



***Roma Education Fund  
Zug***

***Report of the statutory auditors  
to the Board  
on the financial statements 2011***



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 2011.

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, 2 April 2012

**Enclosure**

Financial statements (balance sheet, income statement and notes)

# ROMA EDUCATION FUND, ZUG

## BALANCE SHEETS AS AT DECEMBER 31, 2011 AND 2010

	31. Dez. 2011	31. Dez. 2010
	CHF	CHF
<b>ASSETS</b>		
Cash at banks	1'122'454	610'327
Time deposits	1'295'000	2'368'930
Current account with Open Society Institute	660'280	0
Other current assets	3'453	8'535
<b>Total current assets</b>	<b>3'081'187</b>	<b>2'987'792</b>
Recoverable grants	508'231	409'345
Long term loan to Roma Education Fund, Romania	788'130	0
<b>Total non-current assets</b>	<b>1'296'361</b>	<b>409'345</b>
	<b>4'377'548</b>	<b>3'397'137</b>
<b>LIABILITIES AND FOUNDATION CAPITAL</b>		
Liabilities	1'856	11'530
Accrued expenses	24'479	23'006
Provisions for projects granted	2'409'589	2'013'856
Long term loan from Open Society Institute	698'774	0
<b>Total liabilities and provisions</b>	<b>3'134'698</b>	<b>2'048'392</b>
Foundation capital at January 1	1'348'745	787'979
Difference on conversion into CHF	24'583	12'234
Excess of income over expenditure	-130'478	548'532
<b>Total Foundation Capital</b>	<b>1'242'850</b>	<b>1'348'745</b>
	<b>4'377'548</b>	<b>3'397'137</b>

Zug, March 29, 2012

ROMA EDUCATION FUND

# ROMA EDUCATION FUND, ZUG

## STATEMENT OF INCOME AND EXPENDITURE 2011 AND 2010

	2011	2010
	CHF	CHF
<b>INCOME</b>		
Donations and fees received	9'216'718	9'524'670
Project support program refund	82'147	242'068
Interest income	3'647	3'573
Gains on foreign exchange (net)	129'492	3'956
<b>Total Income</b>	<b>9'432'004</b>	<b>9'774'267</b>
Administrative expenses	226'511	488'280
Project support program	3'144'503	2'637'045
EU Roma pilot 'A Good Start' and it's complementary projects	99'896	48'973
Communications	124'812	167'963
Policy development and capacity building	668'807	816'480
Tertiary scholarships	3'389'637	2'927'678
Hungarian microregion program	2'420	0
REF Romania capacity building	2'797	0
Subtotal	<b>7'659'383</b>	<b>7'086'419</b>
Grants to:		
Roma Education Fund, Hungary	1'343'894	1'687'919
Roma Education Fund, Romania for communications, administration and own contribution in European Social Fund projects	559'205	451'397
<b>Total expenditure</b>	<b>9'562'482</b>	<b>9'225'735</b>
<b>Excess of expenditure over income resp. income over expenditure</b>	<b>-130'478</b>	<b>548'532</b>

Zug, March 29, 2012

ROMA EDUCATION FUND

# ROMA EDUCATION FUND, ZUG

## NOTES TO THE FINANCIAL STATEMENTS 2011 AND 2010

### OBJECTS

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 2011 AND 2010

### 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)

	2011	2010
	EUR	EUR
Cash at banks	866'759	489'513
Time deposits	1'000'000	1'900'000
Current account with Open Society Institute	509'868	0
Other current assets	2'666	6'845
Recoverable grants	392'456	0
Long term loan to Roma Education Fund, Romania	608'594	328'315
<b>Total assets</b>	<b>3'380'343</b>	<b>2'724'673</b>
Liabilities	1'433	9'247
Accrued expenses	18'903	18'452
Provisions for projects granted	1'860'685	1'615'213
Long term loan from Open Society Institute	539'593	0
Foundation capital at January 1	1'081'761	529'680
Excess of income over expenditure	-122'032	552'081
<b>Total liabilities and foundation capital</b>	<b>3'380'343</b>	<b>2'724'673</b>

# ROMA EDUCATION FUND, ZUG

## NOTES TO THE FINANCIAL STATEMENTS 2011 AND 2010

Statement of income and expenditure (in Euro)	2011	2010
Donations	7'452'631	7'137'107
Project support program refund	66'484	176'368
Interest income	2'968	2'591
Gain on foreign exchange	107'085	4'468
<b>Total income</b>	<b>7'629'168</b>	<b>7'320'534</b>
Administrative expenses	183'834	360'253
Project support program	2'548'286	1'945'612
EU Roma pilot 'A Good Start' and it's complementary projects	79'898	36'132
Communications	101'303	123'923
Policy development and capacity building	541'588	602'399
Tertiary scholarships	2'748'703	2'160'015
Hungarian microregion program	1'988	0
REF Romania capacity building	2'329	0
Subtotal	6'207'929	5'228'334
Grants to:		
Roma Education Fund, Hungary	1'100'000	1'200'000
Roma Education Fund, Romania for communications, administration and own contribution in European Social Fund projects	443'271	340'119
<b>Total expenditure</b>	<b>7'751'200</b>	<b>6'768'453</b>
<b>Excess of expenditure over income / income over expenditure</b>	<b>-122'032</b>	<b>552'081</b>

# ROMA EDUCATION FUND, ZUG

## NOTES TO THE FINANCIAL STATEMENTS 2011 AND 2010

### DETAILS ON DONATIONS RECEIVED

	2011	2010
	<u>EUR</u>	<u>EUR</u>
Government of Spain	0	11'670
Government of Austria	0	1'000'000
International Bank for Reconstruction and Development (World Bank)	363'891	365'049
Network of European Foundations	0	200'000
Open Society Institute	5'195'047	3'929'197
Alliance for Open Society International AOSI	0	20'083
Swedish International Development Cooperation Agency	1'051'983	0
Swiss Agency for Development and Cooperation	420'000	247'382
DFID Department for International Development	0	1'233'907
Finnish Government	100'000	0
Foundation Remembrance, Responsibility and Future	296'580	95'000
World Bank Community Connection Fund	12'915	31'069
Lego Fonden, Denmark	7'660	0
Pierre Mirabaud	4'135	0
Others	420	3'750
	<u><b>7'452'631</b></u>	<u><b>7'137'107</b></u>

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.



# ROMA EDUCATION FUND, ZUG

## NOTES TO THE FINANCIAL STATEMENTS 2011 AND 2010

### 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 integrated management duties.

### OTHER INFORMATION

		<b>2011</b>	<b>2010</b>
<u>Cost of administration*</u>			
The cost of administration amounts to	<b>EUR</b>	<b>524'134</b>	<b>769'180</b>
corresponding to		<b>7%</b>	<b>11%</b>
of the total of expenditure			

Zug, March 29, 2012

**ROMA EDUCATION FUND**