

# **INDEPENDENT AUDITOR'S REPORT**

**on the Audit of the Special Purpose Financial Statements**

**for the year 2021**

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**Nadácia Rómsky vzdelávací fond – organizačná zložka zahraničnej nadácie  
Roma Education Fund – Roma Oktatási Alap**

**Levočská 4  
080 01 Prešov  
Slovak Republic**

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## **INDEPENDENT AUDITOR'S REPORT**

to the Board of Trustees of the foundation

**Nadácia Rómsky vzdelávací fond – organizačná zložka zahraničnej nadácie Roma Education Fund – Roma Oktatási Alap**

### **REPORT on the audit of the Special Purpose Financial Statements**

#### **Opinion**

We have audited the accompanying Special Purpose Financial Statements of Nadácia Rómsky vzdelávací fond – organizačná zložka zahraničnej nadácie Roma Education Fund – Roma Oktatási Alap (hereinafter as "Roma Education Fund Slovakia), which comprise the balance sheet as at 31 December 2021 – in which the total assets and liabilities are at the amount of EUR 757,152; the statement of income and expenditure – in which the loss for the year ended 31 December 2021 is at the amount of EUR -37,795, and notes to the Special Purpose Financial Statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying Special Purpose Financial Statements of Roma Education Fund Slovakia as of December 31, 2021 and for the year then ended have been prepared, in all material respects, in accordance with the Roma Education Fund Accounting Policy.

#### **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 Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements. We are independent of the Foundation in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Act on Statutory Audit") related to ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the Special Purpose Financial Statements, 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.

#### **Responsibilities of the Statutory Body for the Special Purpose Financial Statements**

The statutory body is responsible for the preparation of the Special Purpose Financial Statements so that it could provide a true and fair view in accordance with the policies and instructions contained in the REF's Accounting Policy and for such internal control as statutory body determines is necessary to enable the preparation of the Special Purpose Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements, the statutory body is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of Special Purpose Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements as a whole are 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 a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose 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 Foundation's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by statutory body;
- Conclude on the appropriateness of statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Restriction on Use and Distribution**

This Special Purpose Financial Statements has been prepared for purposes of providing information to the Board of Trustees with a yearly financial report in EUR financial data of the Foundation. As a result, the Special Purpose Financial Statements are not a complete set of financial statements of Roma Education Fund Slovakia and may, therefore, not be suitable for another purpose.

This audit report issued on the attached Special Purpose Financial Statements has been prepared solely for the Foundation and its donors for the above mentioned purpose, and shall not be used for any other purpose, and shall not be published or shall not be referred to in full or in part without our prior written consent.

Bratislava, 25 March 2022

**D. P. F., spol. s r. o.**  
Černicová 6, 831 01 Bratislava  
SKAU licence No. 140

Commercial Register of the District Court  
Bratislava I, Section Sro, Insert No. 23006/B



**Jana Paulenová**  
Statutory auditor  
SKAU licence No. 442

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## ROMA EDUCATION FUND (REF), BRANCH SLOVAKIA

### Statement of Income and Expenditure 2021 and 2020

		2021	prior year 2020
	Notes	EUR	EUR
<b>INCOME</b>			
Donations received from third parties - Ministry	4.1.	120 533	143 217
Donations received from REF Hungary	4.2.	74 270	101 396
Donations received from REF Switzerland	4.3.	129 751	134 822
Other income	4.4.	0	800
Interest Income			
Gain on Foreign Exchange			
<b>Total Income</b>		<b>324 554</b>	<b>380 235</b>
<b>EXPENDITURE</b>			
Project Support Program	4.5.	98 500	106 225
Tertiary Scholarships	4.6.	560	9 676
Velux project	4.7., 4.8.	89 467	113 367
Ministry of Slovak republic	4.9.	173 822	118 413
<b>Total Programs and Grants</b>		<b>362 349</b>	<b>347 681</b>
<b>Total Expenditure</b>		<b>362 349</b>	<b>347 681</b>
<b>Excess of expenditure over income</b>		<b>-37 795</b>	<b>32 554</b>

21.3.2022

Date



Signature

## ROMA EDUCATION FUND (REF), SLOVAKIA

### Balance Sheet as of December 31, 2021 and 2020

	Notes	2021	prior year 2020
		EUR	EUR
<b>Total current assets</b>			
Cash and banks	5.1.	99 742	145 305
Receivables	5.2.	654 146	768 602
Inventories	5.3.		
Other current assets	5.4.	3 264	3 300
<b>Total current assets</b>		<b>757 152</b>	<b>917 207</b>
Accrued revenues	5.5.	0	96 705
<b>Total long term assets</b>		<b>0</b>	<b>96 705</b>
<b>Total assets</b>		<b>757 152</b>	<b>1 013 912</b>
Short-term liabilities	5.6.	36 252	27 681
Accrued expenses and deferred income	5.7.	703 813	943 640
Provisions for projects granted	5.8.	10 372	35 945
<b>Total liabilities and provisions</b>		<b>750 437</b>	<b>1 007 266</b>
Foundation capital as of January 1		6 638	6 638
Excess of expenditure over income		-37 795	32 554
Year-end Translation Difference		37 872	-32 546
<b>Foundation capital as of December 31</b>		<b>6 715</b>	<b>6 646</b>
<b>Total liabilities and foundation capital</b>		<b>757 152</b>	<b>1 013 912</b>

21.3.2022

Date



Signature

## Roma Education Fund (REF), SLOVAKIA

### Notes to the Financial Statements 2021

#### 1 General Information

Name of the foundation:	Nadácia Rómsky vzdelávací fond - organizačná zložka zahraničnej nadácie Roma Education Fund - Roma Oktatási Alap
Legal form:	Foundation according to Slovak Act. No. 34/2002 Law on Foundations
Domicile:	Jarková 3128/14, 080 01 Prešov, Slovak Republic
Foundation board:	Ciprian Necula (Chairman) Andrew Ryder (Member) Stanislav Daniel (Member and Secretary)

#### 2 Organization and Objectives of the Foundation

##### 2.1. Organization of Roma Education Fund ("REF")

The network of Roma Education Fund consists of six Entities (REF Entities) that have been established as legally separate foundations. The REF entities, each with a separate board, cooperate on a memorandum of understanding to achieve their shared primary objective to close the gap in educational outcomes between Roma and non-Roma.

##### 2.2. List of REF Entities

- Roma Education Fund Switzerland, established in 2002
- Roma Education Fund Hungary, established in 2006
- Roma Education Fund Romania, established in 2009
- Roma Education Fund Slovakia, established in 2014
- Roma Education Fund Serbia, established in 2019
- Roma Education Fund North Macedonia, established in 2019

##### 2.3. Objective of the Foundation

The objective of the foundation are to contribute to closing gap in educational outcomes between Roma and non Roma, including through the desegregation of educational systems, primarily, (but not exclusively) in Central and Eastern Europe and the countries that have formally joined the Decade of Roma inclusion.



### 3 Significant Accounting Policies and Valuation Principles

#### 3.1. Financial Reporting

The business and reporting period is defined on a yearly basis, starting at January 1 and ending at December 31. REF Entities maintain double-entry bookkeeping in local currency.

Financial statements are prepared according to the REF Accounting Policy (including the statement of income and expenditure, the balance sheet and the notes), presented in EUR, issued in English (including the audit reports) and published on REF website.

#### 3.2. Organization of Roma Education Fund ("REF")

The books of the REF Slovakia are maintained in local currency (EUR).

Most of the financial transactions are denominated in Euro (EUR). To compare and for a better understanding these financial statements are presented in EUR.

#### 3.3. Currency Translation

All resulting unrealized and realized gains and losses from currency translations are recorded in a separate position in the statement of income and expenditure.

Transactions in currencies other than EUR are translated at the daily rate. All balance sheet positions at the year-end are translated at the relevant year-end rate (USD/EUR, CHF/EUR, etc.). All exchange rates are based on a publication of the European Central Bank.

#### 3.4. Reporting Period

The business and reporting period is defined on a yearly basis, starting at January 1 and ending at December 31.

#### 3.5. Comparability with prior year

Financial statements have to present the prior year and the actual reporting period from January 1, to December 31. Material errors from previous years have to be restated and presented. Errors shall be construed as material in our cases if in the year when discovered by the audit the aggregate amount of all errors (either negative or positive) for the same year and their impact on the Foundation capital exceed 2% of the balance sheet total of the financial year audited.

### 3.6. Principles of Accounting

#### Income

##### Donations Received

The donation income is recognized at nominal value when received. The promised donation income is not allowed to be recorded for prudence reasons, which means, that the donation income has to be presented on a cash basis.

##### Interest Income

The interest income has to be recorded and timely appointed by using the effective received interest rates by banks.

#### Expenses

##### Programs and Grants

The program and grant expenses paid are recognized at nominal value. Already known costs are accrued. The grants at the Project Support Program and Tertiary Scholarship Programs are presented at the actual year on total contractual value while other program related expenses on the value they are paid.

##### Administrative expenses

This includes administrative expenses of the operations, equipment; cost of contractors, salaries of the administrative staff and their travel expenditures which do not directly belong to the projects. The administrative expenses have to be recognized at nominal value. Already known costs have to be accrued.

##### Partner expenses

If REF is a main project leader (direct contract with the donor) and channels funds to Partners all expenses related to Partners have to be presented as REF expenditure in the financial statement due to the fact that REF is in charge of reporting the entire project cost.

## Balance sheet

Intangible and tangible asset valuation, depreciation accounting principles

Tangible and intangible assets are carried at their costs less depreciation and any accumulated impairment loss. The qualification and classification of fixed assets are determined according to the national rules.

The depreciable amount of a depreciable asset has to be allocated on a systematic basis using straight line method to each accounting period during the useful life of the asset.

The fixed assets below a certain value – 1.700, 00 EUR of tangible asset and 2.400, 00 of intangible assets are accounted as depreciation in lump sum when it started to use.

Foundation has to apply extraordinary depreciation by devaluation when the asset is permanently reduced, because it has become redundant and/or damaged. The foundation shouldn't use the revaluation model of assets.

### Receivables valuation

Receivables are valued on book value, except the receivables recorded in foreign currency.

#### *Valuation rules of foreign currency receivables and liabilities:*

- Receivables and liabilities maintained in foreign currency are recorded on the exchange rate of the transaction day and revalued on the exchange rates published by the respective sources of foreign currency rates as include in section 3.1.1.
- If the receivables are not expected to be recovered on basis of individual rating and this is enduring and significant in this case impairment loss is recognized. In the case of small amount receivables considered per debtor are applied in accordance with the accounting act in percent impairment.

#### *Rules of provisioning*

The following risks must be evaluated in case of receivables:

- Risk of the country where the loan was provided (including political risk)
- Risk of the partner
- Risk of the transaction such as:
  - In case of European Social Fund („ESF“) related loans, the capacity of the Management Authority („MA“)
  - Probability of Reimbursement Request rejection based on MA evaluation
  - How cash flow problems can jeopardize to reach minimal indicators which can precipitate project termination by the MA

Revolving loans provided by the foundations must be monitored by every 6 months with evaluation sheet which must include action proposal as well.

If these risks are evaluated and indicate the creation of provision, its amount need to be defined based on the national rule.

#### Deferred costs

Costs have to be accrued actively which has emerged until the balance sheet date but not relates the activities of the year.

#### Accrued costs

Costs have to be accrued which are recognized until the balance sheet preparation and relates the activities of the year.

## 4 Notes to the Statement of Income and Expenditure

### Income

#### 4.1. Received from third parties - Ministry:

	2021	2020	2019	2018	2017
Grant provider MV <sup>1</sup> , managing authority MPSVaR <sup>2</sup>	97 572	98 586	72 617	96 388	20 000
Grant provider MŠVVaŠ <sup>3</sup> , managing authority MPSVaR <sup>2</sup>	22 961	44 631			
IUVENTA - Slovak Youth Institute		800			
<b>Total donations received by third parties</b>	<b>120 533</b>	<b>144 017</b>	<b>72 617</b>	<b>96 388</b>	<b>20 000</b>

#### 4.2. Received from REF Foundations

	2021	2020	2019	2018	2017
Donations received from REF Switzerland	129 751	113 400	126 899	180 200	74 232
Donations received from Hungary	74 270	101 396	221 824	60 500	52 800
Emergency grant received from REF Switzerland		21 422			
<b>Total donations received from REF Foundations</b>	<b>204 021</b>	<b>236 218</b>	<b>348 723</b>	<b>240 700</b>	<b>127 032</b>

#### 4.3. Other income

	2021	2020
IUVENTA - Slovak Youth Institute		800
<b>Total other donations</b>	<b>0</b>	<b>800</b>

<sup>1</sup> Ministry of Interior of the Slovak Republic

<sup>2</sup> Ministry of Labor, Social Affairs and Family of the Slovak Republic

<sup>3</sup> Ministry of Education, Science Research and Sport of the Slovak Republic

## Expenses

### 4.5. Operational Grant

The target of this grant is to cover operational expenses of the Foundation.

### 4.6. Tertiary Scholarships

The target of this project is to provide scholarship for tertiary level Roma students. This position contains the accumulated costs of this year. The Program consists of five components:

- Roma Memorial University Scholarship Program (RMUSP).
- Law and Humanities Program (LHP)
- Roma Health Scholarship Program (RHSP)
- Interregional Scholarship Scheme (RISP)
- Professional Development Fund (PDF)

### 4.7. Pedagogy Scholarship Program (co-funded by the Velux Foundations)

The project aims to support the increase the number of female kindergarten teachers and nurseries of Roma origin in the regions of Czech Republic, Hungary, and Slovakia with high numbers of Roma residents. This position contains the accumulated costs of this year. The program will run until approximately the end of 2022.

### 4.8. Shaping Academic and Employment Skills for Young Roma (co-funded by the Velux Foundations)

The project facilitates Roma youth and young adults access to Vocational Training Schools in Hungary, Slovakia and Romania and helps them to improve confidence and skills, graduate and qualify to compete for jobs.

### 4.9. Ministry of the Slovak Republic

Activities aimed at improving the school success of pupils, including pupils with special educational opportunities needs.

## 5 Notes to the Balance Sheet

### 5.1. Cash and banks

	31.12.2021	31.12.2020
	EUR	EUR
Petty Cash	172	135
Bank Accounts	99 570	145 170
<b>Total Cash at banks</b>	<b>99 742</b>	<b>145 305</b>

### 5.2. Receivables

	31.12.2021	31.12.2020
	EUR	EUR
Receivables from grant provider MŠVVaŠ <sup>3</sup> , managing authority MPSVaR <sup>2</sup>	99 776	102 098
Receivables from grant provider MV <sup>3</sup> , managing authority MPSVaR <sup>2</sup>	283 015	391 323
Receivables from Velux projects	270 798	269 001
RUMSP		3 600
Emergency Grant		2 380
IUVENTA		200
Other-overpayments	557	
<b>Total Receivables</b>	<b>654 146</b>	<b>768 602</b>

### 5.3. Inventory

	31.12.2021	31.12.2020
	EUR	EUR
Small assets up to 1 700 EUR	5 260	4 684
Accumulated depreciation (under national rules)	-5 260	-4 684
<b>Total inventory</b>	<b>0</b>	<b>0</b>

### 5.4. Other current assets

	31.12.2021	31.12.2020
	EUR	EUR
Prepayment for rent of premises	3 264	3 300
<b>Total other current assets</b>	<b>3 264</b>	<b>3 300</b>

## 5.5. Long term assets

	31.12.2021	31.12.2020
	EUR	EUR
Long-term accrued revenue Ministry of Scholarship	0	20 638
Long-term accrued revenue from Velux project	0	76 067
<b>Total Long term assets</b>	<b>0</b>	<b>96 705</b>

## 5.6. Short-term liabilities

	31.12.2021	31.12.2020
	EUR	EUR
Suppliers	6 006	7 326
Salary Payable	30 246	20 355
<b>Total liabilities</b>	<b>36 252</b>	<b>27 681</b>

## 5.7. Deferred income

	31.12.2021	31.12.2020
Grant provider MV <sup>1</sup> , managing authority MPSVaR <sup>2</sup>	300 427	397 347
Grant provider MŠVVaŠ <sup>3</sup> , managing authority MPSVaR <sup>2</sup>	88 201	165 102
Donations received from REF Switzerland	30 930	14 683
Donations received from Hungary IUVENTA	283 811	365 169
Income tax denomination	444	339
<b>Total donations received from REF Foundations</b>	<b>703 813</b>	<b>943 640</b>

## 5.8. Provisions for projects granted

	31.12.2021	31.12.2020
	EUR	EUR
Project Velux	10 372	35 945
<b>Total provisions for projects granted</b>	<b>10 372</b>	<b>35 945</b>

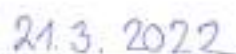
## 6 Other information

### 6.1. Number of employees

The foundation staff in 2021 was 6 employees (5 employees in 2020)



Signature



Date







Auditor's stamp serves only to confirm the completeness of audited documents, not to confirm the agreement with the data included in the financial statements.