiss Intercooperation and Civic Initiatives	RSD 2,600,000.00	Increased capacities of the DEBT Association, replaced technical equipment and purchased missing ones, introduced 6 new procedures during the development of a new strategic plan and development documents.
19.	Urgent KOVID 19 support.	Gilead Sciences Europe Ltd	EUR 31,200.00	Employed 3 persons in order to increase the capacity of the DEBT Association during the COVID 19 pandemic. All necessary protective equipment is provided for the users of services and the team of the DUGA Association.

*For more information about current projects, please visit <http://en.asocijadjuga.org.rs>

NOTES TO FINANCIAL STATEMENTS
December 31, 2022.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

1.2.1 Basis of preparation

The financial statements of the Association have been prepared in accordance with the Law on Accounting rules and laws of the Republic of Serbia and a Rulebook on the manner of recognition, evaluation, presentation and disclosure of positions in the individual financial statements of micro and other legal entities ("Official Gazette of the Republic of Serbia"; 118/2013; 95/2014;89/2022); in order to provide a true and fair presentation of the balance sheet positions, balance of assets, liabilities, sources of assets, income and expenses and the operating results.

The Association's financial statements are presented in Serbian Dinars ("RSD"). All amounts in the financial statements and related notes are presented in Dinars, unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of the financial statements are presented further in this report. The Association is requested to apply the accounting policies consistently.

2.1 Recognition of income and expenses

The recognition of the income and expenses is in accordance with the accounting base of modified occurrence of business changes and transactions.

According to the accounting base for the modified occurrence of business changes and transactions, the revenues are recognized in the accounting period in which they have occurred according to the criteria of measurability and availability. Revenues are earned when are generated in the accounting period and are used to cover the liabilities related to that accounting period.

According to the accounting base for the modified occurrence of business changes and transactions, expenses are recognized in the accounting period in which have occurred. Expenses for used short-term assets are recognized in the moment and in the amount of the actual cost incurred.

Income from rendering services is recognized during the period in which customers paid for the delivered services.

Government income receivables that do not impose the conditions on the recipient related to certain future results are recognized as income in the case of recognizing claims based on benefits. Income from government benefits that impose on the recipient the conditions related to certain future results are recognized as income only when the conditions for the results are met.

Income from the activation of effects is considered as income from the transfer of own products to supplies of goods for further sale.

NOTES TO FINANCIAL STATEMENTS
December 31, 2022.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of income and expenses (continued)

Costs of direct materials and goods sold are valued and recognized at cost. Wage costs are recorded in the amount of actually accrued earnings. Other operating expenses are recognized at the invoice value, that is, the values determined on the basis of the accounting document.

3.2 Foreign Exchange Transaction

Transactions denominated in foreign currencies have been translated into Dinars at the rates set by the National Bank of the Republic of Serbia applicable at the date of each transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the end of the reporting period using official rates of exchange ruling on that date.

Net foreign exchange gains or losses resulting from foreign currency translation are included in the income and expense statement in the period in which they arise.

3.3 Taxation

According to the Law on Corporate Income Tax, non-profit organizations are exempt from paying income tax, if the surplus of income does not exceed 400.000 RSD, provided that:

does not distribute the realized surplus to its founders, members, directors, employees or persons

the annual amount of personal income that is paid to the employees, directors and persons related to them is not more than twice the average annual salary per employee in the Republic in the year for which the right to tax exemption is determined, according to the data of the republic authority responsible for statistics;

does not distribute assets for the benefit of its founders, members, directors, employees or persons

that there is no monopolistic or dominant position on the market in the sense of the law regulating

Current income tax is paid to nondeductible expenses. The income tax rate for 2022 is 15%.

The non-profit organization is obliged to keep records of revenues and expenditures, to submit a tax balance and a tax return.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Property, plant and equipment

Property, plant and equipment, are recorded at cost value. The cost value of the equipment comprises of the purchase price plus import duties, value added tax, cost of transportation and all other expenses directly attributable to the cost value i.e. to the purchase cost. The value of purchased assets is presented as an expense at the time of purchase with increasing the business fund of the Association. Tangible and intangible assets are depreciated on a straight-line basis so that the cost or revaluation value of the fixed assets is depreciated in equal annual amounts over their estimated useful lives.

Depreciation of property fixed assets calculated using the straight-line method to allocate its cost over its estimated useful life. Calculation of depreciation commences in a month following the month when the asset was put in use.

The depreciation charge for the year is recorded on the business fund accounts.

The annual depreciation rates applied are the following:

Property: 2,5%

Equipment: 15%

3.5 Cash and cash equivalents

Cash and cash equivalents comprise from cash in hand and cash on bank accounts in commercial banks. Cash in hand and cash on bank accounts in Serbian Dinars are recorded at their nominal value, and cash in foreign currencies is translated according to the foreign exchange rate of the Central Bank of the Republic of Serbia on the reporting date.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Trade payables and other liabilities

Trade payables and other liabilities are stated at fair value on initial recognition and subsequently measured at amortized cost.

3.7 Going concern principle

The financial statements of the Association Rainbow are prepared by applying the going concern principle.

4. BUSINESS INCOME

	In thousands of dinars:	
	For the Year ended December 31	
	2022.	2021.
Revenues from the sale of goods, products and services	354	134
Revenues from Grants	34,426	33,746
Non-financial revenues	-	
Business income total	34,780	33,380

5. COST OF MATERIAL EXPENSES

	In thousands of dinars:	
	For the Year ended December 31	
	2022.	2021.
Equipment – fire protection	501	10
Office supplies	1,805	554
Energy (electricity, fuel)	1,357	1,738
Cost of material expenses total:	3,663	2,302

6. WAGES, SALARIES AND OTHER EMPLOYEE BENEFITS EXPENSES

	In thousands of dinars:	
	For the Year ended December 31	
	2022.	2021.
Gross salaries	6,527	5,745
Contributions	1,054	957
Cost of contract fees	6,780	6,856
Costs of part-time contract fees	918	
Other costs of earnings	750	
Compensations to employees on a business trip	534	644
Wages, salaries, and other employee benefits Expenses total:	16,564	14,202

NOTES TO FINANCIAL STATEMENTS
December 31, 2022.

7. OPERATING EXPENSES

	In thousands of dinars:	
	For the Year ended December 31	
	2022.	2021.
Postal services	219	198
Maintenance	467	700
Cost of rent	137	-
Advertising and marketing	1,618	
Other expenses	148	88
Operating expenses total:	2,589	908

8. DEPRICIATION COSTS

	In thousands of dinars:	
	For the Year ended	
	December 31	
	2022.	2021.
Depriciation costs	454	241
Depriciation costs total:	454	241

9. INTANGIBLE EXPENSES

	In thousands of dinars:	
	For the Year ended December 31	
	2022.	2021.
Costs of non-productive services	1,305	2,645
Representation costs	2,387	947
Insurance	40	12
Payment transaction costs	91	67
Membership fees	119	12
Tax expense	-	-
Other intangible expenses	38	8
Intangible expenses total:	3,980	3,691

10. DONATION COSTS

	In thousands of dinars:	
	For the Year ended December 31	
	2022.	2021.
Donation costs	323	555
Donation costs total:	323	555

NOTES TO FINANCIAL STATEMENTS
December 31, 2022.

11. NET EXCESS REVENUES/EXPENDITURES

	In thousands of dinars: For the Year ended December 31	
	2022.	2021.
Net excess of revenues over expenditures	7,284	9,869
Net excess of expenditures over revenues	-	-

11. PROPERTY, PLANT AND EQUIPMENT

	In thousands of dinars: On December 31	
	2022.	2021.
Property	1,926	1,983
Equipment	2,473	1,018
R.estate plant and equipment in preparation	232	232
Property, plant and equipment total:	4,631	3,233

12. FINANCIAL ASSETS VALUED AT FAIR VALUE

	In thousands of dinars: On December 31:	
	2022.	2021.
Other short-term placements	5.102	
Financial assets valued at fair value total	5.102	

13. CASH AND CASH EQUIVALENTS

	In thousands of dinars: On December 31	
	2022.	2021.
Domestic currency	14,185	17.383
Foreign currency accounts	10,825	6,718
Cash and cash equivalents total:	25,010	24.101

NOTES TO FINANCIAL STATEMENTS
December 31, 2022.

13. DEPOSITS (OWN SOURCES) OF THE FOUNDER AND OTHER PERSONS

	In thousands of dinars: On December 31	
	2022.	2021.
Excess of income over expenses from regular operations	40,535	33,251
Excess of expenses over income from regular operations	5,820	5,820

14. SHORT-TERM LIABILITIES

	In thousands of dinars: On December 31	
	2022.	2021.
Short-term financial liabilities	148	7

15. FOREIGN EXCHANGE RATES

	On December 31; RSD :	
	2022.	2021.
1 EUR	117.3224	117.5821
1 USD	110.1515	103,9262
1 CHF	119.2543	113,6388