

**Citizens Association for Democracy and
Civic Education
“CIVIC INITIATIVES”
Belgrade**

INDEPENDENT AUDITOR’S REPORT

We have audited the Balance Sheet of the Citizens Association for Democracy and Civic Education “CIVIC INITIATIVES”, Belgrade as of 31 December 2012 and the related Profit and loss account for the year ended.

Management’s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Accounting Regulations of the Republic of Serbia, as well as those internal controls that management determines to be necessary in the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Law on Accounting and Auditing, International Standards of Auditing and Code of Ethics for Professional Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from 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 considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

Positive opinion

In our opinion, the financial statements give true and fair view of all relevant elements of the financial position of the Citizens Association for Democracy and Civic Education “CIVIC INITIATIVES”, Belgrade as of 31 December 2012 and result from the business operations for the year ended 31 December 2012 in accordance with domestic accounting regulations.

Belgrade, 04 Jun 2013

“KONSULTANT-REVIZIJA”

Snežana Kostić
Licenced Certified Auditor