

**FINANCIAL REPORTING PACKAGE (FRP)
OPEN SOCIETY BOSNIA AND HERZEGOVINA
FOUNDATION
FINANCIAL YEAR: 2017**

D R A F T

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PART I : Financial Statements

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Sarajevo, 9.5.2018.

INDEPENDENT AUDITOR'S REPORT

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

Copy to: Open Society Foundations Audit Department

Opinion

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 balance sheet, as at 31 December 2017, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the Financial Reporting Package, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Reporting Package of the Foundation for the year ended 31 December 2017 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: 2017".

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 Financial Reporting Package* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the Financial Reporting Package 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the Financial Reporting Package

Management is responsible for the preparation of the Financial Reporting Package in accordance with 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.

In preparing the Financial Reporting Package, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related 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.

Management is also responsible for overseeing the Foundation's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Reporting Package

Our objectives are to obtain reasonable assurance about whether the Financial Reporting Package as a whole are 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 these Financial Reporting Package.

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 Financial Reporting Package, 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 Financial Reporting Package 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

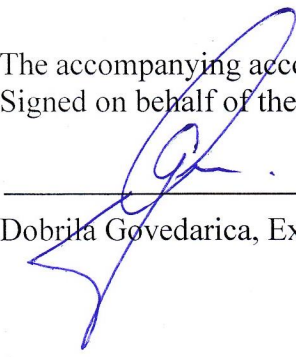
9 May 2018

Ernst & Young d.o.o.
Radnička cesta 50
10000 Zagreb, Croatia

PART I : FINANCIAL STATEMENT
Open Society Foundation Bosnia and Herzegovina
Statement of Assets, Liabilities and Fund Balance as at 31 December 2017

	Note	USD 2017	USD 2016
ASSETS			
Current assets			
Cash and cash equivalents	3	271,426	304,236
Receivables	4	311,586	278,354
Advances/prepayments	5	3,891	1,294
Investments MC	7	<u>1,414</u>	<u>1,414</u>
		<u>588,317</u>	<u>585,298</u>
Non-current assets			
Property, Plant and Equipment	6	<u>208,550</u>	<u>202,430</u>
TOTAL ASSETS		<u>796,867</u>	<u>787,728</u>
LIABILITIES AND FUND BALANCES			
Current liabilities			
Liabilities	8	3,803	875
Accruals	9	454,755	387,043
Deferred Revenue-TP	10	<u>2,888</u>	=
		<u>461,446</u>	<u>387,918</u>
Non-current liabilities			
Non-current grants	19	<u>11,267</u>	<u>81,776</u>
		<u>11,267</u>	<u>81,776</u>
Fund balance			
Fund balance	12	<u>324,154</u>	<u>318,034</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>796,867</u>	<u>787,728</u>

The accompanying accounting policies and notes are an integral part of these financial statements.
Signed on behalf of the Foundation on 9 May 2018.

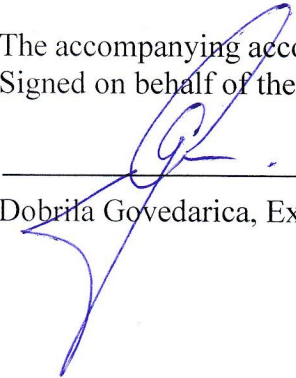


Dobrila Govedarica, Executive Director

Open Society Foundation Bosnia and Herzegovina
Statement of Revenues, Expenses and Change in Fund Balance
For the year ended 31 December 2017

	Note	USD 2017	USD 2016
Contribution income			
OSF income	13	2,607,439	2,798,353
In-Kind Contribution	14	6,093	-
Third party funding	15	<u>972</u>	<u>34,171</u>
		2,614,504	2,832,524
Expenses			
FPOS related expenses	16	(1,427,626)	(1,348,940)
FOSI related expenses	17	(1,188,882)	(1,458,037)
Third party related expenses	18	<u>(1,075)</u>	<u>(33,112)</u>
		<u>(2,617,583)</u>	<u>(2,840,089)</u>
(Deficit) of contribution income over expenses before other income		(3,079)	(7,565)
Other income			
FPOS foreign exchange gain/(loss)		3,371	1,890
FOSI foreign exchange gain/(loss)		5,725	1,029
Third party foreign exchange gain/(loss)		<u>103</u>	<u>(1,059)</u>
		9,199	1,860
		<u>9,199</u>	<u>1,860</u>
Surplus / (deficit) for 2017		6,120	(5,705)

The accompanying accounting policies and notes are an integral part of these financial statements.
Signed on behalf of the Foundation on 9 May 2018.

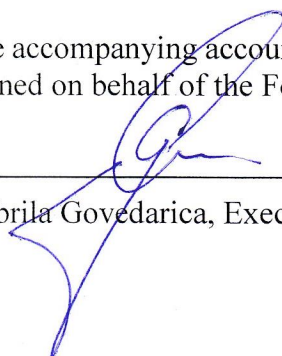


Dobriša Govedarica, Executive Director

Statement of Cash Flow for the year ended 31 December 2017

	USD 2017	USD 2016
Cash flows from operating activities		
Surplus/(deficit) for the year	6,120	(5,705)
<i>Adjustments for :</i>		
Depreciation	6,360	7,607
Decrease/(increase) in receivables	(33,232)	(191,961)
Decrease/(increase) in prepayments	(2,597)	(11)
(Decrease)/increase in liabilities	2,928	(302)
(Decrease)/increase in accruals etc.	(2,797)	(37,659)
(Decrease)/increase deferred revenue	2,888	(1,831)
Translation difference	-	-
Net cash flows from operating activities	(20,330)	(229,862)
Payments for fixed assets	(6,387)	(1,901)
In-Kind Contribution assets	<u>(6,093)</u>	-
Net cash flows from investing and financing activities	<u>(12,480)</u>	<u>(1,901)</u>
Increase in cash and cash equivalents for the year	(32,810)	(231,763)
Cash and cash equivalents at the beginning of the year, 1 January	304,236	535,999
Cash and cash equivalents at the end of the year, 31 December	271,426	304,236

The accompanying accounting policies and notes are an integral part of these financial statements.
Signed on behalf of the Foundation on 9 May 2018.



Dobrila Govedarica, Executive Director