



PRIVREDNI SAVETNIK – REVIZIJA DOO
A MEMBER OF AGN INTERNATIONAL LTD



“BALKAN COMMUNITY INITIATIVES FUND”, BELGRADE

INDEPENDENT AUDITOR'S REPORT

ON INCOME AND EXPENDITURE STATEMENTS

FOR THE PERIOD 1 JANUARY 2006 TO 31 DECEMBER 2006

BELGRADE, MAY 2007



PRIVREDNI SAVETNIK – REVIZIJA DOO
A MEMBER OF AGN INTERNATIONAL LTD



INDEPENDENT AUDITOR'S REPORT

"BALKAN COMMUNITY INITIATIVES FUND", BELGRADE
Gospodar Jevremova No. 45 Street
11000 Belgrade, Serbia

We have performed the audit of the accompanying Income and Expenditure Statement for the period 1 January 2006 to 31 December 2006 prepared by the "Balkan Community Initiatives Fund", Belgrade (hereinafter: BCIF) in respect of its fairness and accuracy and compliance with the terms of the Grant Agreements concluded between BCIF and SkaN Foundation, Hilversum, Netherlands; The Balkan Trust for Democracy (German Marshall Fund of the United States); Rockefeller Brothers Fund, New York; Fund for Open Society, Belgrade; Nadace Via, Czech Republic; Project for Public Spaces, New York; Charles Stewart Mott Foundation, Michigan; Freedom House, Boston; Balkan Community Initiatives Fund, United Kingdom, Canadian International Development Agency and Institute for Sustainable Communities, Belgrade (in further text: The Donors), for funding of the realisation following programs:

- Development program,
- Grantmaking program,
- Developing philanthropy.

The management of the BCIF is responsible for the Income and Expenditure Statement presented on page 3. Our responsibility is to express an opinion on fairness and accuracy of those Income and Expenditure Statement.

In accordance with International Standards on Auditing, our audit procedures did not comprise examination of each accounting entry but were based on such testing, as we considered necessary in the light of the BCIF's controls and accounting procedures. We made tests of recorded transactions, verifying that expenses are supported by invoices and receipts, letters of employment and consulting contracts. Our tests were endeavoured to obtain reasonable assurance about the BCIF's compliance with the terms of the Grant Agreements that, if not complied with, we believe, could have material effect on the outcome of the Grants.

Our audit of the upper stated Income and Expenditure Statement was limited to the period from 1 January 2006 to 31 December 2006.

In our opinion, the Income and Expenditure Statement for the period 1 January 2006 to 31 December 2006 referred to above present fairly, in all material respects, the Income and Expenditures connected with the Grant Agreements related to the main BCIF's activities and programs, awarded by The Donors, in conformity with Standard Accounting Practices. Furthermore, in our opinion, BCIF complied, in all material respects, with the requirements of the Grant Agreements.

In view of the fact that we have reviewed the movements on the BCIF domestic and foreign currency bank accounts and based on the BCIF's specific statement that no other activities are performed by BCIF, we can generally conclude that BCIF's operations consist only of activities related to the realisation of the upper stated programs.

Belgrade, 17 May 2007



"Privredni savetnik - Revizija"
Dijana Cvetković, Certified Auditor

Dijana Cvetković

PRIVREDNI SAVETNIK - REVIZIJA DOO, BELGRADE, KNEGINJE ZORKE 96
REGISTERED IN THE REGISTER OF COMPANIES, BELGRADE, REG. No. 15686/2005
BANK ACCOUNT No.: 275 22 12730 081 100 56

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BALANCE SHEET AS OF 31 DECEMBER 2006

	(In RSD)	
<u>ASSETS</u>	<u>1.1.2006</u>	<u>31.12.2006</u>
Fixed assets	356,374	688,480
Tangible fixed assets	399,251	807,855
Accumulated depreciation of tangible fixed assets	(42,877)	(119,375)
Current assets	13,213,613	8,452,422
Receivables	-	65,352
Cash with the Bank	12,605,287	8,387,070
Value-added tax, prepayments	608,326	-
Total	13,569,987	9,140,902

<u>LIABILITIES</u>	<u>1.1.2006</u>	<u>31.12.2006</u>
Equity	13,494,000	9,020,911
Stakes in limited liability companies	100,000	100,000
Retained earnings	13,394,000	11,923,382
Loss	-	(3,002,471)
Liabilities	75,987	119,991
Liabilities from operations	19,987	119,991
Liabilities for value-added taxes and other duties	56,000	-
Total	13,569,987	9,140,902

Income and Expenditure Statement

Income	Amount in RSD
Nadace Via, Czech Republic	1,533,042.81
SkaN Foundation, Hilversum, Netherlands	3,965,455.79
Balkan Trust for Democracy (German Marshal Fund of the United States)	390,858.75
Project for public spaces, New York	923,866.09
Rockefeller Brothers Fund, New York	11,972,166.32
Freedom House, Boston	322,940.48
Charles Stewart Mott Foundation, Michigan	6,482,074.79
Balkan Community Initiatives Fund, United Kingdom	6,059,543.14
Fund for Open Society, Belgrade	1,073,200.00
Institute for Sustainable Communities, Belgrade	2,956,507.40
TOTAL	35,679,655.57

Expenditures	Amount in RSD
OPERATIONAL	9,690,581.49
Salaries including benefits	3,621,381.92
Services including taxes	1,707,953.60
Rent, utilities, office material	1,689,007.63
Montenegro office costs	1,288,456.67
Capital costs	864,230.60
Travel	519,551.07
PROGRAM COSTS	11,367,011.03
Program management including benefits	4,903,170.92
Communication	303,711.24
Travel	1,429,538.03
Trainings/workshops/conferences	4,124,123.29
Publications	606,467.55
REGRANTING	16,603,383.32
TOTAL	37,660,975.84