

2017 ANNUAL REPORT



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FOREWORD

Mihai Florin Roșca, Executive director of FRCCF



Dear beneficiaries, supporters, members and employees of FRCCF,

in 2017 we celebrated 20 years since FRCCF has become a legal person! 20 years of work, innovation, diversity in approach and of solving the difficulties of an impressive number of children and adults that were in the situation of needing various social services.

For 20 years we have been changing the lives of children, families and communities

20 years of emotion, passion and abilities at the service of the good, of the requisite, of the respect for the human being and for the human rights. We worked with commitment for the benefit of children and with the belief that our intervention helps in overcoming crisis situations. We aimed at increasing the chances for children to be qualified in a job and we positively touched the lives of not only those directly involved in our interventions, but also of their families and also of the communities of these children.

What are our motivations?

We have multiple motivations to support the children that are most exposed at the risk of early school dropout so that they graduate compulsory education, all these motivations deriving from the socioeconomic trends we witnessed in our 20 years of activity.

Starting with 2002, graduating the compulsory education – 10 grades – is a prerequisite for attending most of professional courses, as currently there are very few professions in which certification can be obtained after having graduated only 8 grades. Lately there have been requirements that compulsory education becomes also a precondition for obtaining a driver's license, so as to decrease the large number of deaths caused by car accidents.

• The right to education of 20% of Romanian children is infringed upon, thus making them probably the largest category of children with a fundamental right violated.

How and to what extent does FRCCF change our lives?

The type of interference that we emphasize for so many years is at the border between the

educational and social systems. We deem it rather an investment in the human resource than a service aimed at solving an immediate social issue – and we already have the proofs that our perseverance and competence has changed for the good the lives of at least 13500 children.

However, the children and families that we help avoid social exclusion are far from being the critical mass, as our power to intervene is limited by the hindrances related to fundraising. Therefore we keep on asking ourselves how come the response of those accountable for this is still so modest, as Romania reports these days a higher percentage of children who dropped out of school (20%) as compared to 2011 (17%). For us this translates into a smaller number of plumbers, nurses, technicians, masons and so on, skilled and qualified individuals who would have theoretically brought their contribution to the economical reform that our country needs so much. Hence, our insight is that this economic reform is even further delayed if 20% of nowadays' children remain unqualified. And we strongly believe that the entire society has every reason to join our endeavor with more determination.

FRCCF would not have been useful to children and society without your help

We would like to thank all of you who understood the inherent emergency of our type of endeavor and worked directly or supported our efforts financially, in kind or with your time! Because the existence of FRCCF points out the need for social intervention – an unfortunate situation – we would like to celebrate, not the fact that the rights of children are still not fully respected in Romania, but the solidarity of our community, to the greater benefit of the entire society! We are more than happy to have you near from now on as well!

OUR MISSION



The Romanian Foundation
for Children, Community and Family



WE HAVE BEEN CHANGING CHILDREN'S LIVES FOR 20 YEARS

OUR MISSION IS TO ASSIST VULNERABLE AND MARGINALIZED CHILDREN

so that they grow up in a protective family environment and benefit of education and the medical services they need.

WE SUPPORT CHILDREN, FAMILIES AND PAUPER COMMUNITIES TO KNOW AND USE THEIR RIGHTS,

to reach their potential to the greatest extent possible and to capitalize on all their chances to become adults who do not depend on the social services.

WE PROMOTE STAYING IN SCHOOL AND REDUCING THE RISK OF SCHOOL FAILURE AS CONDITIONS THAT ARE NECESSARY,

but not sufficient for genuine opportunities to integrate on the labor market and to obtain fair wages. We invest equal resources in the personal development of both the children and the adults we support, so that they avoid social isolation and discrimination.

WE ARE USED TO SEE EVERY PERSON AS WHAT HE OR SHE IS

and we trust that, by being close to them, we can help them grow to become instead of a simple ID number of yet another institutionalized child one individual who has the judgment and the trust to follow one's own dreams.

BOARD OF DIRECTORS

President

University Professor, PhD Mrs. Livia Popescu
Department of Social Work,
"Babeş-Bolyai" University, Cluj Napoca

Vice-presidents

Mrs. Mirela-Crina Marica
CEO TIPOFLEXO SRL

Ms. Kinga Kerekes

Associate Professor PhD, Faculty of
Economics and Business Administration,
"Babeş-Bolyai" University

Members

Ms. Dr. Daniela Proinov
Medic Specialist în Obstetrică ginecologie

Mr. Antonius Walter Maria Pies
First Secretary General of The Romanian
Maltese Relief Service

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I. ONGOING PROJECTS

I.1. SAY "NO" TO SCHOOL DROPOUT

I.2. EVERYCHILD DAY CARE CENTER

I.3. CLUJ HAS SOUL

I.4. PROJECT FOR ORGANIZATIONAL DEVELOPMENT

I.1. SAY "NO" TO SCHOOL DROPOUT



- **Deployment:**

13.02 – 15.06.2017 and
01.10.2017 – 31.01.2018

- **Implemented in Horea Gymnasium since February 2017**

- **Financed by** [softvision](#)

RESULTS

45 30 pupils from 27 families benefited from initial evaluations and educational plans during the 2 school semesters;

The educational plans included support with homework, but also partaking into various personal development and socializing activities;

At the end of the academic year 2016-2017, out of the 30 active beneficiaries of the project, 24 graduated without flunking any of the courses and 6 graduated after re-examination.

I.2. EVERYCHILD DAY CARE CENTER

Started in 2001 as the first community/day care center in Cluj-Napoca, it was financed in 2017 by means of a private funding from a Romanian living in the USA, fundraising from the general public and companies, but also through the grant provided by the Local Council as per national Law 34/1998;

- The center's multidisciplinary team is composed of specialists who aim at preventing school dropout and reducing the risk of educational failure and, concurrently, personal development and social inclusion of the families they assist;
- 37 adults and 54 children received specialized services and monthly visits. 33 of the parents of the center's beneficiary children were offered social counseling;
- The pupils took part daily in educational activities – help with homework, psycho-pedagogical support (individually and in groups); counseling and support activities

- social counseling, individual and group psychological counseling; study and career guidance; personal development, socializing and leisure activities;
- Beside support in school education, the children and the adults also received advice as far as other aspects of education are concerned: developing trust in one's own abilities and in positive networking; awareness on the importance of personal hygiene and in the sanitation of the living space; preventing any form of abuse on children, respecting the rules, assertive communication, full use of own skills and positive relationships with others.

What does the center mean to the children who attend our programs?

We are extremely glad that the children enjoy the center first and foremost as a safe place. The fact they feel sheltered makes them become open and cooperate with us when we work on developing their abilities, modeling their behavior and help them reach a greater self-esteem. The children who come at the center feel they are heard, understood and they trust that they do have a word to say with regards to any activity in which we'd like them to be involve. This trust – that we gain step by step – helps us to support them in their relationship to the schooling system.

How would we describe what we do every day at the center?

It is a rather complex work. We do our best to prepare them for the

school requirements, to keep alive their motivation not to drop out, to attract them toward study and educational activities. It is a consistent strive. But we do believe our dedication pays off, especially when they tell us our educational activities are „best of fun” for them.

What part does the multidisciplinary team play?

The composite team has the role to devise a personalized intervention plan by means of which each child would develop the abilities required to graduate school and to be socially integrated and fully developed emotionally and behaviorally.

RESULTS

- **Prevention of school dropout**

98,1%

of the children continued their studies, 1 child abandoned school;

- **Increase in the level of social inclusion to**

75%

of the children who improved their abilities to relate to the adults and the children in the classroom;

- **Improvement of educational performance, of the level of general knowledge and acquiring effective learning habits were achieved by**

80%

of the children;

- **Stirring the cooperation of the parents to support the children's education in school and to guide their social development;**

- **Reducing the root causes of marginalization and social exclusion for the disadvantaged families by promoting the services offered by the day care center to the community, thanks to the center's cooperation with the state institutions: General Department of Social Assistance and Child Protection Cluj and Social and Medical Assistance Department Cluj-Napoca, Child Protection Office.**



VOLUNTEERS TESTIMONIALS / CENTRUL DE ZI EVERYCHILD



*Volunteering meant:
no expectations, the children need
from us, the volunteers,
**constant presence,
stability.***

*Not everything is as easy as
it seems. Why am I a part of it?
Because I enjoy it! It stimulates me!
Because when an idea strikes me
that I want to contribute,
I cannot stop – it, is my second
nature to support, especially
certain children and especially
those who are vulnerable,
either materially,
or in any other way."*

Ioana R.



*For me being a volunteer in
the project EveryChild was equal to
a step in my*

personal development,

*it helped increase my self-trust.
I discovered there are no stupid children,
only children who keep on being told
they are stupid – until they start
believing it. I learned from them
to be more patient,
to hug others with trust,
to pay more attention
to the rainbow than
to the rains."*

Geta V.



*For me it is the gate
to the world of fun and
of educational activities.
The Center is the place where
my best friends are. It is
the place where I feel safe
and where I know for sure
I will have a great time."*



*The Center for me means
activities, sport in the park,
help with homework."*



*The Center helped me
open up mentally,
but also emotionally."*



*In the Center I meditate,
I make very many new friends
and we are part of many
activities, and the volunteers
have very nice ideas
for these activities."*



*It helped me greatly in learning
and having fun. I could not
have had all the good grades
without the Center,
and coming here opened
my mind for the entire world.
Now I am happy because
the Center made me like that."*



To learn better."



*Which would be the first words
to describe the Center?*

**The palace of fun.
School.
Family."**

I.3. CLUJ HAS SOUL

295 young persons were beneficiaries of a wide range of services: psychological counseling, individual and group medical assistance, education and guidance, facilitation of access to general education, socializing, cultural and leisure activities.



RESULTS

- Improvement of educational performance of **25 teenagers**;
- **51 young adults** attended vocational training courses such as waiter, bartender, cook, baker-confectioner, hairdresser, photographer;
- **Employment of 75 young adults**;
- improvement of the emotional intelligence and behavior of **103 teenagers**;
- Development of cognitive abilities and acquirement of learning strategies for **35 students**;
- Development of social and communication skills by partaking in theme groups for personal development – **47 young adults**;
- **Taking up of a healthier lifestyle – 68 teenagers.**



I.4. PROJECT FOR ORGANIZATIONAL DEVELOPMENT FINANCED BY THE OPEN SOCIETY FOUNDATION

OBJECTIVES

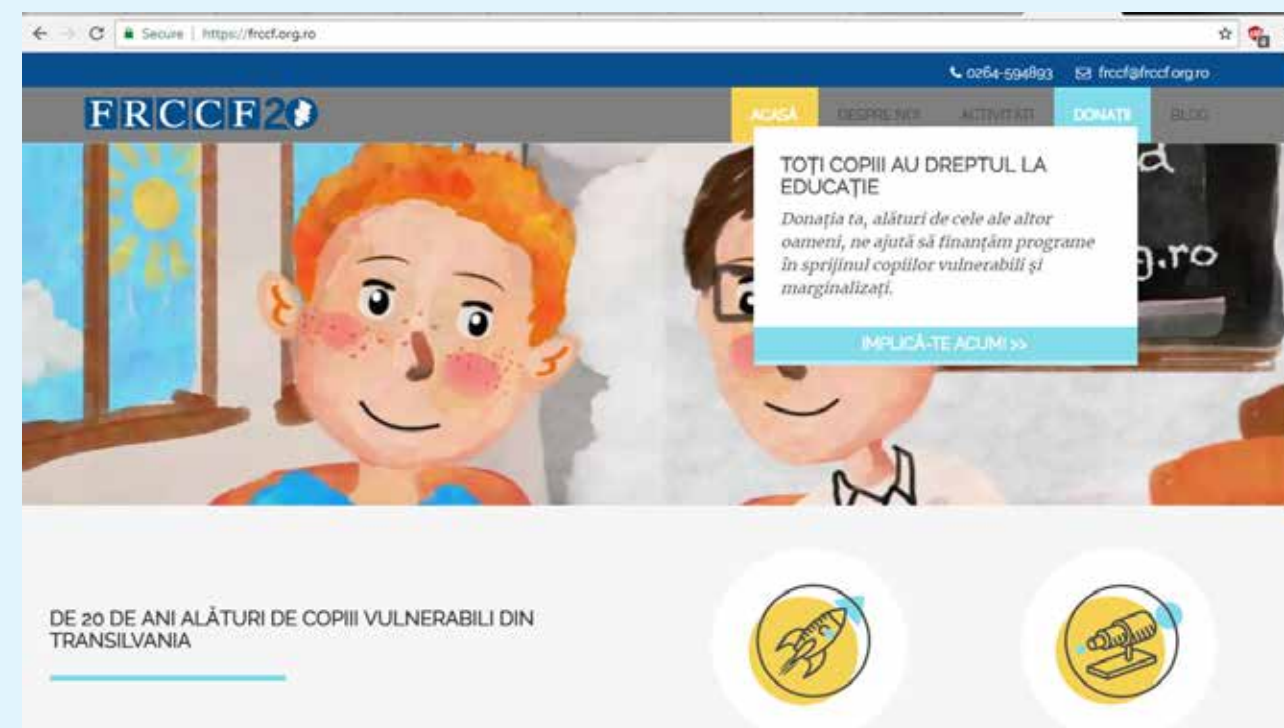
INVOLVEMENT – building up a closer relationship to the existing donors:

NOTORIETY – recognition of the organization's name by the relevant public



RESULTS

- **Improvement of the organization's presence in the social media** and of the communication with the public via Facebook, Instagram, Twitter, YouTube;
- **Increase of the database entries** and of the variety of email marketing activities;
- **Diversify the donating methods** by effectively configuring the PayPal account, thus enabling recurrent donations for the Romanians living abroad and turning this tool into the favorite means of payment for the donors with a high level of education;
- **Optimization of the organization's website** (functionality and graphics): an enriched user experience, adding the video section, the automated English translation of the content, inserting and promoting the recurring payment method by card via euplataesc.ro;
- **Making good use of the online communication tools equals increased notoriety for our organization**, a discourse present in the preferred digital environments of our target audience and attraction of more funds from individual contributions.



II. PR ACTIVITIES



- The most successful Facebook Ads campaign was „Poverty does not make you study – 2% of the income tax owed to the state” – it reached 365.234 Romanians, and 119.079 visualized at least 3 seconds of the campaign ad;



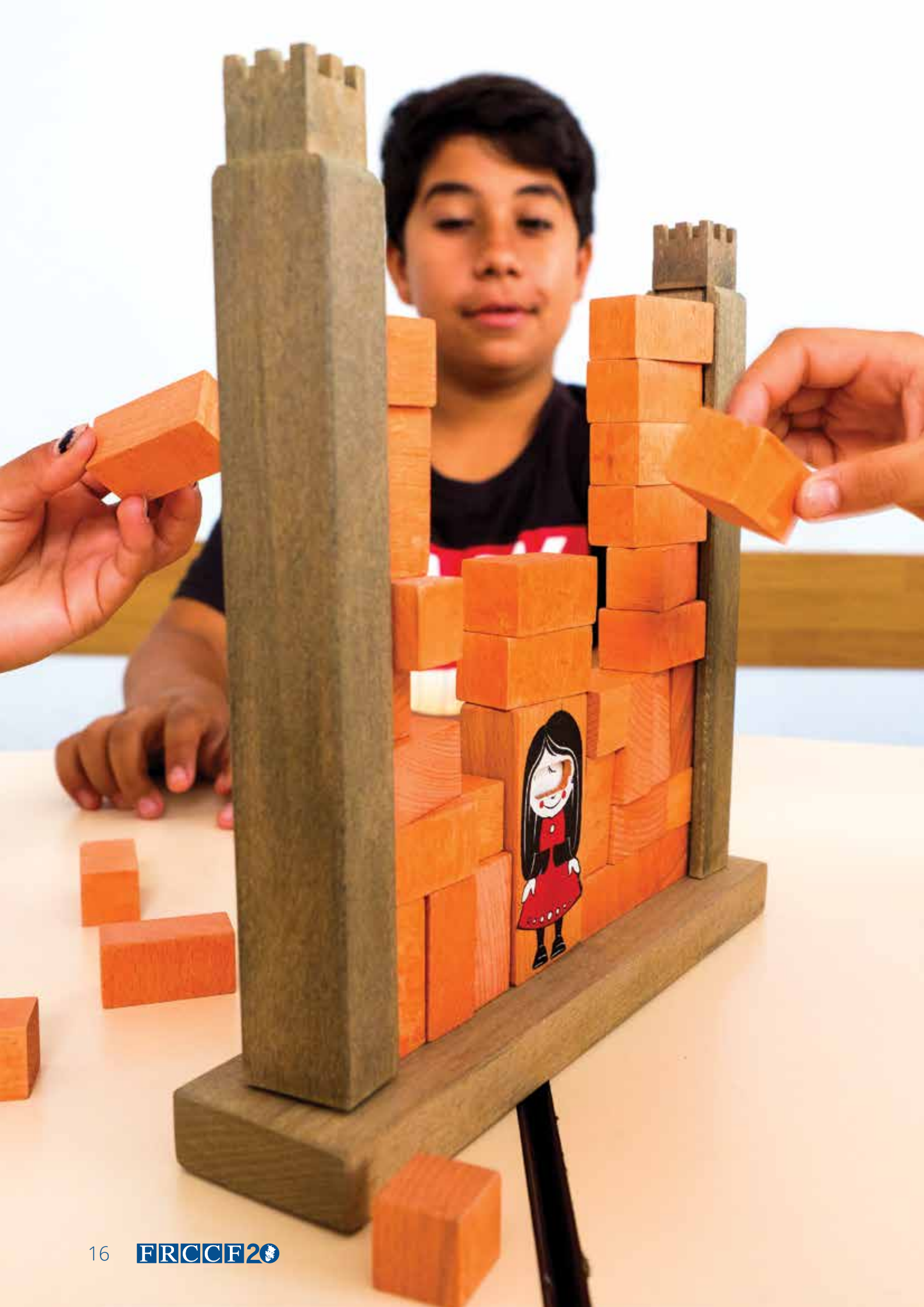
- October 2017: Anniversary ceremony celebrating the 20 years from the Foundation's becoming a legal person – the guests of honor were Mr. Robert Edwards, former director of CCF GB, and his wife Barbara. The event took place as a part of the project **“Say NO to school dropout”** and was carried out with the support of the Cluj City Hall and Local Council. Partners: Morphoza and Students' Community House;



- November 2017: **“Universal Children's Day”**, an event dedicated to all the children and held in VIVO! mall Cluj-Napoca. We brought smiles on children's faces with various fun and educational activities: drawing, magic shows, the nutty professor Utonium, photo-booth, balloons and mascots. The encounter was part of the project Say “NO” to school dropout with the help of the Cluj City Hall and Local Council;



- November and December were dedicated, as they are each year, to presents. In 2017 they were provided by Betfair and the private kindergartens Camigo and Arystokids. All the children that were part of the project received packs containing food, winter clothing and foot wear, both inaccessible financially for the families we support



III. FUNDRAISING AND PR



- **MiniGolf for EveryChild**, a partnership with Golfee Cluj – total raised amount 250 RON from participation fees;

- **2 one-day trips to Adrenalin Park** – funded by YARDI Romania, and to the **Botanical Garden of Jibou** – financed by Office Depot;

- **Acquisition of carpet and video-projector for the center** – from donations accumulating 3000 RON from the employees of YARDI Romania;



- **Campaign „Donate Your Birthday”** – it resulted in the largest donation so far – 2000 RON that were directed to partially cover the cost of snacks for the 30 children who are part of the Prietenia (Friendship)'s Center in Popești program;

- **The 4th edition of the campaign „A new school beginning”** brought 3500 RON invested in stationery for the children in the EveryChild day care center;



- **Christmas Tree Charity Auction**, an event that is part of the campaign to direct 20% of the corporate profit tax collected 25000 RON on the spot, in the evening when the event took place. Christmas Tree Charity Auction is at its third edition and is organized by The Romanian Foundation for Children, Community and Family so as to yearly gather funds for the children in vulnerable families who are enrolled in the Foundation's centers.



IV. PEOPLE WE SUPPORT



IV.1. FAMILIES

Number of interviewed families

Out of the 177 families that were interviewed, 28 are part of the EveryChild program, 24 – Horea Center, and 125 – Cluj has Soul day care center

By location	EveryChild Cluj-Napoca	Horea Center Cluj-Napoca	Day Care Center Cluj has Soul
Number of families	28	24	125
Total	177		

Number of adults and children varying on location

While EveryChild and Horea center have an almost equal proportion of children and adults they support, at Cluj has Soul are assisted 285 adults.

Number of family members varying on location

Over 50% of the families that benefit of the three centers’ services have 3 or 4 members. Next most frequent beneficiaries come from families with 2 members, the percentage of beneficiaries is decreasing as the number of members per family increases to over 5.

By location	No. of adults	No. of children	Number adults and children	Missing data (y.o.b. unknown)	Average no. of persons per family
EveryChild Cluj-Napoca	51	60	111	2	4.04
Horea Center Cluj-Napoca	43	48	91	2	3.88
Day Care Center Cluj has Soul	285	180	465	2	3.74
Total	379	288	667	6	3.80

IV.2. ETHNICITY

Ethnicity of interviewed families varying on location

87% of the beneficiaries of our centers are of Romanian ethnicity, followed by the Rroma ethnics – 9,6%, mix – 1,7%.

Etnia	Romanian	Hungarian	Rroma	Mix	Moldavian	Undeclared	Total
By location							
EveryChild Cluj-Napoca	21 75%	0	6 21,4%	0	0	1 3,6%	28
Horea Center Cluj-Napoca	15 62,5%	1 4,2%	5 20,8%	3 12,5%	0	0	24
Day Care Center Cluj has Soul	118 94,4%	0	6 4,8%	0	1 0,8%	0	125
Total	154 87%	1 0,6%	17 9,6%	3 1,7%	1 0,6%	1 0,6%	177 100%

IV.3. HEALTH

The health status of all the family members by age and location

Over 65% of the children and over 78% of the adults who benefit of the services in our centers are healthy individuals, fully able to learn and work.





IV.4. EDUCATION

Average number of graduated grades by the individuals having reached the age of majority/ mothers/ fathers, varying on location

- As an average, the adults and parents in our centers have graduated minimum 8 grades.

	EveryChild Cluj-Napoca	Horea Center Cluj-Napoca	Day Care Center Cluj has Soul	All locations
Adults (over 18 years)	8.5	10.5	10.3	10.1
Mothers	8.5	10.3	10.0	9.6
Fathers	9.0	10.6	10.2	9.9

The schooling level of individuals over 7 years/ mothers/ fathers varying on location

- Women in our programs have been involved in studying for longer periods than men, the differences growing at pace with the schooling level.
52% of the mothers and 48% of the fathers graduated 10 grades.
65% of the mothers and 35% of the fathers graduated 12 grades.
2 mothers are university graduates, while none of the fathers has university studies.

	All locations		EveryChild Cluj-Napoca		Horea Center Cluj-Napoca		Day Care Center Cluj has Soul	
	Mothers	Fathers	Mothers	Fathers	Mothers	Fathers	Mame	Tați
Type of schooling	%	%	%	%	%	%	%	%
Not schooled	2.7	0.8	12.5	5.9	0	0	1.0	0
Primary level	4.1	2.5	4.2	0	0	7.1	4.8	2.2
Gymnasium	29.1	24.2	33.3	35.3	40.0	21.4	26.0	22.5
10 grades (first high-school eliminary exam)	8.8	10.0	4.2	29.4	10.0	7.1	9.6	6.7
High-school	33.8	21.7	33.3	5.9	25.0	28.6	35.6	23.6
Vocational school	20.3	40.8	12.5	23.5	20.0	35.7	22.1	44.9
Post-secondary school	0.7	0	0	0	0	0	1.0	0
University	0.7	0	0	0	5.0	0	0	0
BA	0	0	0	0	0	0	0	0

IV.5. INCOME

Average income per family varying on location

- The netto average income of the assisted families is 437,26 RON, namely 95,72 euro per month. .
- The monthly wages of the mothers is bigger than that of the fathers: 4,2% of the women declared they had no income, while 38,9% of the men are in that situation. 75% of the women earn over 1065 RON, while only 44,4% of the men declare the same earnings.

Average income per family	EveryChild Cluj-Napoca	Horea Center – Cluj Napoca	Day Care Center Cluj has Soul	All locations
Average income per family member per month – RON	513.51	451.78	417.39	437.26
Average income per family member per month – EURO*	112.41	98.90	91.37	95.72
* Euro = 4,5681 RON – yearly average for 2017, as per Romanian National Bank's exchange rate				

Average income mothers and fathers varying on location

Average income mothers and fathers – RON	Average income per location			
	EveryChild Cluj-Napoca	Horea Center – Cluj Napoca	Day Care Center Cluj has Soul	All locations
Mothers	1141.9	833.6	609.7	726.3
Fathers	701.2	1037.9	781.2	799.0

Number of families benefiting of guaranteed minimum income

- 92,7% of the interviewed families declared they do not benefit of the guaranteed minimum income, while only 6.2% advised otherwise.

Do you benefit of GMI?	No. of families/ percentage of total number of families /per location							
	Day Care Center Cluj has Soul		EveryChild Cluj-Napoca		Horea Center – Cluj Napoca		All locations	
No	119	95.2%	26	92.9%	19	79.2%	164	92.7%
Yes	5	4.0%	2	7.1%	4	16.7%	11	6.2%

IV.6. PROFESSION

Number of persons who declared having a profession, respectively the percentage of total adults/ adults per location

- Only 36,1% of the beneficiaries in all the centers advised they have a profession.

Declared profession	Day Care Center Cluj has Soul		EveryChild Cluj-Napoca		Horea Center – Cluj Napoca		All locations	
	114	40%	17	33.3%	6	14%	137	36.1%



IV.7. HOLIDAYS

Number of families that went in holidays during the university year

- Only 4,5% of the families benefiting of our programs afforded to take holidays or to go somewhere during 2017.

IV.8. ARREST

Number of families in which a member was arrested or has an ongoing criminal record

- Only 6,8% of the assisted families have a member who was arrested or has an ongoing criminal record.

IV.9. LIVING SPACE



TYPE

Number of families living in an apartment, a house or other types of living spaces, varying on location, respectively the percentage of total number of families/ families per location

- Over 61% of the families we support live in houses, while 31,1% – in apartments. A small percentage – 3,4% – live in precarious conditions: one-room apartments or shelters.

Living space type	No. of families/ percentage of total families interviewed							
	EveryChild Cluj-Napoca		Horea Center – Cluj Napoca		Day Care Center Cluj has Soul		All locations	
Apartment	8	28.6%	7	29.2%	40	32.0%	55	31.1%
House	11	39.3%	16	66.7%	81	64.8%	108	61.0%
Other (one-room apartment, shelter, etc)	3	10.7%	0	0.0%	3	2.4%	6	3.4%
No answer	6	21.4%	1	4.2%	1	0.8%	8	4.5%

OWNER

Number of families whose living spaces are owned by the following categories of persons, respectively percentage of the total number of families/ families per location

- Most of the families live in tenements on which they have property rights – 39% or which are owned by a family member – 23,2%. 14,1% live in rental spaces.

Owner of the living space	No. of families/ percentage of total number of families/ per location							
	EveryChild Cluj-Napoca		Horea Center – Cluj Napoca		Day Care Center Cluj has Soul		All locations	
Parents of the child/-ren	3	10.7%	3	12.5%	63	50.4%	69	39.0%
State	11	39.3%	5	20.8%	5	4.0%	21	11.9%
Natural person (rental)	7	25.0%	8	33.3%	10	8.0%	25	14.1%
Relatives	4	14.3%	6	25.0%	31	24.8%	41	23.2%
Company	1	3.6%	0	0.0%	0	0.0%	1	0.6%
Other situation (domestic partnership, GDSACP, bank, illegal, etc)	1	3.6%	1	4.2%	15	12.0%	17	9.6%
No answer	1	3.6%	1	4.2%	1	0.8%	3	1.7%

BASIC NEEDS

- Only 69,5% of the families we support inform they have running water in the household, only 63,8% have gas from the municipal network or in gas cylinders. 36,2% of the total number of families do not have a bathroom. 20,3% do not have a kitchen. The average number of rooms occupied by these families is 1,8.

HEATING SOURCE

- Though they live in the urban area, 44,6% of the families use wood to produce heat. 2,8% are connected to the district heating network, and 26,6% have households endowed with heating plants.

GOODS

- Most of the families have a fridge (90,4%) and a washing machine (79,7%). The next category of goods and services owned by most of these families are related to communication and entertainment – mobile phone (93,8%), TV (97,2%), cable subscription (80,2%). 19,8% of the families own a car.

IV.10. SERVICES

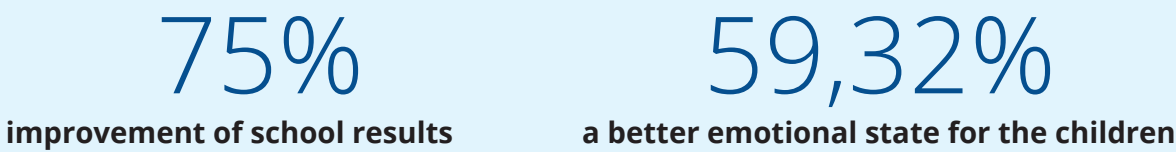
Families who benefit from services

• The services in highest demand are psychological counseling (67,2%) and psycho-pedagogical counseling (63,8%). We provided social assistance to all the beneficiaries, 91,5% of the persons partaking in our programs received donations and 96,6% of the children in our centers received educational support.

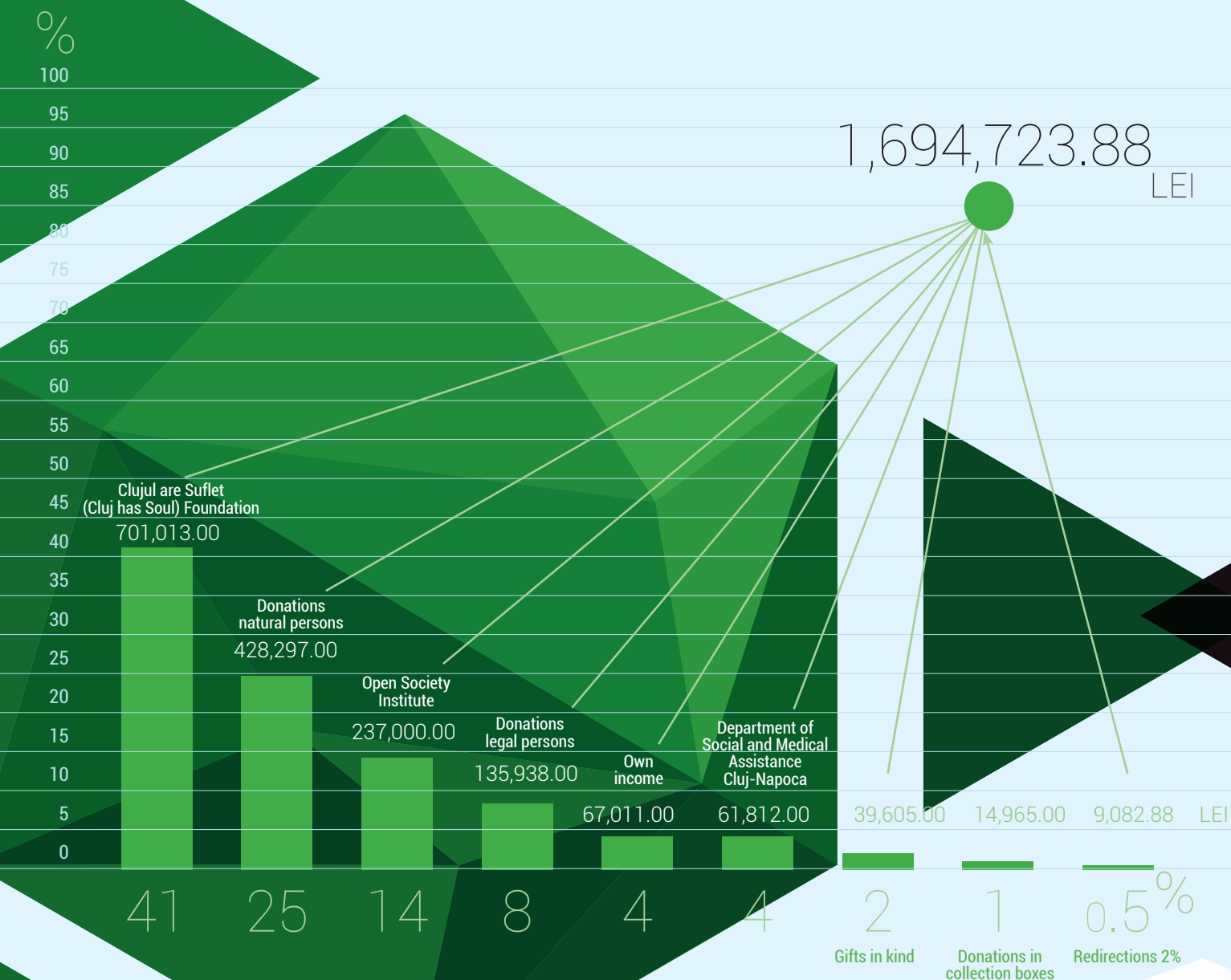
Service	No. of families/ Percent of total families							
	EveryChild Cluj-Napoca		Horea Center – Cluj Napoca		Day Care Center Cluj has Soul		All locations	
Psycho-pedagogical counseling	28	100.0%	10	41.7%	75	60.0%	113	63.8%
Psychological counseling	28	100.0%	4	16.7%	87	69.6%	119	67.2%
Trips, camps	11	39.3%	7	29.2%	44	35.2%	62	35.0%
Social assistance (social counseling, mediation, access to services existing in the community,etc)	28	100.0%	24	100.0%	125	100.0%	177	100.0%
Donations	27	96.4%	24	100.0%	111	88.8%	162	91.5%
Educational support (help with homework, tutoring, personal development, etc.)	28	100.0%	24	100.0%	119	95.2%	171	96.6%
Other services (medical, professional, etc)	3	10.7%	4	16.7%	15	12.0%	22	12.4%

Changes in the lives of the interviewed families after they enrolled in our foundation’s programs

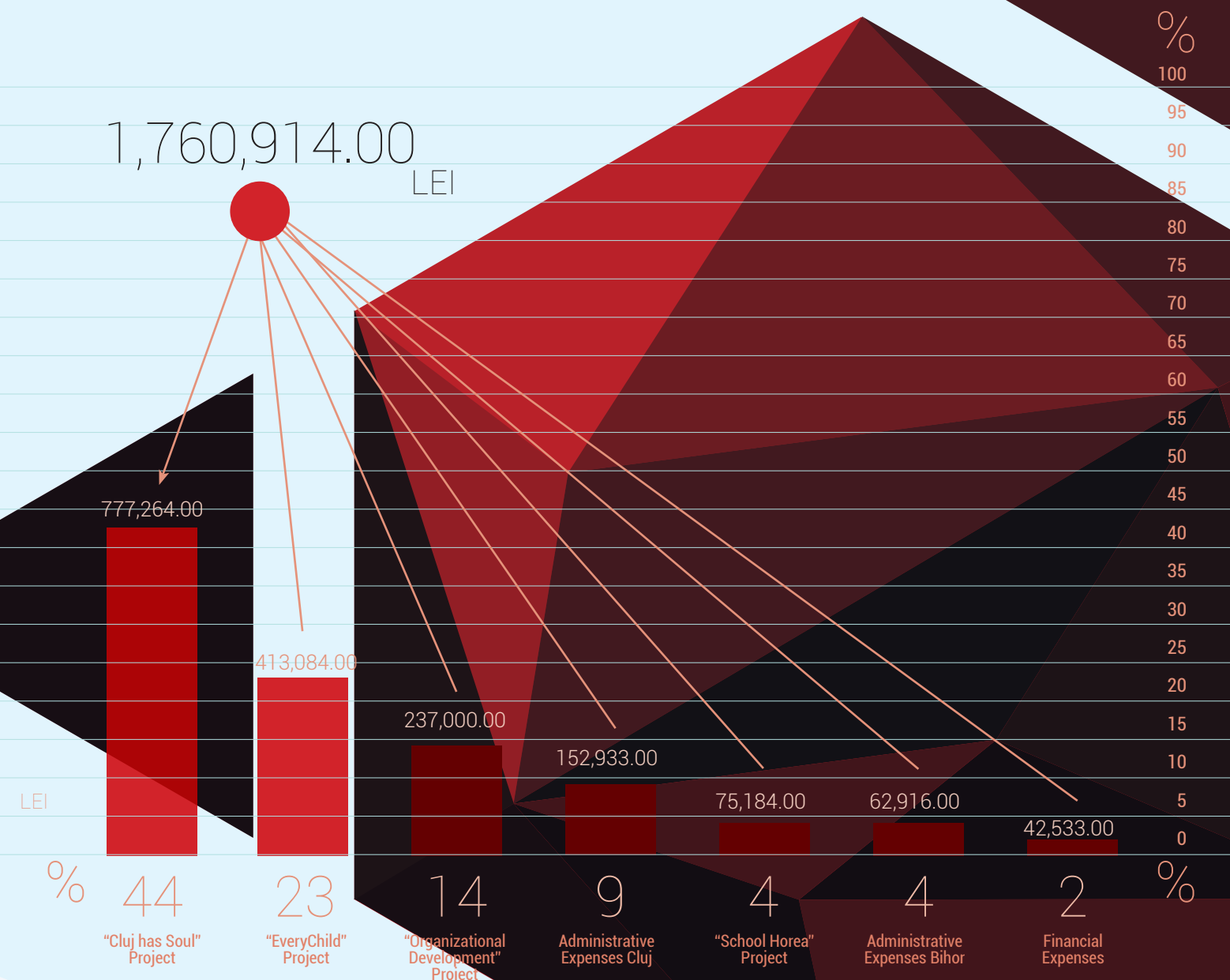
• The dominant answers to the question: “What changed in your life after you joined the FRCCF’s projects?” were:



V. INCOMES 2017



VI. EXPENSES 2017





* the average cost the foundation has on a daily basis with a child

ALL CHILDREN ARE ENTITLED TO EDUCATION.

FOR 20 YEARS WE ARE PART
OF THE LIFE OF 13,500 CHILDREN.

**THANK YOU FOR
HELPING US CONTINUE!**





VII. INDEPENDENT AUDITOR'S REPORT

To
Board of Directors
The Romanian Foundation for Children, Community and Family
Cluj-Napoca, Romania

Opinion

1. We have audited the attached individual financial statements of The Romanian Foundation for Children, Community and Family ("The Foundation"), with headquarter in Cluj-Napoca, Rene Descartes Str. no. 6, with tax identification number 9898291, which comprise the balance sheet as at 31 December 2017, the profit and loss statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

2. Individual financial statements at 31 December 2017 are identified as follows:

• Total capital	2,732,180 RON
• Total revenue	1,691,723 RON
• Total expense	1,718,380 RON
• Deficit	26,657 RON

3. In our opinion, the accompanying financial statements give a true and fair view of the financial position of The Romanian Foundation for Children, Community and Family at 31 December 2017 and of its financial performance and its cash flows for the year then ended in accordance with the Romanian accounting laws, namely Law 82/ 1991 and with Ordinance 1969/ 2007 issued by The Ministry of Economic Affairs and Finance on approving accounting regulations for legal persons without patrimonial purpose (O.M.E.F. 1969/ 2007).

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs) and Law 162/ 2017 ("The Law"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of The Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Romania, The Law included, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information - Managers' Report

5. The administrators are responsible for the preparation and fair presentation of other information. These other information include the Managers' Report, but do not include the financial statements, the auditor's report on the financial statements, and the non-financial declaration.



Our opinion regarding the financial statements does not cover these other information and, except where explicitly stated as such in our report, we express no conclusion of assurance regarding these information.

With regard to the audit of the financial statements for the financial performance ended at 31 December 2017, our responsibility is to read those other information and, in so doing, to assess if these other information are significantly inconsistent with the financial statements, or with the knowledge we acquired during the audit, or if they seem significantly distorted.

Regarding the Managers' Report we have read and report if this was prepared, in all significant aspects, according to O.M.E.F. 1969/ 2007, not containing significant misstatements and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

On the sole basis of activities that have to be performed for the financial statements' audit, in our opinion:

a) The information presented in the Managers' Report for the financial performance for which the financial statements were prepared are in accordance, in all significant aspects, to the financial statements.

b) The Managers' Report was prepared, under all significant aspects, in accordance to the information required by O.M.E.F. 1969/ 2007.

Moreover, based on our knowledge and understanding of the Foundation and its environment, acquired during the audit of the financial statements for the for the financial performance ended at 31 December 2017, we are required to report if we have identified significant misstatements in the Managers' Report. We have nothing to declare in this matter.

Management's and Other Persons' Accountable for Governance Responsibility for the Consolidated Financial Statements

6. The management of the Foundation is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the Romanian accounting laws, namely the Accounting Law 82/ 1991, republished (Law 82/ 1991) and Ordinance 1969/ 2007 on approving accounting regulations for legal persons without patrimonial purpose (O.M.E.F. 1969/ 2007) and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the management is responsible to assess the Foundation's capacity to continue its activity, to present, if the case, the aspects related to the continuation of activity and for use of accountancy on the basis of the continuation of activity, except the case in which the management either intends to liquidate the Foundation or to cease operations, or has no other realistic alternative beside these.

8. The persons accountable for governance are responsible with supervising the financial reporting process of the Foundation.

Auditor's Responsibility in a Financial Statements Audit

9. Our objectives were to obtain reasonable assurance regarding the extent to which the financial statements, as a whole, are free from significant material misstatement whether caused by fraud or error, and to issue an auditor's report that includes our opinion. The reasonable assurance represents a high level of assurance, but does not guarantee the fact that an audit



performed in accordance to ISA will always detect a significant misstatement, should it exist. Misstatements can be caused by fraud or error and are considered significant if it can be reasonably predicted that they, separately or cumulated, will influence the economic decisions of the users, taken on the basis of these financial statements.

10. As part of an audit under the ISA, we exert professional judgement and maintain professional skepticism throughout the auditing process. Also:

- We identify and assess the risks of significant material misstatements of the financial statements, due to fraud or error, we project and execute audit procedures in response to these risks and we gather sufficient appropriate audit evidence on which to support the opinion for the audit. The risk to not detect a significant misstatement caused by fraud is higher than the risk to not detect a significant misstatement caused by mistake, as fraud implies secret agreements, use of forgery, intended omissions, counterfeit declarations and avoiding of internal control.
- We understand the internal control relevant to the audit, so as 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.
- We assess the accounting principles used and the reasonable character of the significant estimates made by management, as well as evaluate the information presentation prepared by the management.
- We formulate a conclusion on the appropriateness of accounting policies used by the management based on the continuation of the activity and we determine, on the basis of audit evidence obtained, if there is a significant uncertainty regarding events or conditions that could generate substantial doubts about the Foundation's ability to con-

tinue its activity. If we conclude there is substantial doubt, in the auditor's report we have to underline the respective presentations of the financial statements, or, should these presentations be inappropriate, to change our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. In these circumstances, future events of conditions can determine the Foundation not to carry on its activity on the basis of the principle of continuation of activity.

- We assess the presentation, structure and content of the financial statements, including the presentation of information and the extent to which the financial statements reflect the transactions and underlying events in a manner that leads to a fair presentation.

11. We communicate to the persons accountable for governance, among other aspects, the planned area and the timelines of the audit, and the main conclusions of the audit, including any substantial shortfall of the internal control that we may identify during the audit.

Cluj-Napoca, Romania
April 30th, 2018



In the name of
MDA GLOBAL AUDIT S.R.L.

Registered at Chamber of Financial Auditors of Romania under no. 116/ 2001

Mircea Dragoș

Partner

Registered at Chamber of Financial Auditors of Romania under no. 719



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