



***Roma Education Fund  
Zug***

***Report of the statutory auditors  
to the Board  
on the financial statements 2012***



Report of the statutory auditors  
on the limited statutory examination  
to the Board of  
Roma Education Fund  
Zug

As statutory auditors, we have examined the financial statements of Roma Education Fund, which comprise the balance sheet, income statement and notes, for the year ended 31 December 2012.

These financial statements are the responsibility of the Board. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of foundation personnel and analytical procedures as well as detailed tests of foundation documents as considered appropriate in the circumstances. However, the testing of the operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the foundation's deed.

PricewaterhouseCoopers AG

Martin Frei  
Audit expert  
Auditor in charge

Urs W. Hunziker  
Audit expert

Zurich, 29 March 2013

**Enclosure**

Financial statements (balance sheet, income statement and notes)

## ROMA EDUCATION FUND, ZUG

### BALANCE SHEETS AS AT DECEMBER 31, 2012 AND 2011

	<u>31. Dez. 2012</u>	<u>31. Dez. 2011</u>
<b>ASSETS</b>	<b>CHF</b>	<b>CHF</b>
Cash at banks	1'888'774	1'122'454
Time deposits	0	1'295'000
Current account with Open Society Institute	0	660'280
Other current assets	15'965	3'453
<b>Total current assets</b>	<b>1'904'739</b>	<b>3'081'187</b>
Recoverable grants	548'974	508'231
Long Term Loan to Roma Education Fund, Romania	2'679'066	788'130
less value adjustment	-1'207'330	0
<b>Total non-current assets</b>	<b>2'020'710</b>	<b>1'296'361</b>
	<b><u>3'925'449</u></b>	<b><u>4'377'548</u></b>
 <b>LIABILITIES AND FOUNDATION CAPITAL</b>		
Liabilities	7'367	1'856
Accrued expenses	25'000	24'479
Provisions for projects granted	2'858'589	2'409'589
Long term loan-liabilities	0	698'774
Funds not used	16'811	0
<b>Total liabilities and provisions</b>	<b>2'907'767</b>	<b>3'134'698</b>
Foundation capital at January 1	1'242'850	1'348'745
Difference on conversion into CHF	-83'593	24'583
Excess of expenditure over income resp. income over expenditure	-141'575	-130'478
<b>Total Foundation Capital</b>	<b>1'017'682</b>	<b>1'242'850</b>
	<b><u>3'925'449</u></b>	<b><u>4'377'548</u></b>
	<b>ROMA EDUCATION FUND</b>	

Zug, March 19, 2013 / SA

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## ROMA EDUCATION FUND, ZUG

### STATEMENT OF INCOME AND EXPENDITURE 2012 AND 2011

	2012	2011
<b>INCOME</b>	<b>CHF</b>	<b>CHF</b>
Donations and fees received	10'220'531	9'216'718
Project support program refund	219'256	82'147
Interest income	948	3'647
Gains on foreign exchange (net)	0	129'492
<b>Total Income</b>	<b>10'440'735</b>	<b>9'432'004</b>
Project support program	3'261'097	3'144'503
Tertiary scholarships	3'130'332	3'389'637
EU Roma pilot 'A Good Start' and it's complementary projects	77'338	99'896
Hungarian micro-region program	640	2'420
Communications	137'400	124'812
Policy development and capacity building	544'755	668'807
International family project	5'423	0
REF Romania capacity building	15'765	2'797
Grants to Roma Education Fund, Hungary	1'255'673	1'343'894
Grants to Roma Education Fund, Romania for communications, administration and own contribution in European Social Fund projects	623'568	559'205
<b>Total Programs and Grants</b>	<b>9'051'991</b>	<b>9'335'971</b>
Administrative expenses	203'037	226'511
<b>Total expenditure</b>	<b>9'255'028</b>	<b>9'562'482</b>
<b>Other expenses</b>		
Value Adjustment on long term loan to Roma Education Fund, Romania	1'212'040	0
Loss on foreign exchange (net)	115'242	0
<b>Excess of income over expenditure resp. expenditure over income</b>	<b>-141'575</b>	<b>-130'478</b>

**ROMA EDUCATION FUND**

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## ROMA EDUCATION FUND, ZUG

### NOTES TO THE FINANCIAL STATEMENTS 2012 AND 2011

#### OBJECTIVES

The objectives of the foundation are to contribute to closing the 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; in particular

- a) through support of projects and programs that improve educational outcomes for Roma in the context of the Decade of Roma Inclusion 2005-2015 with a particular emphasis on scaling up interventions that have been successfully piloted;
- b) through support of activities that are respectful and inclusive of Roma and the wishes of the Roma community;
- c) through providing a forum for advocacy and discussion of Roma education issues;
- d) through becoming a centralized source of information on Roma education issues.

The Foundation may participate in projects of other organizations with similar objectives or support Swiss or foreign organizations with similar objectives. It may engage in all actions arising from, and related to, its activities. It may acquire real estate and related rights and title in Switzerland and abroad.

#### ORGANIZATION

The Roma Education Fund entities are established as legally separate foundations in Switzerland, Hungary and Romania respectively. The three Roma Education Fund entities work together based on a memorandum of understanding signed by each entity. Each country Foundation has its separate board with independent members for their decisions. These boards engaged in Switzerland and Hungary a company called AdminGroup as their independent bookkeepers. Furthermore AdminGroup Ltd. in Hungary established an expense coding system to ensure cost analysis among the several programs of the Roma Education Funds and supports the Foundations with several consultations in their financial operations.



## ROMA EDUCATION FUND, ZUG

### NOTES TO THE FINANCIAL STATEMENTS 2012 AND 2011

#### DETAILS ON FINANCIAL STATEMENTS PRESENTED IN FUNCTIONAL CURRENCY

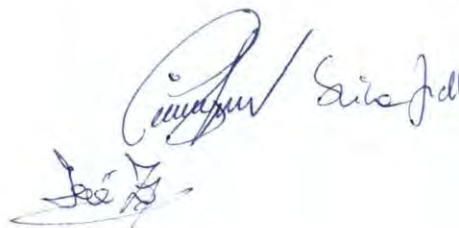
The books of the foundation are maintained in Euro (EUR) since the majority of its transactions are denominated in this currency.

Transactions in currencies other than EUR are translated at the daily rate.

Balance sheet positions at the year end, are translated at the year-end-rate. The resulting unrealized and realized gains and losses are recorded in the statement of income and expenditure.

#### FINANCIAL STATEMENTS IN EURO

Balance Sheets as at December 31 (in Euro)	2012	2011
	EUR	EUR
Cash at banks	1'564'422	866'759
Time deposits	0	1'000'000
Current account with Open Society Institute	0	509'868
Other current assets	13'223	2'666
Recoverable grants	454'701	392'456
Long term loan to Roma Education Fund, Romania	2'219'001	608'594
less value adjustment	-1'000'000	0
<b>Total assets</b>	<b>3'251'347</b>	<b>3'380'343</b>
Liabilities	6'102	1'433
Accrued expenses	20'707	18'903
Provisions for projects granted	2'367'695	1'860'685
Long Term Loan from Open Society Institute	0	539'593
Funds unused	13'924	0
Foundation capital at January 1	959'729	1'081'761
Excess of income over expenditure resp. expenditure over income	-116'810	-122'032
<b>Total liabilities and foundation capital</b>	<b>3'251'347</b>	<b>3'380'343</b>



## ROMA EDUCATION FUND, ZUG

### NOTES TO THE FINANCIAL STATEMENTS 2012 AND 2011

Statement of income and expenditure (in Euro)	2012	2011
Donations	8'432'502	7'452'631
Project support program refund	180'898	66'484
Interest income	782	2'968
Gain on foreign exchange	0	107'085
<b>Total income</b>	<b>8'614'182</b>	<b>7'629'168</b>
Project support program	2'690'586	2'548'286
Tertiary scholarships	2'582'697	2'748'703
EU Roma pilot 'A Good Start' and it's complementary projects	63'808	79'898
Hungarian micro-region program	528	1'988
Communications	113'363	101'303
Policy development and capacity building	449'453	541'588
International family project	4'474	0
REF Romania capacity building	13'007	2'329
Grants to Roma Education Fund, Hungary	1'036'000	1'100'000
Grants to Roma Education Fund, Romania	514'478	443'271
<b>Total Programs and Grants</b>	<b>7'468'394</b>	<b>7'567'366</b>
<b>Other expenses</b>		
Administrative expenses	167'517	183'834
Value Adjustment on long term loan to Roma Education Fund, Romania	1'000'000	0
Loss on foreign exchange (net)	95'081	0
<b>Total expenditure</b>	<b>8'730'992</b>	<b>183'834</b>
<b>Excess of income over expenditure resp. expenditure over income</b>	<b>-116'810</b>	<b>7'445'334</b>


## ROMA EDUCATION FUND, ZUG

### NOTES TO THE FINANCIAL STATEMENTS 2012 AND 2011

DETAILS ON DONATIONS RECEIVED	2012	2011
	EUR	EUR
International Bank for Reconstruction and Development	703'915	363'891
Network of European Foundations	120'000	0
Open Society Institute	6'584'344	5'195'047
Swedish International Development Cooperation Agency	0	1'051'983
Swiss Agency for Development and Cooperation	800'000	420'000
Finnish Government	0	100'000
Foundation Remembrance, Responsibility and Future	179'400	296'580
World Bank Community Connection Fund	9'717	12'915
Lego Fonden, Denmark	0	7'660
Fundacion Secretariado Gitano	5'965	0
Salzburg Global Seminar Inc. USA	1'026	0
Pierre Mirabaud	0	4'135
Norwegian Family Donation	28'135	0
Others	0	420
	<b>8'432'502</b>	<b>7'452'631</b>

Above figures represent actual donations received by the Foundation in Switzerland, only, and hence occasionally differ from the total annual commitments made by the respective donors.

*Caroline Siro Jelt*

*Joachim*



## ROMA EDUCATION FUND, ZUG

### NOTES TO THE FINANCIAL STATEMENTS 2012 AND 2011

#### RISK ASSESSMENT

Our internal risk management covers operational and financial risks. Operational risks comprise in particular strategic risks as well as compliance risks. We define a risk as the possibility that an incident might occur which has a material impact on the achievement of the foundation's targets. The yearly identified risks are monitored and judged by management and foundation board committees. As a result of the risk management process, management defines preventive risk-minimizing measures which are part of the

#### OTHER INFORMATION

##### Cost of administration

The cost of administration amounts to corresponding to of the total of expenditure

2012

EUR

575'113

8%

2011

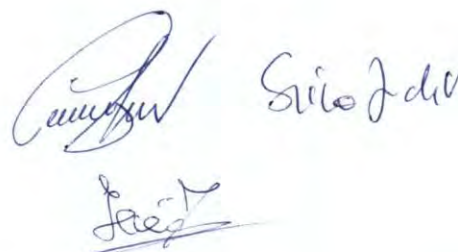
EUR

524'134

7%

#### ROMA EDUCATION FUND

Zug, March 19, 2013 / SA



Handwritten signatures of the board members of Roma Education Fund.