

**OPEN SOCIETY INSTITUTE
FINANCIAL REPORTING PACKAGE (FRP)
FINANCIAL YEAR: 2011
OPEN SOCIETY BOSNIA AND HERZEGOVINA
FOUNDATION**

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PART I: Financial Statements

PART II: Other schedules, calculations and reconciliations

INDEPENDENT AUDITOR'S REPORT

Addressed to: Management/Board of the Specific Foundation

Copy to: Open Society Foundations Audit Department

We have audited the accompanying Open Society Foundations Financial Reporting Package ("the Financial Reporting Package") of Open Society Foundation Bosna and Herzegovina ("the Foundation"), which comprises the Statement of Assets, Liabilities and Fund Balance as at December 31, 2011, and the Statement of Revenues, Expenses and Change in Fund Balance, and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The Financial Reporting Package has been prepared by management of the Foundation in accordance with the Open Society Foundations' Accounting Policies included in Section A.1 of the Instruction Kit issued for the 2011 external audits of the Open Society Foundations.

Management's Responsibility for the Financial Reporting Package

Management of the Foundation is responsible for the preparation of the Financial Reporting Package 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 Financial Reporting Package that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Financial Reporting Package based on our audit. We conducted our audit in accordance with International Standards on Auditing and the Open Society Foundations' Audit Instructions on the Audit Areas of Specific Focus. International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Reporting Package is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Reporting Package. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Reporting Package, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Financial Reporting Package 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. 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 Reporting Package.

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

Open Society Foundation Bosnia and Herzegovina
Statement of Assets, Liabilities and Fund Balance
as at 31 December 2011

Opinion

In our opinion, the Financial Reporting Package of the Foundation for the year ended December 31, 2011 is prepared, in all material respects, in accordance with the Open Society Foundations' Accounting Policies.

Restriction on use

The Financial Reporting Package is prepared in accordance with the Open Society Foundations' Accounting Policies and it and this report is intended solely for use by Management of the Foundation and the Open Society Foundations and may not be suitable for another purpose.

Ernst & Young d.o.o.

Ernst & Young d.o.o.

April, 25, 2012

Milana Sachsa 1, 10000 Zagreb, Croatia

LIABILITIES AND FUND BALANCES

Current liabilities

	Note	KM	USD	KM	USD
Liabilities	8	11,818	7,843	3,003	2,056
Accounts	9	1,783,245	1,183,680	1,405,069	961,877
Deferred Revenue	10	22,912	15,208	34,000	23,278
Finance lease liability-current portion		-	-	3,252	2,139
		<u>1,817,975</u>	<u>1,396,731</u>	<u>1,451,025</u>	<u>993,443</u>

Non-current liabilities

Fund balance	13	543,549	360,597	556,095	379,586
Total Non-current Liabilities and Fund Balance		<u>543,549</u>	<u>360,597</u>	<u>556,095</u>	<u>379,586</u>

TOTAL LIABILITIES AND FUND BALANCE

		<u>2,361,824</u>	<u>1,757,328</u>	<u>2,007,120</u>	<u>1,373,029</u>
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The accompanying accounting policies and notes are an integral part of these financial statements.
Signed on behalf of the Company on 25 April 2012.

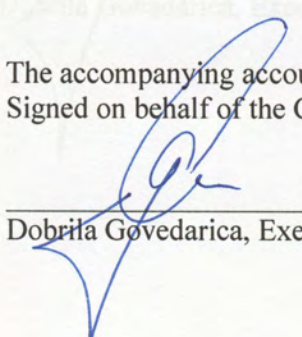
Davorin Govedanica
Davorin Govedanica, Executive Director

PART I: FINANCIAL STATEMENTS

Open Society Foundation Bosnia and Herzegovina Statement of Assets, Liabilities and Fund Balance as at 31 December 2011

	Note	KM	USD	KM	USD
		2011	2011	2010	2010
ASSETS					
Current assets					
Cash and cash equivalents	3	54,175	35,961	189,982	130,072
Receivables-OSI	4	1,952,265	1,295,871	1,452,466	993,285
Advances/prepayments	5	2,303	1,528	2,902	1,987
Investments MC	7	2,000	1,328	2,000	1,369
		2,010,743	1,334,688	1,647,350	1,126,713
Non-current assets					
Fixed assets at Net Book Value	6	<u>351,081</u>	<u>233,042</u>	<u>359,770</u>	<u>246,316</u>
TOTAL ASSETS		<u>2,361,824</u>	<u>1,567,730</u>	<u>2,007,120</u>	<u>1,373,029</u>
LIABILITIES AND FUND BALANCES					
Current liabilities					
Liabilities	8	11,818	7,845	3,003	2,056
Accruals	9	1,783,245	1,183,680	1,405,069	961,979
Deferred Revenue	10	22,912	15,208	34,000	23,278
Finance lease liability-current portion		-	-	<u>8,953</u>	<u>6,130</u>
		<u>1,817,975</u>	<u>1,206,733</u>	<u>1,451,025</u>	<u>993,443</u>
Non-current liabilities					
Fund balance	12	<u>543,849</u>	<u>360,997</u>	<u>556,095</u>	<u>379,586</u>
Total Non-current Liabilities and Fund Balance		<u>543,849</u>	<u>360,997</u>	<u>556,095</u>	<u>379,586</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>2,361,824</u>	<u>1,567,730</u>	<u>2,007,120</u>	<u>1,373,029</u>

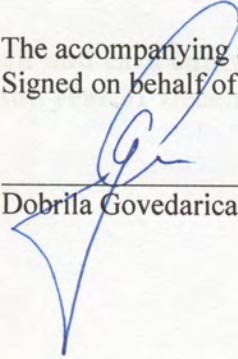
The accompanying accounting policies and notes are an integral part of these financial statements.
Signed on behalf of the Company on 25 April 2012,


Dobra Govedarica, Executive Director

Open Society Foundation Bosnia and Herzegovina
Statement of Revenues, Expenses and Change in Fund Balance
for the year ended 31 December 2011

	Note	KM 2011	USD 2011	KM 2010	USD 2010
Contribution income					
OSI income	13	6,857,856	4,791,682	5,625,534	3,822,988
Third party funding	14	<u>375,049</u>	<u>265,160</u>	<u>25,906</u>	<u>17,405</u>
		7,232,905	5,056,842	5,651,440	3,840,393
Expenses					
OSI program expenses	15	(6,277,438)	(4,378,062)	(4,996,302)	(3,396,438)
OSI administrative expense	16	(591,141)	(421,307)	(589,650)	(398,990)
Third party expense	17	<u>(375,049)</u>	<u>(265,160)</u>	<u>(25,906)</u>	<u>(17,405)</u>
		<u>(7,243,628)</u>	<u>(5,064,529)</u>	<u>(5,611,858)</u>	<u>(3,812,833)</u>
Surplus/(deficit) of contribution income over expenses before other income		(10,723)	(7,687)	39,582	27,560
Other income					
Foreign exchange gain/(loss), net		2,034	1,421	(1,557)	(1,058)
OSI revaluation gain/(loss)		(3,557)	34,609	3,072	(26,317)
Net book value of assets disposed		-	-	<u>(28,131)</u>	<u>(19,114)</u>
		<u>(1,523)</u>	<u>36,030</u>	<u>(26,616)</u>	<u>(46,489)</u>
Surplus (deficit) for 2011		(12,246)	28,343	12,966	(18,929)

The accompanying accounting policies and notes are an integral part of these financial statements.
Signed on behalf of the Company on 25 April 2012,


Dobriša Govedarica, Executive Director

Statement of Cash Flow for the year ended 31 December 2011

	KM 2011	USD 2011	KM 2010	USD 2010
Cash flows from operating activities				
Surplus (deficit) for the year	(12,246)	28,343	12,966	(18,929)
<i>Adjustments for :</i>				
Depreciation	24,496	17,116	23,390	15,893
Decrease/(increase) in receivables	(499,799)	(302,586)	(404,986)	(220,796)
Decrease/(increase) in prepayments	599	459	9,951	7,498
Decrease/(increase) in investments	-	41	-	107
(Decrease)/increase in liabilities	8,815	5,789	(7,852)	(5,954)
(Decrease)/increase in accruals etc	378,176	221,701	355,187	187,274
(Decrease)/increase def. revenue	(11,088)	(8,070)	34,000	23,278
(Decrease)/increase short term liability	(8,953)	(6,130)	8,780	6,003
Loss on disposal of fixed assets			28,131	19,114
Translation difference	-	(39,924)	-	17,428
Net cash flows from operating activities	(120,000)	(83,261)	59,567	30,916
Cash flows from investing activities:				
Payments for fixed assets	<u>(15,807)</u>	<u>(10,850)</u>	<u>(61,415)</u>	<u>(42,395)</u>
Net Cash flows from investing and financing activities	<u>(15,807)</u>	<u>(10,850)</u>	<u>(61,415)</u>	<u>(42,395)</u>
Increase/(decrease) in cash and cash equivalents for the year	(135,807)	(94,111)	(1,848)	(11,479)
Cash and cash equivalents at the beginning of the year, 1 January	189,982	130,072	191,830	141,551
Cash and cash equivalents at the end of the year, 31 December	54,175	35,961	189,982	130,072