

**FINANCIAL REPORTING PACKAGE (FRP)
OPEN SOCIETY BOSNIA AND HERZEGOVINA
FOUNDATION
FINANCIAL YEAR: 2019**

CONTENT:

PART I : Financial Statements

PART II : Other schedules, calculations and reconciliations

Sarajevo, 18.05.2020.



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Ernst & Young d.o.o.
Radnička cesta 50, 10 000 Zagreb
Hrvatska / Croatia
MBS: 080435407
OIB: 58960122779
PDV br. / VAT no.: HR58960122779

Tel: +385 1 5800 800
Fax: +385 1 5800 888
www.ey.com/hr

Banka / Bank:
Erste & Steiermärkische Bank d.d.
Jadranski trg 3A, 51000 Rijeka
Hrvatska / Croatia
IBAN: HR3324020061100280716
SWIFT: ESBCHR22

INDEPENDENT AUDITOR'S REPORT

To the Management of the Open Society Foundation Bosna and Herzegovina

Opinion

We have audited the special purpose financial information of Open Society Foundations Bosna and Herzegovina ("the Foundation"), which comprises the statement of assets, liabilities and fund balance, as at December 31, 2019, the statement of revenues, expenses and change in fund balance, the statement of cash flow for the year then ended, and notes to the special purpose financial information, including a summary of significant accounting policies and Other schedules, calculations and reconciliations.

In our opinion, the accompanying special purpose financial information of the Foundation for the year ended December 31, 2019 is prepared, in all material respects, in accordance with the Open Society Foundations' Accounting Policies included in Section A.1 of the "Instruction Kit for the annual external audits of the Open Society Foundations, Financial Year: 2019".

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the special purpose financial information section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the special purpose financial information in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the special purpose financial information, which describe the basis of accounting. The special purpose financial information is prepared to assist the Foundation in complying with the Open Society Foundations' financial reporting requirements. As a result, the special purpose financial information may not be suitable for another purpose. Our report is intended solely for the Management of the Foundation and the Open Society Foundations and should not be distributed to or used by parties other than the Management of the Foundation and the Open Society Foundations. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the special purpose financial information

Management is responsible for the preparation of the special purpose financial information in accordance with the Open Society Foundations' Accounting Policies, and for such internal control as management determines is necessary to enable the preparation of the special purpose financial information that is free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial information, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.



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Auditors' Responsibility for the Audit of the special purpose financial information

Our objectives are to obtain reasonable assurance about whether the special purpose financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this special purpose financial information.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ivana Krajinović, Associate Partner and certified auditor

Ernst & Young d.o.o.

Radnička cesta 50

10000 Zagreb, Croatia

18 May 2020

PART I: FINANCIAL STATEMENT
Open Society Foundation Bosnia and Herzegovina
Statement of Assets, Liabilities and Fund Balance as at 31 December 2019

	Note	USD 31.12.2019	USD 31.12.2018
ASSETS			
Current assets			
Cash and cash equivalents	3	316,286	227,169
Receivables	4	374,078	256,961
Advances/prepayments	5	2,221	1,363
Investments MC	7	<u>1,414</u>	<u>1,414</u>
		<u>693,999</u>	<u>486,907</u>
Non-current assets			
Property, Plant and Equipment	6	<u>239,790</u>	<u>207,163</u>
TOTAL ASSETS		<u>933,789</u>	<u>694,070</u>
LIABILITIES AND FUND BALANCES			
Current liabilities			
Liabilities	8	1,317	1,511
Accruals	9	508,127	358,811
Deferred Revenue	10	23,613	10,981
Finance lease liability-current portion	12	<u>10,941</u>	-
		<u>543,998</u>	<u>371,303</u>
Non-current liabilities			
Non-current grant liabilities	19	16,163	-
Non-current finance lease liability	12	<u>18,234</u>	-
		<u>34,397</u>	<u>-</u>
Fund balance			
Fund balance	13	<u>355,394</u>	<u>322,767</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>933,789</u>	<u>694,070</u>

The accompanying accounting policies and notes are an integral part of these financial statements.
Signed on behalf of the Foundation on 18.05.2020.

Dobriła Govedarica Nevjestic, Executive Director

Open Society Foundation Bosnia and Herzegovina
Statement of Revenues, Expenses and Change in Fund Balance
For the year ended 31 December 2019

	Note	USD 2019	USD 2018
Contribution income			
OSF income	14	2,761,503	2,655,276
Third party income	15	<u>38,653</u>	<u>29,504</u>
		2,800,156	2,684,780
Expenses			
FPOS related expenses	16	(1,245,674)	(1,512,904)
FOSI related expenses	17	(1,483,742)	(1,148,163)
Third party related expenses	18	<u>(38,115)</u>	<u>(27,070)</u>
		<u>(2,767,531)</u>	<u>(2,688,137)</u>
(Deficit) of contribution income over expenses before other income		32,625	(3,357)
Other income			
FPOS foreign exchange gain/(loss)		1,289	3,051
FOSI foreign exchange gain/(loss)		(749)	1,353
Third party foreign exchange gain/(loss)		<u>(538)</u>	<u>(2,434)</u>
		2	1,970
		<u>2</u>	<u>1,970</u>
Surplus / (deficit)		32,627	(1,387)

The accompanying accounting policies and notes are an integral part of these financial statements.
Signed on behalf of the Foundation on 18.05.2020.

Dobriša Govedarica Nevjestic, Executive Director

Statement of Cash Flow for the year ended 31 December 2019

	USD 2019	USD 2018
Cash flows from operating activities		
Surplus/(deficit) for the year	32,627	(1,387)
<i>Adjustments for:</i>		
Depreciation	12,400	8,844
(Increase)/ decrease in receivables	(117,117)	54,625
(Increase)/ decrease in prepayments	(858)	2,528
(Decrease) in liabilities other	(194)	(2,292)
Increase/ (decrease)/increase in accruals etc.	165,479	(107,211)
Increase deferred revenue	12,632	8,093
Net cash flows from operating activities	104,969	(36,800)
Payments for fixed assets	<u>(45,027)</u>	<u>(7,457)</u>
Net cash flows from investing activities	(45,027)	(7,457)
Increase in finance lease liabilities (long-term and short-term)	<u>29,175</u>	=
Net cash flows from financing activities	29,175	-
Increase/ (decrease) in cash and cash equivalents for the year	89,117	(44,257)
Cash and cash equivalents at the beginning of the year, 1 January	227,169	271,426
Cash and cash equivalents at the end of the year, 31 December	316,286	227,169

The accompanying accounting policies and notes are an integral part of these financial statements.
Signed on behalf of the Foundation on 18.05.2020.

Dobriša Govedarica Nevjestic, Executive Director