

Open Society Fund Bosnia and Herzegovina

Financial statements as at 31 December 1999
together with auditors' report

To the Board
Open Society Fund Bosnia and Herzegovina

We have audited the accompanying year-end financial statements comprising the balance sheet of the Open Society Fund Bosnia and Herzegovina as at 31 December 1999, and the related statements of revenues and expenses and cash flows for the year then ended. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of Open Society Fund Bosnia and Herzegovina as at 31 December 1999 and the results of its operations and its cash flows for the year then ended, in conformity with International Accounting Standards.



Arthur Andersen d.o.o.
Republic of Croatia

Zagreb, 28 April 2000

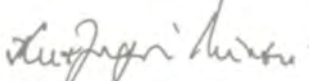
Open Society Fund Bosnia and Herzegovina
Statement of Assets, Liabilities and Fund Balance

31 December 1999

	Note	USD 1999	USD 1998
ASSETS			
Current assets			
Cash	4	171,130	128,862
Receivables	5	896,859	925,811
Prepayments	6	106,701	125,951
		<u>1,174,690</u>	<u>1,180,624</u>
Non-current assets			
Fixed assets at net book value	7	936,484	926,117
TOTAL ASSETS		<u>2,111,174</u>	<u>2,106,741</u>
LIABILITIES AND FUND BALANCES			
Current liabilities			
Liabilities	8	52,092	84,500
Deferred revenue	9	95,828	329,089
Accruals	10	607,677	371,465
		<u>755,597</u>	<u>785,054</u>
Fund balance	11	1,355,577	1,321,687
TOTAL LIABILITIES AND FUND BALANCE		<u>2,111,174</u>	<u>2,106,741</u>

Signed on behalf of the Fund on 28 April 2000:

Board Member



Mr. Mirza Kušljugić



Finance Director



Ms. Nirmana Karović

The accompanying accounting policies and notes are an integral part of this Statement of Assets, Liabilities and Fund Balance.

Open Society Fund Bosnia and Herzegovina
Statement of Revenues, Expenses and Change in Fund Balance
For the year ended 31 December 1999

	Notes	USD 1999	USD 1998
Contribution income			
OSI income	12	5,125,137	6,505,910
Third party funding	13	354,198	346,768
		<u>5,479,335</u>	<u>6,852,678</u>
Expenses			
Program	14	(4,953,993)	(6,201,409)
Administrative	15	(539,045)	(633,041)
		<u>(5,493,038)</u>	<u>(6,834,450)</u>
Excess of contribution income over expenses before other income		<u>(13,703)</u>	<u>18,228</u>
Other income			
Interest income		231	1,411
Income from other activities (net)	16	47,362	61,442
		<u>47,593</u>	<u>62,853</u>
Extraordinary expenses		-	(1,544,611)
Surplus/(deficit) for the year		<u>33,890</u>	<u>(1,463,530)</u>

The accompanying accounting policies and notes are an integral part of this Statement of Revenues, Expenses and Change in Fund Balance.

Open Society Fund Bosnia and Herzegovina
Statement of Cash Flow

For the year ended 31 December 1999

	USD	USD
	1999	1998
Surplus (deficit) for the year	33,890	(1,463,530)
Adjustments to reconcile surplus/deficit for year to net cash inflow (outflow) from operating activities		
Depreciation	88,369	171,098
Decrease in receivables	28,952	512,612
Decrease in prepayments	19,250	488,427
(Decrease) in liabilities	(32,408)	(46,059)
(Decrease) / increase in deferred revenue	(233,261)	329,089
Increase / (Decrease) in accruals	236,212	(6,166)
Loss on disposal of fixed assets	3,468	19,634
Net cash inflow from operating activities	144,472	5,105
Cash flows from investing and financing activities		
Payments for fixed assets	(102,204)	(271,813)
Net cash outflow from investing and financing activities	(102,204)	(271,813)
Decrease in cash and cash equivalents for year	42,268	(266,708)
Cash and cash equivalents at the beginning of year	395,570	395,570
Cash and cash equivalents at the end of year	128,862	128,862

The accompanying accounting policies and notes are an integral part of this Statement of Cash Flow.