

R & P AUDITING

Auditing Financial Consulting Management Services

INDEPENDENT AUDITORS' REPORT

*TO THE FOUNDER OF NGF
FUND FOR ACTIVE CITIZENSHIP*

We have audited the accompanying financial statements NGF *FUND FOR ACTIVE CITIZENSHIP* (hereinafter fAKT) for the period from January 01, 2009 to December 31, 2009, (page 3 to19), which comprise of the Income and Expenditure Statement, Balance Sheet and Cash Flow Statement in respect of its accuracy and compliance with the Grant Agreements concluded between fAKT and Skan Foundation (CNF); Mott Foundation (MOTT); Rockefeller Brothers Fund (RFB), i Foundation Open Society Institute (FOSI) (in further text: the Donors), for funding of the realisation following programs:

- Social transition
- Citizens action

Management's Responsibility for the Financial Statements

fAKT management is responsible for these financial statements in accordance with the accounting regulation in Montenegro. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on accomplished audit. We conducted our audit in accordance with International Standards on Auditing and Montenegrin Law for accounting and auditing. Those standards require compliance with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from mterial 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 solid basis for our audit opinion.

Opinion

In our opinion, the fAKT financial statements (page 3 to 19) for the period from January 01, 2009 to December 31, 2009, present fairly and objectively, in all material respects, the Income and Expenditures connected with the Grant Agreements awarded by Donors, and its Cash Flows, in accordance with the International Accounting Practices. fAKT complied, in all material respects, with the requirements of the Grant Agreements and its total operations consist only of activities related to the realisation of the upper stated programs.

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October 06, 2010



Radunović Vesna

Radunović Vesna, Authorized Auditor
(License No.017 issued on April 19, 2006.)

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INCOME AND EXPENDITURE STATEMENT

For the period from January 01, 2009 to December 31. 2009

	<i>(U €)</i>	
	<i>2009</i>	<i>2008</i>
Income	300.075	176.288
Income from Donors	298.729	176.288
Income from refundation	1.346	-
Total expenditure	(300.075)	(176.288)
Operational expenses	(77.766)	(48.740)
Office costs	(13.303)	(11.648)
Staff costs	(64.463)	(37.092)
Depreciation	(630)	(112)
Program costs	(215.107)	(123.975)
Regranting	(183.945)	(116.914)
Seminars	(19.209)	(3.261)
Marketing	(5.344)	(496)
Travel	(4.856)	(1.174)
Daily allowance	(1.753)	(2.130)
Other operating expenses	(6.637)	(3.560)
Services	(6.361)	(3.493)
Other expenses	(276)	(67)
Financial expenses/income, net	65	99

**BALANCE SHEET**

For the period from January 01, 2009 to December 31, 2009

		<i>(U €)</i>
	2009	2008
<u>ASSETS</u>		
Non – current assets	1.640	1.089
Equipment	1.640	1.089
Current assets	119.005	16.749
Cash and cash equivalents	119.005	16.749
Total assets	120.645	17.838
<u>LIABILITIES</u>		
Equity and reserves	-	-
Retained earnings	-	-
Long term liabilities	-	-
Accrued liabilities	120.645	17.838
Total liabilities	120.645	17.838



CASH FLOW STATEMENT

For the period from January 01, 2009 to December 31. 2009

Position	2009	(U €) 2008
Cash receipts from Donors	381.541	194.126
Cash receipts from refundation	1.346	-
Cash regranting	(183.945)	(116.914)
Payments to suppliers and employees	(95.570)	(59.361)
Cash used in operating activities	103.372	17.851
Acquisition of equipment	(1.181)	(1.201)
Cash used in investing activities	(1.181)	(1.201)
Inflow from interest a vista	65	99
Neto gotovina iz aktivnosti finansiranja	65	99
Net increase in cash and cash equivalents	102.256	16.749
Cash and cash equivalents, beginning of year	16.749	-
Cash and cash equivalents, and of year	119.005	16.749