

**FINANCIAL REPORTING PACKAGE (FRP)  
OPEN SOCIETY BOSNIA AND HERZEGOVINA  
FOUNDATION  
FINANCIAL YEAR: 2012**

**CONTENTS:**

PART I: Financial Statements

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## INDEPENDENT AUDITOR'S REPORT

Addressed to: Management/Board of the Open Society Foundation Bosna and Herzegovina

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, 2012, 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 2012 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.

**Opinion**

In our opinion, the Financial Reporting Package of the Foundation for the year ended December 31, 2012 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 22, 2013

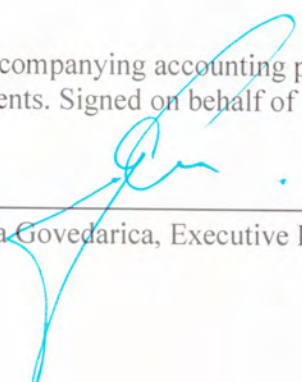
Radnička cesta 50, 10000 Zagreb, Croatia

## PART I: FINANCIAL STATEMENTS

### Open Society Foundation Bosnia and Herzegovina Statement of Assets, Liabilities and Fund Balance as at 31 December 2012

	Note	KM	USD	KM	USD
		2011	2011	2012	2012
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	54,175	35,961	130,653	88,398
Receivables-FOSI	4	1,952,265	1,295,871	1,143,552	773,700
Advances/prepayments	5	2,303	1,528	2,303	1,558
Investments MC	7	<u>2,000</u>	<u>1,328</u>	<u>2,000</u>	<u>1,353</u>
		<b><u>2,010,743</u></b>	<b><u>1,334,688</u></b>	<b><u>1,278,508</u></b>	<b><u>865,009</u></b>
<b>Non-current assets</b>					
Property, Plant and Equipment	6	<u>351,081</u>	<u>233,042</u>	<u>345,729</u>	<u>233,913</u>
<b>TOTAL ASSETS</b>		<b><u>2,361,824</u></b>	<b><u>1,567,730</u></b>	<b><u>1,624,237</u></b>	<b><u>1,098,922</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Current liabilities</b>					
Liabilities	8	11,818	7,845	2,154	1,457
Accruals	9	1,783,245	1,183,680	1,063,623	719,625
Deferred Revenue	10	<u>22,912</u>	<u>15,208</u>	<u>22,992</u>	<u>15,556</u>
		<b><u>1,817,975</u></b>	<b><u>1,206,733</u></b>	<b><u>1,088,769</u></b>	<b><u>736,638</u></b>
<b>Fund balance</b>					
Fund balance	12	<u>543,849</u>	<u>360,997</u>	<u>535,468</u>	<u>362,284</u>
Total Fund Balance		<b><u>543,849</u></b>	<b><u>360,997</u></b>	<b><u>535,468</u></b>	<b><u>362,284</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b><u>2,361,824</u></b>	<b><u>1,567,730</u></b>	<b><u>1,624,237</u></b>	<b><u>1,098,922</u></b>

The accompanying accounting policies and notes are an integral part of these financial statements. Signed on behalf of the Company on 22 April 2013,

  
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 Dobrila Govedarica, Executive Director

**Open Society Foundation Bosnia and Herzegovina**  
**Statement of Revenues, Expenses and Change in Fund Balance**  
**for the year ended 31 December 2012**

	Note	KM 2011	USD 2011	KM 2012	USD 2012
<b>Contribution income</b>					
FOSI income	13	6,857,856	4,791,682	6,330,066	4,193,336
Third party funding	14	<u>375,049</u>	<u>265,160</u>	<u>351,525</u>	<u>227,249</u>
		<b>7,232,905</b>	<b>5,056,842</b>	<b>6,681,591</b>	<b>4,420,585</b>
<b>Expenses</b>					
FOSI program expenses	15	(6,277,438)	(4,378,062)	(5,716,131)	(3,787,937)
FOSI administrative expense	16	(591,141)	(421,307)	(622,280)	(410,758)
Third party expense	17	<u>(375,049)</u>	<u>(265,160)</u>	<u>(351,525)</u>	<u>(227,249)</u>
		<b><u>(7,243,628)</u></b>	<b><u>(5,064,529)</u></b>	<b><u>(6,689,936)</u></b>	<b><u>(4,425,944)</u></b>
<b>(Deficit) of contribution income over expenses before other income</b>		<b>(10,723)</b>	<b>(7,687)</b>	<b>(8,345)</b>	<b>(5,359)</b>
<b>Other income</b>					
Foreign exchange gain, net		2,034	1,421	2,993	1,983
FOSI revaluation gain/(loss)		(3,557)	34,609	(3,029)	(10,637)
		<b><u>(1,523)</u></b>	<b><u>36,030</u></b>	<b><u>(36)</u></b>	<b><u>(8,654)</u></b>
<b>Surplus (deficit) for the year</b>		<b>(12,246)</b>	<b>28,343</b>	<b>(8,381)</b>	<b>(14,013)</b>

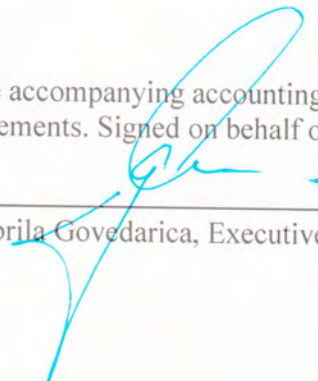
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Dobrila Govedarica, Executive Director

## Statement of Cash Flow for the year ended 31 December 2012

	KM 2011	USD 2011	KM 2012	USD 2012
<b>Cash flows from operating activities</b>				
Surplus (deficit) for the year	(12,246)	28,343	(8,381)	(14,013)
<i>Adjustments for :</i>				
Depreciation	24,496	17,116	27,994	18,544
Decrease/(increase) in receivables	(499,799)	(302,586)	808,713	522,171
Decrease/(increase) in prepayments	599	459	-	(30)
Decrease/(increase) in investments	-	41	-	(25)
(Decrease)/increase in liabilities	8,815	5,789	(9,664)	(6,388)
(Decrease)/increase in accruals etc	378,176	221,701	(719,622)	(464,055)
(Decrease)/increase def. revenue	(11,088)	(8,070)	80	348
(Decrease)/increase short term liability	(8,953)	(6,130)	-	-
Translation difference	-	(39,924)	-	11,053
<b>Net cash flows from operating activities</b>	<b>(120,000)</b>	<b>(83,261)</b>	<b>99,120</b>	<b>67,605</b>
<b>Cash flows from investing activities:</b>				
Payments for fixed assets	<u>(15,807)</u>	<u>(10,850)</u>	<u>(22,642)</u>	<u>(15,168)</u>
<b>Net Cash flows from investing and financing activities</b>	<b><u>(15,807)</u></b>	<b><u>(10,850)</u></b>	<b><u>(22,642)</u></b>	<b><u>(15,168)</u></b>
<b>Increase/(decrease) in cash and cash equivalents for the year</b>	<b>(135,807)</b>	<b>(94,111)</b>	<b>76,478</b>	<b>52,437</b>
<b>Cash and cash equivalents at the beginning of the year, 1 January</b>	<b>189,982</b>	<b>130,072</b>	<b>54,175</b>	<b>35,961</b>
<b>Cash and cash equivalents at the end of the year, 31 December</b>	<b>54,175</b>	<b>35,961</b>	<b>130,653</b>	<b>88,398</b>

The accompanying accounting policies and notes are an integral part of these financial statements. Signed on behalf of the Company on 22 April 2013,

  
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 Dobrija Govedarica, Executive Director