



UNIVERSITATEA ADVENTUS DIN CERNICA

FINANCIAL STATEMENTS
31 DECEMBER 2021 and 2020

AUDITOR'S REPORT

To the Executive Committee
Universitatea Adventus din Cernica
Cernica, Ilfov, Romania

Opinion

We have audited the financial statements of the Universitatea Adventus din Cernica (the Organization), which comprise the statements of financial position as at 31 December 2021 and 2020, and the statements of financial activities, statements of changes in net assets, and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, as auditors of the General Conference of Seventh-day Adventists, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at 31 December 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs) adopted by the Seventh-day Adventist denomination.

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISAs), except the ethical requirement for the appearance of independence. 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 Organization in accordance with the ethical requirements that are relevant to our audits of the financial statements in Romania, and we have fulfilled our other ethical responsibilities in accordance with these requirements, except the ethical requirement for the appearance of independence, because of our affiliation with the Seventh-day Adventist denomination. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter – Contingent Liabilities

We draw attention to Note 19 to the financial statements, which discloses contingent liabilities because of different interpretations of lodging and cafeteria sale could possibly be classified by the Tax Authorities as unrelated income (UBI) and subject to taxation, And the benefit paid in form of rent-free dwelling is not identified as taxable by the management. Our opinion is not modified in respect of this matter.

Other Matters

In connection with our audit, we have also issued a report dated 8 June 2023 regarding compliance with the Working Policy of the General Conference of Seventh-day Adventists.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Romanian financial reporting standards adopted by the Seventh-day Adventist denomination, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Organization'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 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 Organization to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

General Conference Auditing Service

8 June 2023