

INDEPENDENT AUDITOR'S REPORT

To the Manager and the Steering Board of the Citizens' Association for Democracy and Civic Education – Civic Initiatives, Belgrade

Report on the Financial Statements

We have audited the accompanying financial statements of the Citizens' Association for Democracy and Civic Education – Civic Initiatives, Belgrade, Kneza Milosa street 4, (hereinafter referred to as "the Association") which comprise the statement of financial position as of 31 December 2015, and the statement of comprehensive income for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Serbian Law on Accounting 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.

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 the International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 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 evaluation the overall presentation of financial statements.

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Citizens' Association for Democracy and Civic Education – Civic Initiatives, Belgrade as of 31 December 2015, and its financial performance for the year then ended, in accordance with accounting regulations of the Republic of Serbia.

Other Matter

The financial statements for the period 1 January 2014 – 31 December 2014 were audited by Codex Audit d.o.o., Belgrade whose report, dated 5 June 2015, expressed an unqualified (positive) opinion on those financial statements.

Auditors' signature:

Name of Auditor signing:

Ljiljana Njegomir, Certified Auditor

Auditors' address:

Codex Audit d.o.o., Belgrade 11070,

Boulevard Zorana Đinđića 28/VII/25

Date of signature:

11 July 2016

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