

Report of the independent auditor on the audit

To the Board of Directors of the Foundation POLSKO-AMERYKAŃSKA KOMISJA FULBRIGHTA [Polish-U.S. Fulbright Commission]

Report on the audit of the annual financial statements

Opinion

We have audited the annual financial statements of the Foundation POLSKO-AMERYKAŃSKA KOMISJA FULBRIGHTA ("Foundation") with its registered office in Warsaw, ul. Gałczyńskiego 4, which consists of:

- introduction to the financial statements;
- balance sheet prepared as at 31.12.2019 showing total assets and liabilities of PLN 14,013,618.69;
- profit and loss account for the accounting year from 01.01.2019 to 31.12.2019 showing a net profit of PLN 98,405.27;

and additional information and explanations ("*Financial statements*").

In our opinion, attached financial statements:

- present a reliable and clear picture of the property and financial situation of the Foundation as at 31 December 2019 and its financial result for the financial year ended on that day in accordance with the applicable provisions of the Act dated 29 September 1994 on accounting ("*Accounting Act*" – consolidated text Journal of Laws of 2019, item 351, as amended) and with adopted accounting principles (policy);
- agree as to the form and content with the applicable provisions of law and the Foundation's statute;
- has been prepared on the basis of correctly kept accounting books in accordance with the provisions of Chapter 2 of the Accounting Act.

Basis of opinion

Our audit we have conducted in accordance with the National Auditing Standards in the wording of International Auditing Standards adopted by resolution No. 3430/52a/2019 of the National Council of Statutory Auditors dated 21 March 2019 regarding national auditing standards and other documents

(as amended) ("NAS") and pursuant to the Act dated 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (the "Act on Statutory Auditors" - Journal of Laws of 2019, item 1421, as amended). Our responsibility in accordance with these standards is further described in the section of our report *Responsibility of the statutory auditor for auditing the financial statements*.

We are independent of the Foundation in accordance with the Code of Ethics for Professional Accountants of the International Federation of Accountants ("IFAC Code") adopted by resolution of the National Council of Statutory Auditors No. 2042/38/2018 dated 13 March 2018 on the professional ethics of statutory auditors and other ethical requirements that apply to the audit of financial statements in Poland. We have fulfilled our other ethical obligations in accordance with these requirements and the IFAC Code. During the audit, the key certified auditor and the audit firm remained independent of the Foundation in accordance with the independence requirements set out in the Act on Certified Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our opinion.

Explanation - uncertainty regarding the going concern basis

In a statement made available to the auditor, the Management Board referred to the uncertainties related to the epidemiological threat COVID-19 and its potential impact on the going concern in the next foreseeable period of 12 months from the balance sheet date, which reads as follows:

"Due to the pandemic epidemiological threat COVID -19 in Poland and in the world, the Management of the Polish-U.S. Fulbright Commission considers the prevailing pandemic to be an event that does not significantly affect the organization's activities, especially its current financial situation. Our foundation operates based on international agreements, which, to our knowledge, are not suspended or terminated. In accordance with the abovementioned agreements, we received a few months ago (before the pandemic) financial resources for administrative and programming activities, and this activity is still continued.

Although some scholarship holders interrupted their scholarships due to a pandemic in 2020 and returned to Poland or the USA, some continue in a different form than before, however, the overall funding of the program has not been interrupted or changed. Accordingly, we consider the prevailing pandemic to be an event not making adjustments in the financial statements for 2019. The entity's Management will continue to monitor the potential impact of the COVID-19 crisis and will take appropriate action when new circumstances arise. "

Our opinion has no reservation to this matter.

Responsibility of the Management Board for the financial statements

The Management Board of the Foundation is responsible for preparing, on the basis of properly kept accounting books, financial statements that present a reliable and clear picture of the property and financial situation and financial result of the Foundation in accordance with the provisions of the Accounting Act, adopted accounting principles (policy) and the applicable provisions of law and the statute, as well as for the internal control, which the Management Board deems necessary to enable the preparation of financial statements without a significant distortion caused by fraud or error.

When preparing the financial statements, the Management Board of the Foundation is responsible for assessing the Foundation's ability to continue operations, disclosing, if applicable, matters related to going concern and for adopting the principle of going concern as an accounting basis, except when the Management Board intends either to liquidate the Foundation or to discontinue conducting business or there is no real alternative to liquidation or discontinuation of activity.

The Management Board of the Foundation is obliged to ensure that the financial statements meet the requirements provided for in the Accounting Act.

Statutory auditor's responsibility for auditing the financial statements

Our goals are to obtain reasonable assurance that the financial statements as a whole do not contain any material misstatement due to fraud or error and to issue a report containing our opinion. Reasonable assurance is a high level of certainty, but it does not guarantee that the audit conducted in accordance with the NAS will always detect the existing significant distortion. Distortions may arise as a result of fraud or error and are considered material if it can reasonably be expected that, individually or in aggregate, they could influence the users' economic decisions taken on the basis of these financial statements.

The scope of the audit does not include assurance as to the future profitability of the Foundation or the effectiveness or efficiency of conducting its affairs by the Foundation's Management Board currently or in the future.

During the audit in accordance with the NAS, we apply professional judgment and maintain professional skepticism, as well as:

- we identify and assess the risks of material misstatement of the financial statements due to fraud or error, design and conduct audit procedures that correspond with these risks, and obtain audit evidence that are sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a significant misstatement due to fraud is greater than that resulting from the error, as the fraud may concern collusion, falsification, intentional omissions, misrepresentation or circumvention of internal control;
- we gain an understanding of the internal control applied to the audit to design audit procedures that are appropriate in the circumstances, but not in order to express an opinion on the effectiveness of the Foundation's internal control;
- we assess the appropriateness of the applied accounting principles (policy) used and the legitimacy of accounting estimates and related disclosures made by the Management Board of the Foundation;
- we draw a conclusion on the appropriateness of the Foundation's Management's application of the going concern principle as an accounting basis and, based on the audit evidence obtained, whether there is significant uncertainty related to events or conditions that may significantly doubt the Foundation's ability to continue its operations. If we conclude that there is significant uncertainty, we are required to draw attention in our statutory auditor's report to related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of elaboration our report of the statutory auditor, however future events or conditions may cause the Foundation to cease its operations;

- we assess the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements present the underlying transactions and events in a manner that ensures a fair presentation.

Other information, including report on operations

The Management Board of the Foundation is not obliged to prepare the Report on operations.

The key statutory auditor responsible for the audit, which results in this report of the independent statutory auditor, is Wiesław Rozmysłowicz acting on behalf of Wessly Sp. z o.o. with its registered office in Warsaw (02-660), ul. Irysowa 24A entered in the list of audit firms under the number 1117 on behalf of which the key statutory auditor examined the financial statements.

Wiesław Rozmysłowicz
statutory auditor, No. 10106

Warszawa, 22 May 2020