

INDEPENDENT AUDITOR'S REPORT

on the Audit of the Special Purpose Financial Statements

for the year 2022

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

**Jarková 14
080 01 Prešov
Slovak Republic**

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 2022 – in which the total assets and liabilities are at the amount of EUR 125,564; the statement of income and expenditure – in which the loss for the year ended 31 December 2022 is at the amount of EUR -53,793, 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, 2022 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 have been prepared for the purpose of providing information to the Board of Trustees about the annual financial data of the foundation. As a result, the Special Purpose Financial Statements are not a complete set of financial statements of the Roma Education Fund in Slovakia, and therefore may 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, 31 May 2023

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Jana Paulenová
Statutory auditor
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ROMA EDUCATION FUND (REF), SLOVAKIA

Balance Sheet as of December 31, 2022 and 2021

	Notes	2022	prior year 2021
		EUR	EUR
Total current assets			
Cash and banks	5.1.	29 582	99 742
Receivables	5.2.	91 200	654 146
Inventories	5.3.		
Other current assets	5.4.	4 782	3 264
Total current assets		125 564	757 152
Accrued revenues	5.5.	0	0
Total long term assets		0	0
Total assets		125 564	757 152
Short-term liabilities	5.6.	21 355	36 252
Accrued expenses and deferred income	5.7.	97 028	703 813
Provisions for projects granted	5.8.	0	10 372
Total liabilities and provisions		118 383	750 437
Foundation capital as of January 1		6 638	6 638
Excess of expenditure over income		-53 793	-37 795
Year-end Translation Difference		54 336	37 872
Foundation capital as of December 31		7 181	6 715
Total liabilities and foundation capital		125 564	757 152

31.5. 2023

Date



Signature

ROMA EDUCATION FUND (REF), BRANCH SLOVAKIA

Statement of Income and Expenditure 2022 and 2021

		2022	prior year 2021
	Notes	EUR	EUR
INCOME			
Donations received from third parties - Ministry	4.1.	93 923	120 533
Donations received from REF Romania	4.2.	74 842	74 270
Donations received from REF Switzerland	4.3.	160 000	129 751
Other income	4.4.	0	0
Interest Income			
Gain on Foreign Exchange			
Total Income		328 765	324 554
EXPENDITURE			
Project Support Program	4.5.	184 618	98 500
Tertiary Scholarships	4.6.	0	560
Velux project	4.7., 4.8.	99 406	89 467
Ministry of Slovak republic	4.9.	98 534	173 822
Total Programs and Grants		382 558	362 349
Total Expenditure		382 558	362 349
Excess of expenditure over income		-53 793	-37 795

31.5. 2023

Date



Signature

Roma Education Fund (REF), SLOVAKIA

Notes to the Financial Statements 2022

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 belongs 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 relates 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:

	2022	2021	2020	2019	2018
Ministry of Labour, Social Affairs and Family	34 923	97 572	98 586	72 617	96 388
Ministry of Education, Science, Research and Sport of SR	59 000	22 961	44 631		
IUVENTA - Slovak Youth Institute			800		
Total donations received by third parties	93 923	120 533	144 017	72 617	96 388

4.2. Received from REF Foundations

	2022	2021	2020	2019	2018
Donations received from REF Switzerland	160 000	129 751	113 400	126 899	180 200
Donations received from REF Romania	74 842	74 270	101 396	221 824	60 500
Emergency grant received from REF Switzerland			21 422		
Total donations received from REF Foundations	234 842	204 021	236 218	348 723	240 700

4.3. Other income

	2022	2021	2020	2019	2018
IUVENTA - Slovak Youth Institute			800		
Total other donations	0	0	800	0	0

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 2023.

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. The program will run until approximately the end of 2023.

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

	31.12.2022	31.12.2021
	EUR	EUR
Petty Cash	172	135
Bank Accounts	99 570	145 170
Total Cash at banks	99 742	145 305

5.2. Receivables

	31.12.2022	31.12.2021
	EUR	EUR
Receivables from grant provider MŠVVaŠ ³ , managing authority MPSVaR ²	99 776	102 098
Receivables from grant provider MV ¹ , managing authority MPSVaR ²	283 015	391 323
Receivables from Velux projects RUMSP	270 798	269 001
Emergency Grant IUVENTA		3 600
Other-overpayments	557	2 380
Total Receivables	654 146	768 602

5.3. Inventory

	31.12.2022	31.12.2021
	EUR	EUR
Small assets up to 1 700 EUR	5 260	4 684
Accumulated depreciation (under national rules)	-5 260	-4 684
Total Inventory	0	0

5.4. Other current assets

	31.12.2022	31.12.2021
	EUR	EUR
Prepayment for rent of premises	3 264	3 300
Total other current assets	3 264	3 300

¹ Ministry of Interior of the Slovak Republic

¹ Ministry of Labor, Social Affairs and Family of the Slovak Republic

¹ Ministry of Education, Science Research and Sport of the Slovak Republic

5.5. Long term assets

	31.12.2022	31.12.2021
	EUR	EUR
Long-term accrued revenue Ministry of Scholarship	0	20 638
Long-term accrued revenue from Velux project	0	76 067
Total Long term assets	0	96 705

5.6. Short-term liabilities

	31.12.2022	31.12.2021
	EUR	EUR
Suppliers	6 006	7 326
Salary Payable	30 246	20 355
Total liabilities	36 252	27 681

5.7. Deferred income

	31.12.2022	31.12.2021
	EUR	EUR
Ministry of Labour, Social Affairs and Family	0	300 427
Ministry of Education, Science, Research and Sport of SR	37 146	88 201
Donations received from REF Switzerland	24 568	30 930
Donations received from REF Romania	35 314	283 811
Income tax denomination	0	444
Total deferred income	97 028	703 813

5.8. Provisions for projects granted

	31.12.2022	31.12.2021
	EUR	EUR
Project Velux	10 372	35 945
Total provisions for projects granted	10 372	35 945

6 Other information

6.1. Number of employees

The number of employees during the year 2022 was 8 employees (6 employees in 2021). The number of employees as of 31.12.2022 was three employees.



Signature

31.5.2023

Date

