

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 2000, 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 2000 and the results of its operations and its cash flows for the year then ended, in conformity with International Accounting Standards.



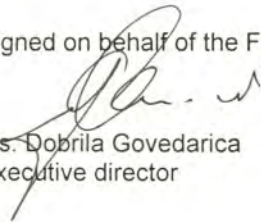
Arthur Andersen d.o.o.
Republic of Croatia

Zagreb, 23 April 2001

Open Society Fund Bosnia and Herzegovina
Statement of Assets, Liabilities and Fund Balance
31 December 2000

	Note	USD 2000	USD 1999
ASSETS			
Current assets			
Cash	4	49,336	171,130
Receivables	5	1,028,898	896,859
Prepayments	6	61,034	106,701
		<u>1,139,268</u>	<u>1,174,690</u>
Non-current assets			
Fixed assets at net book value	7	616,659	936,484
TOTAL ASSETS		<u>1,755,927</u>	<u>2,111,174</u>
LIABILITIES AND FUND BALANCES			
Current liabilities			
Liabilities	8	31,419	52,092
Deferred revenue	11	81,468	95,828
Accruals	10	247,229	607,677
		<u>360,116</u>	<u>755,597</u>
Fund balance	12	1,395,811	1,355,577
TOTAL LIABILITIES AND FUND BALANCE		<u>1,755,927</u>	<u>2,111,174</u>

Signed on behalf of the Fund on 23 April 2001:


Ms. Dobrila Govedarica
Executive director

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 2000

	Notes	USD 2000	USD 1999
Contribution income			
OSI income	13	2,372,039	5,125,137
Third party funding	14	193,980	354,198
		<u>2,566,019</u>	<u>5,479,335</u>
Expenses			
Program	15	(1,917,507)	(4,953,993)
Administrative	16	(436,031)	(539,045)
		<u>(2,353,538)</u>	<u>(5,493,038)</u>
Excess of contribution income over expenses before other income		<u>212,481</u>	<u>(13,703)</u>
Other income			
Interest income		973	231
(Deficit)/income from other activities (net)	17	(173,220)	47,362
		<u>(172,247)</u>	<u>47,593</u>
Surplus for the year		<u>40,234</u>	<u>33,890</u>

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