



INDEPENDENT STATUTORY AUDITOR'S REPORT
FOR THE BOARD OF DIRECTORS
ON THE ANNUAL FINANCIAL STATEMENTS¹
OF THE "POLISH-U.S. FULBRIGHT COMMISSION" FOUNDATION
FOR THE FISCAL YEAR 2020

Audit Report on the Annual Financial Statements

Opinion

We have audited the 2020 annual financial statements of the "Polish-U.S. Fulbright Commission" Foundation ("*Entity*") with its registered office in: 00-362 Warsaw, ul. K.I. Gałczyńskiego 4, which comprise:

- 1) introduction to the financial statements,
- 2) the balance sheet as at 31 December 2020 with total assets and liabilities of **PLN 11,166,577.73**
- 3) the income statement for the fiscal year from 1 January 2020 to 31 December 2020, disclosing a net accounting loss of **PLN (-) 34,125.50**
- 4) additional information and notes.

In our opinion, the accompanying annual financial statements:

- give a true and fair view of the financial and economic position of the Entity as at 31 December 2020, as well as the financial result of the Foundation for the fiscal year from 1 January 2020 to 31 December 2020, in accordance with the applicable provisions of the Accounting Act (the "*Accounting Act*" – Journal of Laws of 2021, item 217, as amended) and the adopted accounting principles (policy),
- comply, in terms of their form and content, with the applicable laws binding on the Foundation and its Statutes,
- have been prepared based on properly kept books of accounts, in accordance with Chapter 2 of the Accounting Act.

Basis for Opinion

We conducted our audit in accordance with the National Standards on Auditing within the meaning of the International Standards on Auditing adopted by way of resolution No. 3430/52a/2019 of the National Chamber of Statutory Auditors of 21 March 2019 on the national standards on auditing and

other documents, as amended (NSA), and in accordance with the Statutory Auditors, Auditing Firms and Public Supervision Act of 11 May 2017 (“*Statutory Auditors Act*” – consolidated text: Journal of Laws of 2020, item 1415, as amended). Our responsibility in compliance with those standards has been further described in the section *Statutory auditor’s responsibility for the financial statements audit*.

We are independent of the Foundation in accordance with The Code of Ethics for Professional Accountants (*including International Independence Standards*) of the International Federation of Accountants (IESBA Code) adopted by way of resolution no. 3431/52a/2019 of 25 March 2019 of the National Chamber of Statutory Auditors regarding professional ethics of statutory auditors, as well as with other ethical requirements which may apply to the auditing of financial statements in Poland. We also fulfilled other ethical obligations laid down in the above requirements and in the IESBA Code. Throughout the audit, the key statutory auditor and the audit firm remained independent of the Foundation in accordance with the independence requirements stipulated in the Statutory Auditors Act.

We believe that the audit evidence we obtained is sufficient and adequate to form the basis for our opinion.

Responsibility of the Entity Manager and Those Charged with Governance for the Financial Statements

The Management Board of the “Polish-U.S. Fulbright Commission” Foundation (hereinafter the “*Entity Manager*”) is responsible for preparing, on the basis of correctly maintained books of accounts, the financial statements which give a true and fair view of the Entity’s assets, financial position, and financial result in accordance with the provisions of the Accounting Act, the adopted accounting principles (policy), and other laws applicable to the Entity as well as for internal controls which the Entity Manager deems indispensable so as to allow to prepare financial statements free from material misstatement caused by fraud or error.

When preparing the financial statements, the Entity Manager is responsible for assessing the Entity’s capability to continue as a going concern, for disclosing, if applicable, any matters relating to the going concern as well as for adopting the going concern principle as the basis of accounting except for the cases where the Entity Manager intends to liquidate the Entity or discontinue operations, or if it has no realistic alternative but to do so.

The Entity Manager and Members of the Board of Directors are obliged to ensure that the financial statements meet the requirements of the Accounting Act. Members of the Board of Directors are responsible for overseeing the process of the Foundation’s financial reporting.

Statutory auditor’s responsibility for the financial statements audit

Our objectives are to obtain reasonable certainty about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable certainty is a high level of certainty; however, it does not guarantee that an audit performed in compliance with the NAS will always reveal any and all existing material misstatements. Misstatements may be caused by fraud or error and are considered material if it is

possible to reasonably expect that they could, individually or together, impact economic decisions made by users on the basis of those financial statements.

The scope of the audit does not include any assurance as to the future profitability of the Entity or as to the efficacy or effectiveness of managing the Entity's affairs by the Entity Manager at present or in the future.

As part of an audit in accordance with NSA, we exercise professional judgment and maintain professional skepticism. We also:

- identify and assess the risks of material misstatement of the financial statements, 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 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;
- 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 the Entity's internal control;
- evaluate the appropriateness of accounting principles (policy) used and the reasonableness of accounting estimates and related disclosures made by the Entity Manager;
- conclude regarding the appropriateness of Entity Manager's use of the going concern as the basis of accounting; we also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the 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 the statutory auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other information, including the Management Report

Our opinion on the financial statements does not cover the annual report on the activities of the public benefit organization. We have not received the above report by the issue date of the opinion.

The key statutory auditor responsible for the audit resulting in this independent statutory auditor's report is Ewa Kurek (No. 12342 in the register of statutory auditors) acting on behalf of PERFECTUM-AUDIT Doradcy Finansowo-Księgowi Sp. z o.o. with its registered office in Warsaw at al. Komisji Edukacji Narodowej 98, 02-777 Warsaw, registered on the list of audit firms under the number 1433.

Ewa Kurek

Key Statutory Auditor

No. in the Register of Statutory Auditors: 12342

acting on behalf of

PERFECTUM-AUDIT

Doradcy Finansowo-Księgowi sp. z o.o.

02-777 Warszawa, al. KEN 98,

Registered Audit Firm No. 1433

Warszawa, 11 May 2021

ⁱ The above auditor's report is a translation from the original Polish version. In case of any discrepancies between the Polish and English version, the Polish version shall prevail.