

## INDEPENDENT AUDITOR'S REPORT

### To the Assembly of the Association "Civic Initiatives" Belgrade

We have audited the accompanying financial statements of the Citizens Association for Democracy and Civic Education "Civic Initiatives", Belgrade (hereinafter the "Association") which comprise of the Balance sheet as of 31 December 2013, and the Income statement for the year then ended and a summary of significant accounting policies.

#### *Management's responsibility for the financial statements*

Management of the Association is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations of the Republic of Serbia, and those internal controls that management determines to be necessary in the preparation of financial statements that are free of 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 International Standards on Auditing, and Law of Auditing of the Republic of Serbia. 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 expressing our auditor's opinion.

#### *Unmodified Opinion*

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Citizens Association for Democracy and Civic Education "Civic Initiatives", Belgrade as of 31 December 2013, and of its financial performance for the year then ended, in accordance with Accounting Regulations of the Republic of Serbia.

Belgrade, 19. May 2014

  
Snežana Kostić  
Licensed certified auditor