

Financial Report 2007

Responsibility, efficiency, transparency for the benefit of the children!

Each grant, donation, sponsorship, contribution or any other type of support that FRCCF receives is used in a responsible and efficient manner, in line with our mission and, most importantly, for the benefit of the children.

The investment we and our supporters made in 2007 in the children's, families' and communities' future reached approximately 6,000,000 EUR.

More than half of these funds came from British sponsors through EveryChild UK, FRCCF's main partner. The rest of the money came in the form of: grants, sponsorship from Romanian companies, donations from individuals, subsidies from the Ministry of Labour, Family and Equal Opportunities, VAT reclaim and other income sources.

2007 incomes broken out by funding sources

Income source	Value in RON	%
Grants (European Union, CCFD, FONPC, Hors la Rue, UNICEF)	156,106.93	6.57%
Sponsorship from legal entities	459,806.54	19.34%
Donations from individuals	89,726.66	3.77%
Transfer of 2% income tax (in 2007)	15,751.46	0.66%
Ministry of Labour, Family and Equal Opportunities	107,300	4.51%
Local authorities (Cluj-Napoca Town Hall)	171,365	7.21%
VAT reclaim	26,700	1.12%
Own incomes	107,967	4.54%
EveryChild UK	1,243,174.07	52.28%
Total	2,377,897.66	100%

*Average exchange rates in 2007:

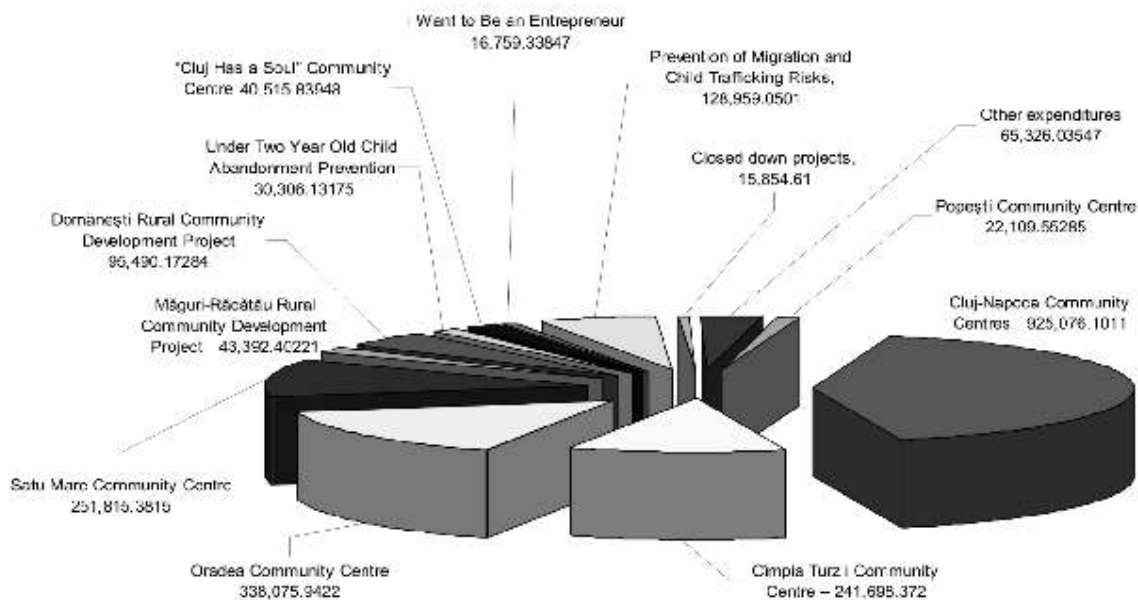
1 EUR - 3.3373 RON

1 GBP - 4.8676 RON

1 USD - 2.4383 RON

**The excess funds (180,000 RON approximately) represent money that was transferred by donors at the end of 2007 for project stages to be implemented in 2008, as well as resources that we use to make sure that when the funding transfers are delayed for various reasons, we can still continue to help children.

2007 Project Funds Chart



**INDEPENDENT AUDITOR'S REPORT
ON THE
ROMANIAN FOUNDATION FOR CHILDREN, COMMUNITY AND FAMILY'S
FINANCIAL STATEMENTS AS OF 31 DECEMBER 2007**

We have audited the accompanying balance sheet and profit and loss account of the ROMANIAN FOUNDATION FOR CHILDREN, COMMUNITY AND FAMILY at December 31, 2007. These financial statements are the responsibility of the Foundation's management and are drawn up in accordance with the *Accounting Law no. 82/1991 republished, Ordinance no 26/2000 on associations and foundations, PFMO no 1752/2005 for the approval of accounting regulations in conformity with EU directives and PFMO no 1829/2003 concerning the accounting regulations of not for profit organizations.*

Our responsibility is to express an opinion on these *financial statements* based on our audit. We conducted our audit in accordance with the International Standards of Auditing adopted by the Romanian Chamber of Financial Auditors. These Standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor examines the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate under given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In our opinion, the *financial statements* present fairly, in all material respects, the financial position of the ROMANIAN FOUNDATION FOR CHILDREN, COMMUNITY AND FAMILY as of December 31, 2007, and its financial performance in accordance with the above-mentioned reporting framework.

Mircea Dragoş
Auditor



March 20, 2008
Cluj-Napoca