

**FINANCIAL REPORTING PACKAGE (FRP)
OPEN SOCIETY BOSNIA AND HERZEGOVINA
FOUNDATION
FINANCIAL YEAR: 2013**

CONTENTS:

PART I: Financial Statements

PART II: Other schedules, calculations and reconciliations

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, 2013, 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 2013 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, 2013 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.

May, 9, 2014

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 2013

	Note	KM	USD	KM	USD
		2013	2013	2012	2012
ASSETS					
Current assets					
Cash and cash equivalents	3	818,129	578,386	130,653	88,398
Receivables	4	633,030	447,529	1,143,552	773,700
Advances/prepayments	5	2,693	1,903	2,303	1,558
Investments MC	7	<u>2,000</u>	<u>1,414</u>	<u>2,000</u>	<u>1,353</u>
		<u>1,455,852</u>	<u>1,029,232</u>	<u>1,278,508</u>	<u>865,009</u>
Non-current assets					
Property, Plant and Equipment	6	<u>325,547</u>	<u>230,137</u>	<u>345,729</u>	<u>233,913</u>
TOTAL ASSETS		<u>1,781,399</u>	<u>1,259,369</u>	<u>1,624,237</u>	<u>1,098,922</u>
LIABILITIES AND FUND BALANCES					
Current liabilities					
Liabilities	8	4,087	2,889	2,154	1,457
Accruals	9	1,186,453	838,778	1,063,623	719,625
Deferred Revenue	10	<u>101,790</u>	<u>71,961</u>	<u>22,992</u>	<u>15,556</u>
		<u>1,292,330</u>	<u>913,628</u>	<u>1,088,769</u>	<u>736,638</u>
Fund balance					
Fund balance	12	<u>489,069</u>	<u>345,741</u>	<u>535,468</u>	<u>362,284</u>
Total Fund Balance		<u>489,069</u>	<u>345,741</u>	<u>535,468</u>	<u>362,284</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>1,781,399</u>	<u>1,259,369</u>	<u>1,624,237</u>	<u>1,098,922</u>

The accompanying accounting policies and notes are an integral part of these financial statements. Signed on behalf of the Company on 9 May 2014



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 2013

	Note	KM 2013	USD 2013	KM 2012	USD 2012
Contribution income					
OSF income	13	4,682,479	3,210,769	6,330,066	4,193,336
Third party funding	14	<u>82,932</u>	<u>56,575</u>	<u>351,525</u>	<u>227,249</u>
		4,765,411	3,267,344	6,681,591	4,420,585
Expenses					
FPOS related expenses	15	(3,570,749)	(2,444,467)	(-)	(-)
FOSI related expenses	16	(1,131,912)	(780,178)	(6,338,411)	(4,198,695)
Third party related expenses	17	<u>(82,932)</u>	<u>(56,575)</u>	<u>(351,525)</u>	<u>(227,249)</u>
		<u>(4,785,593)</u>	<u>(3,281,220)</u>	<u>(6,689,936)</u>	<u>(4,425,944)</u>
(Deficit) of contribution income over expenses before other income		(20,182)	(13,876)	(8,345)	(5,359)
Other income					
Foreign exchange gain/(loss), net		-	-	2,993	1,983
FPOS revaluation gain/(loss)		(26,217)	-	-	-
FOSI revaluation gain/(loss)		-	(31,845)	(3,029)	(10,637)
		<u>(26,217)</u>	<u>(31,845)</u>	<u>(36)</u>	<u>(8,654)</u>
Surplus (deficit) for 2013		(46,399)	(45,721)	(8,381)	(14,013)

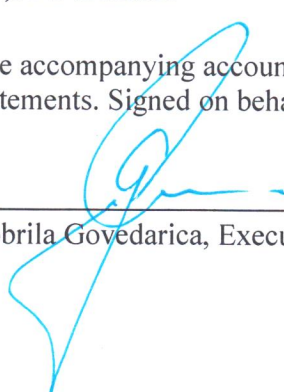
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Dobrila Govedarica, Executive Director

Statement of Cash Flow for the year ended 31 December 2013

	KM 2013	USD 2013	KM 2012	USD 2012
Cash flows from operating activities				
Surplus (deficit) for the year	(46,399)	(45,721)	(8,381)	(14,013)
<i>Adjustments for :</i>				
Depreciation	29,543	20,258	27,994	18,544
Decrease/(increase) in receivables	510,522	326,171	808,713	522,171
Decrease/(increase) in prepayments	(390)	(345)	-	(30)
Decrease/(increase) in investments	-	(61)	-	(25)
(Decrease)/increase in liabilities	1,933	1,432	(9,664)	(6,388)
(Decrease)/increase in accruals etc	122,830	119,153	(719,622)	(464,055)
(Decrease)/increase def. revenue	78,798	56,405	80	348
Translation difference		19,078	-	11,053
Net cash flows from operating activities	696,837	496,370	99,120	67,605
Cash flows from investing activities:				
Payments for fixed assets	<u>(9,361)</u>	<u>(6,382)</u>	<u>(22,642)</u>	<u>(15,168)</u>
Net Cash flows from investing and financing activities	<u>(9,361)</u>	<u>(6,382)</u>	<u>(22,642)</u>	<u>(15,168)</u>
Increase in cash and cash equivalents for the year	687,476	489,988	76,478	52,437
Cash and cash equivalents at the beginning of the year, 1 January	130,653	88,398	54,175	35,961
Cash and cash equivalents at the end of the year, 31 December	818,129	578,386	130,653	88,398

The accompanying accounting policies and notes are an integral part of these financial statements. Signed on behalf of the Company on 9 May 2014


Dobrila Govedarica, Executive Director