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PC.ACMF/57/05

21 June 2005

ENGLISH only

Letter of Transmittal to the Chairman of the Permanent Council of the OSCE  
from the Officer-in-Charge of the Secretariat

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# Letter of Transmittal to the Chairman of the Permanent Council of the OSCE from the Officer-in-Charge of the Secretariat



Organization for Security and Co-operation in Europe

The Secretariat

21 June 2005

Sir,

Pursuant to the Financial Regulations and the PC Decision 553 dated 27 June 2003, I have the honour to submit the Financial Report and Financial Statements of the Organization for Security and Co-operation in Europe for the year ended 31 December 2004 and the Audit Report of the External Auditor thereon for your consideration and approval.

Yours sincerely,

*Original Signed*

Lamberto Zannier  
Officer-in-Charge of the Secretariat



## I - Opinion of the External Auditor





# AUDIT OPINION

To the Permanent Council of the Organization for Security and Co-operation in Europe

I have audited the accompanying financial statements, comprising the Budget and Expenditure Report on pages 12 to 19 and Financial Statements 1 to 37, and the supporting notes including Annexes I to III of the Organization for Security and Co-operation in Europe for the financial period ended 31 December 2004.

## Relative responsibilities

These financial statements are the responsibility of the Secretary General. My responsibility is to express an opinion on these financial statements based on my audit.

## Basis of opinion

I conducted my audit in accordance with the Auditing Standards of the International Organisation of Supreme Audit Institutions, INTOSAI, and in compliance with International Standards on Auditing. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, and as considered by the auditor to be necessary in the circumstances, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Secretary General, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for the audit opinion.

## Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position as at 31 December 2004 and the results of operations and cash flows for the period then ended in accordance with the accounting policies set out in the notes to the financial statements, which were applied on a basis consistent with that of the preceding financial period, unless otherwise disclosed.

Further, in my opinion, the transactions of the Organization for Security and Co-operation in Europe which I have tested as part of my audit have, in all significant respects been in accordance with the Financial Regulations and legislative authority.

In accordance with Regulation 8 of the Financial Regulations, I have also issued a long-form Report on my audit of the financial statements.

*Original Signed*  
Sir John Bourn  
Comptroller and Auditor General  
United Kingdom  
External Auditor

**National Audit Office**  
**London, 21 June 2005**

The maintenance and integrity of the Organization for Security and Cooperation in Europe's website is the responsibility of the Secretary General; the work carried out by the auditors does not involve consideration of these matters and accordingly the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.



II - OSCE Financial Report  
for the  
year ended 31 December 2004



# Letter of Transmittal to the Auditor General from the Secretary General



Organization for Security and Co-operation in Europe

The Secretariat

13 June 2005

Sir,

Pursuant to the Financial Regulations, I have the honour to re-submit the Financial Report and Financial Statements of the Organization for Security and Co-operation in Europe for the year ended 31 December 2004 for your consideration and approval.

Accept, Sir, the assurance of my highest consideration.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'J. Kubiš'. The signature is fluid and cursive, with a large initial 'J' and a long, sweeping tail.

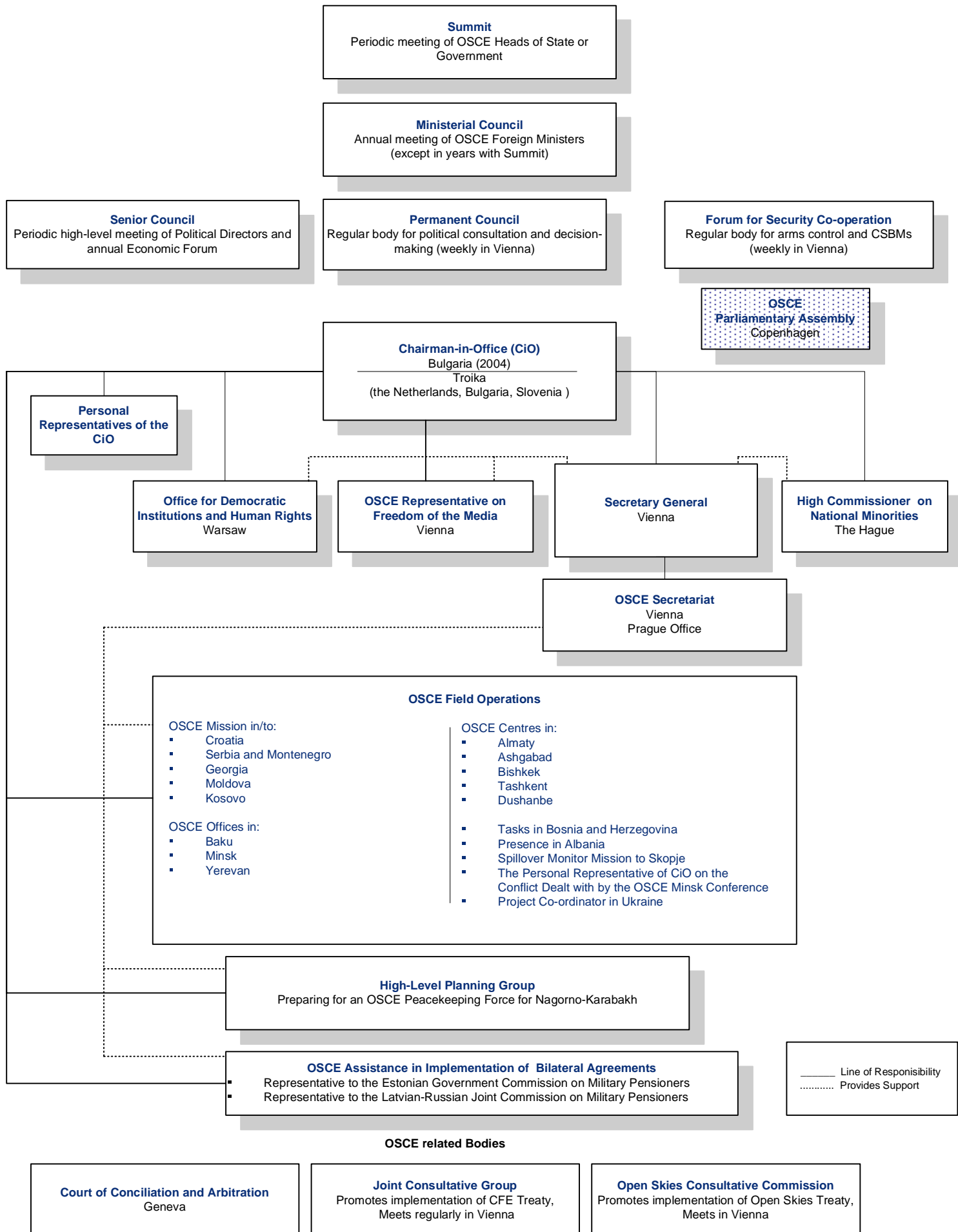
Ján Kubiš  
Secretary General

Sir John Bourn  
Controller & Auditor General  
National Audit Office  
Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

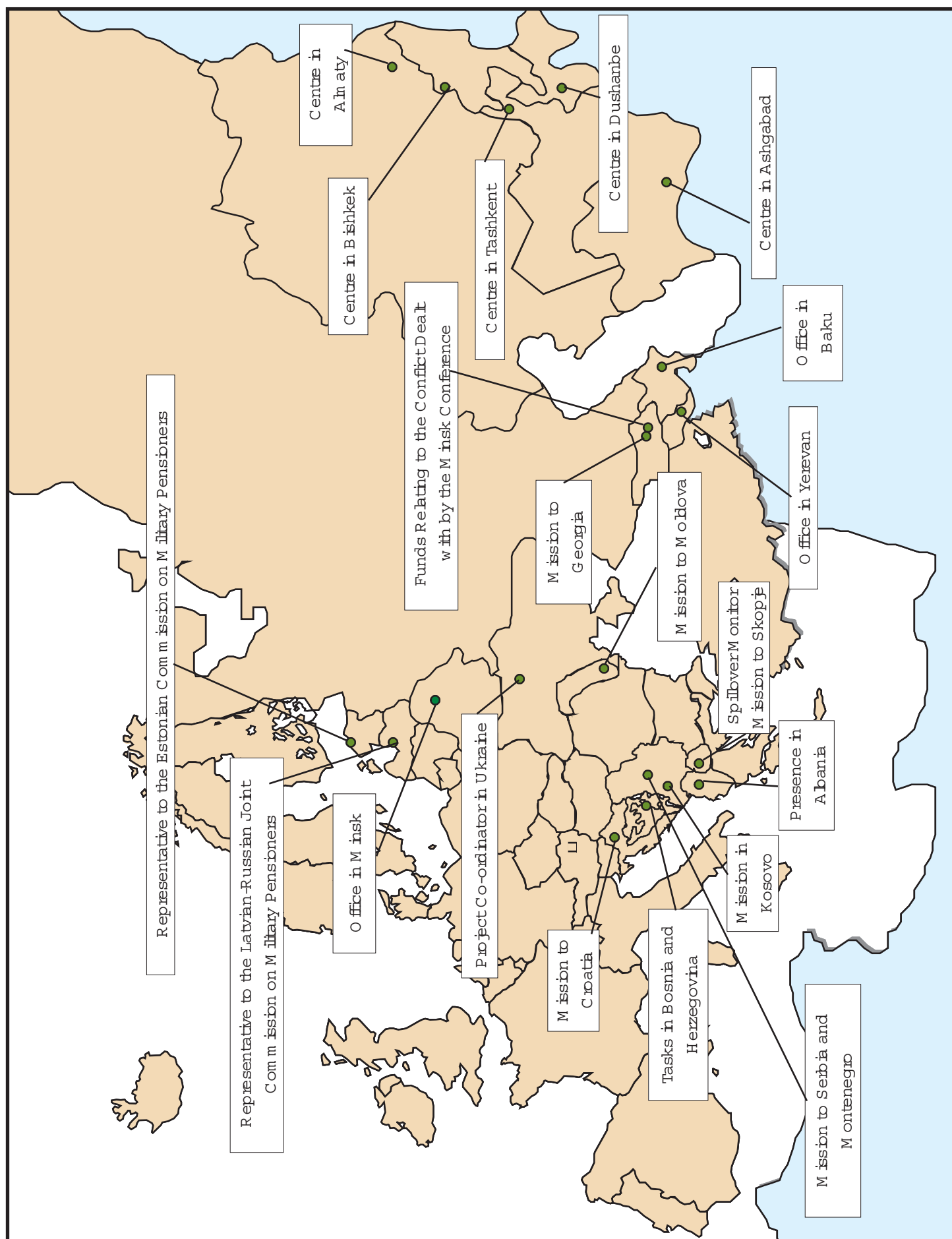


# OSCE Structures and Institutions

## as at 31 December 2004



# OSCE Missions and Field Operations as at 31 December 2004





# Financial Report

## for the year ended 31 December 2004

### 1. Introduction

The Secretary General of the Organization for Security and Co-operation in Europe (OSCE) submits herewith the Financial Report and the Financial Statements of the Organization for the year ended 31 December 2004.

The Financial Report provides the financial results for the OSCE's activities during the financial year 2004.

At the Balance Sheet date, 31 December 2004, the OSCE had no approved 2005 Unified Budget and no approved scale(s) of contribution. On 12 May 2005 the 2005 OSCE Unified Budget was approved (PC.DEC 672) together with a Provisional Financing Arrangement for Implementation of 2005 Unified Budget (PC.DEC 671).

The OSCE operates a system of fund accounting and the resulting financial statements present the financial results of budgetary Funds approved under PC.DEC/590 dated 24 December 2003 and subsequent budget revisions, the IRMA Fund and extra-budgetary Funds. The OSCE's Consolidated Financial Statements cover activities undertaken by the OSCE Secretariat, Institutions and Field Operations funded by participating States under the Unified Budget, the IRMA Fund as well as under extra-budgetary contributions. This Financial Report provides an overview and analysis of the financial aspects of each of these.

Total Income for the OSCE's Consolidated Statement of Income, Expenditure and Changes in Fund Balance includes assessed contributions, extra-budgetary contributions, miscellaneous income, currency exchange adjustments, savings on prior year ULO's and other adjustments. Total income for 2004 amounted to EUR 198.0 million (2003: EUR 195.8 million). Total expenditure for 2004 including Unified Budget,

### Summary of the OSCE's Results for the Financial Year 2004

EUR million	UNIFIED BUDGET	IRMA	EXTRA- BUDGETARY
INCOME			
Assessed Contributions	172.0		
Extra-budgetary Contributions			21.4
Other income and adjustments	4.9		(0.2)
TOTAL INCOME	176.8	-	21.2
EXPENDITURE			
	168.7	2.0	20.6
BUDGET			
Year-end 2004 UB Revision	172.0		
Budget utilisation rate	98%		
CASH SURPLUS 2004	12.8		
	Number of positions		
STAFFING – POSITIONS APPROVED			
Professional staff positions	1,616		
General service staff positions	2,401		
Total staff positions	4,017		

Extra-budgetary and the IRMA Fund amounted to EUR 191.2 million (2003: EUR 189.7 million).

The Action Plan for the Implementation of the Recommendations of the Report of the External Auditors on the Financial Statements for the year ended 31 December 2003 was circulated (PC.ACMF/95/04) to all Delegations of participating States on 17 September 2004.

### 2. Unified Budget

#### 2.1 Income - Assessed Contributions

The OSCE's source of income for the Unified Budget is assessed contributions from participating States. The level of assessed contributions received is a direct function of the billing schedule defined for the OSCE in its Financial Regulations. Payment against the first bill (50 percent of the approved Unified Budget) is due by 20 January and payment against the second bill (remaining 50 percent of the Unified Budget) is due by 1 April.

OSCE income from assessed contributions against the 2004 Unified Budget totalled EUR 172.0 million, of which EUR 41.5 million is under the Revised Standard Scale of Contributions (PC.DEC/468, 11 April 2002) and EUR 130.5 million is under the Scale for Large OSCE Missions and Projects (PC.DEC/408/Corr.1, 5 April 2001). Other income on the Unified Budget, which includes miscellaneous income, currency exchange adjustments and savings on prior year unliquidated obligations amounted to EUR 4.9 million.

The OSCE has an excellent payment record of assessed contributions by participating States, when compared to other International Organizations. The OSCE received 99 percent of assessed contributions for 2004 by 31 December (2003: 98 per cent).

## 2.2 In-Kind Contributions

A unique feature of the OSCE is the significant amount of in-kind contributions provided, in the form of seconded staff and premises. It is estimated that these in-kind contributions can be valued at approximately EUR 77 million for 2004 or over one quarter of total resources put at the disposal of the OSCE. This includes an estimated EUR 74 million for seconded staff salaries and EUR 3 million for buildings provided by host countries. In particular, generous contributions are acknowledged from the Austrian government for office rent and conference facilities (EUR 2.0 million), the Polish government for ODIHR (EUR 0.5 million) and the Netherlands government for HCNM (EUR 0.2 million). These governments have provided further substantial contributions in-kind in the form of tax concessions, security and parking areas.

## 2.3 Budget, Expenditure

### Budget

The 2004 Unified Budget was approved under PC.DEC/590 on 24 December 2003, in the amount of EUR 179.8 million. Supplementary and revised budgets approved under subsequent Permanent Council Decisions amounted to a net decrease of EUR 7.8 million, for a Year-end Revised Budget of EUR 172.0 million (PC.DEC 665 of 7 April 2005).

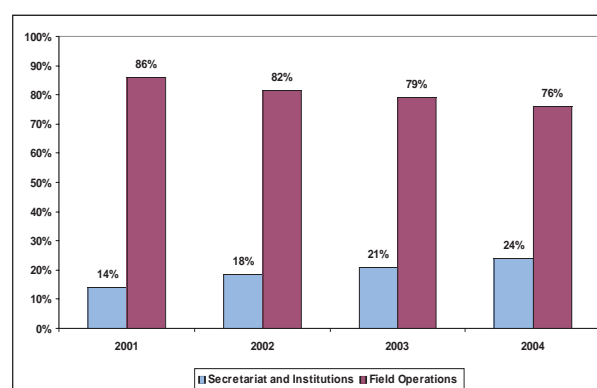
The new format and structure introduced for the 2004 Unified Budget presented individual Programmes, together with their objectives and outputs and the financial and human resources required for the achievement of these under each Unified Budget Fund. For purposes of the presentation and approval of the 2004 Unified Budget, Funds were grouped under (i) Funds related to the Secretariat and Institutions and (ii) Funds related to Field Operations, with the latter, in turn, being grouped into regions. This presentation is also followed in this Financial Report and Financial Statements.

### Year-end Revised Budget

EUR '000	2004	%
<b>I. Funds Related to The Secretariat and Institutions</b>		
The Secretariat	26,518	15.4%
ODIHR	11,523	6.7%
HCNM	2,491	1.5%
Representative on the Freedom of the Media	921	0.5%
<b>II. Funds Related to OSCE Field Operations (by Region)</b>		
South-Eastern Europe	95,668	55.6%
Eastern Europe	3,236	1.9%
Caucasus	22,772	13.3%
Central Asia	8,829	5.1%
<b>Total Unified Budget</b>	<b>171,958</b>	<b>100%</b>

From the operational perspective, the OSCE remains a field-oriented Organization, with the share of the budget allocated to field operations representing over three-quarters of the 2004 Unified Budget. The shift towards increasing the share of resources to the Secretariat and Institutions since 2001, however, is evident from the following chart. This is primarily due to a reduction in the need for resources to support the OSCE's activities in South-Eastern Europe, and the reflection of the increasing programmatic role and responsibilities allocated by participating States to the Secretariat and Institutions.

**Distribution of Unified Budget 2001-2004**



The geographical distribution of resources allocated to OSCE's Field Operations has remained stable, with a slight increase in the resources allocated to Central Asia and a decrease in the share of resources allocated to South-Eastern Europe.

### Geographical Distribution of Unified Budget: Funds Related to Field Operations

EUR million	2004		2003	
Funds Related to OSCE Field Operations (by Region)				
South-Eastern Europe	95.7	73.3%	100.2	74.4%
Eastern Europe	3.2	2.5%	3.2	2.4%
Caucasus	22.8	17.4%	24.4	18.1%
Central Asia	8.8	6.8%	6.8	5.1%
Total Funds Related to OSCE Field Operations	130.5	100.0%	134.6	100.0%

The following table lists the PC Decisions affecting the Unified Budget in the course of 2004.

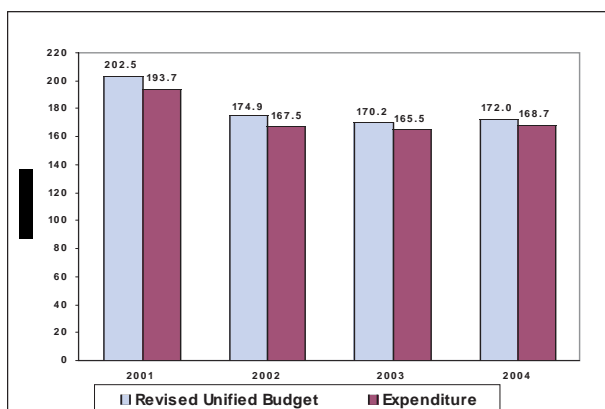
#### 2004 Budget Revisions and Supplementary Budgets

PC Decision	Budget Revisions (EUR)	Unified Budget (EUR million)
24 /12 /2003 PC DEC /590	<b>Initial Approved Budget</b>	<b>179.8</b>
18 /2 /2004 PC DEC /595	2004 Supplementary Budget for the Chairman's Office Main Programme	449,900
18 /2 /2004 PC DEC /596	2004 Supplementary Budget for the Chairman's Office Main Programme	75,000
22 /4 /2004 PC DEC /608	2004 Supplementary Budget for the FSC Chairmanship	21,400
30 /6 /2004 PC DEC /616	2004 Supplementary Budget for the ODHR	473,600
30 /9 /2004 PC DEC /629	2004 Supplementary Budget for ICT Programme - DMF/Secretariat	550,000
7 /10 /2004 PC DEC /630	2004 Supplementary Budget for the Elections Programme - ODHR	939,800
26 /11 /2004 PC DEC /635	Mid-Year Review of the year 2004 OSCE Unified Budget	(1,442,800)
7 /4 /2005 PC DEC /665	OSCE 2004 Unified Budget Revision	(8,874,900)
<b>Total Budget Revisions</b>	<b>(7,808,000)</b>	<b>(7.8)</b>
<b>Year-End Revised Budget</b>		<b>172.0</b>

#### Expenditure

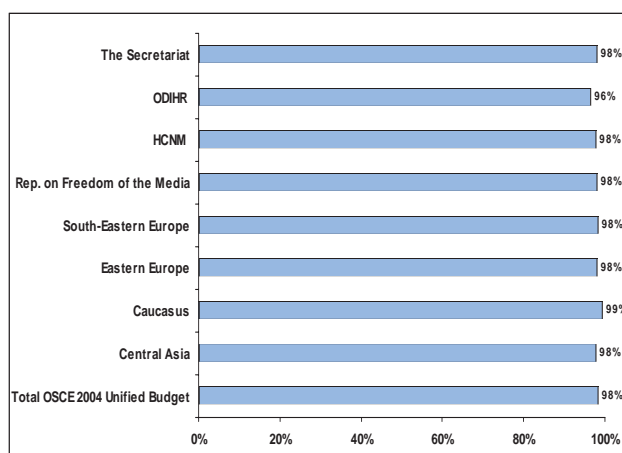
The 2004 expenditure against the Unified Budget amounted to a total of EUR 168.7 million, representing an increase of 1.9 percent compared to the previous year (2003: EUR 165.5 million).

#### Budget vs. Expenditure 2001-2004



Budget utilization for the year 2004 against the Year-end Revised Budget of EUR 172.00 million was 98 percent (2003: 97 percent) and 94 percent against the Unified Budget approved in December 2003 of 179.8 million (2003: 89 percent).

#### Budget Utilisation Rates for Year-End Budget Revision



The following comparison with 2003 expenditure underlines the points made above.

#### Unified Budget Expenditure

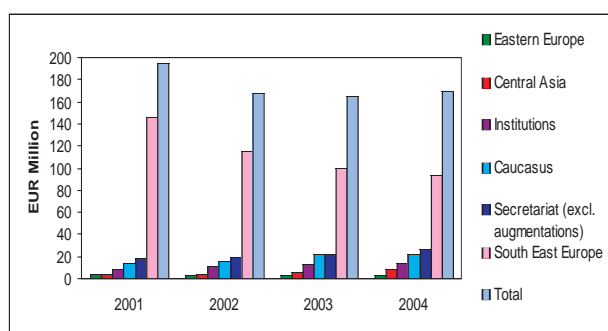
EUR million	2004		2003	
I. Funds Related to The Secretariat and Institutions				
The Secretariat	25.9	15.4%	22.0	13.3%
Office for Democratic Institutions and Human Rights	11.1	6.6%	9.3	5.6%
High Commissioner on National Minorities	2.4	1.4%	2.3	1.4%
Representative on Freedom of the Media	0.9	0.5%	0.8	0.5%
Total Funds Related to The Secretariat and Institutions	40.4	23.9%	34.4	20.8%
II. Funds Related to OSCE Field Operations (by Region)				
South-Eastern Europe	93.9	55.7%	98.7	59.6%
Eastern Europe	3.2	1.9%	3.1	1.9%
Caucasus	22.6	13.4%	23.0	13.9%
Central Asia	8.6	5.1%	6.3	3.8%
Total Funds Related to OSCE Field Operations	128.3	76.1%	131.1	79.2%
Total OSCE	168.7	100%	165.5	100%

The overall distribution of expenditure between the Secretariat and Institutions vs. Field Operations, as well as the geographical distribution of expenditure across Field Operations follows the patterns illustrated for the Unified Budget.

#### Geographical Distribution of Unified Budget Expenditure: Funds Related to Field Operations

EUR million	2004		2003	
Funds Related to OSCE Field Operations (by Region)				
South-Eastern Europe	93.9	73.2%	98.7	75.3%
Eastern Europe	3.2	2.5%	3.1	2.3%
Caucasus	22.6	17.6%	23.0	17.6%
Central Asia	8.6	6.7%	6.3	4.8%
Total Funds Related to OSCE Field Operations	128.3	100.0%	131.1	100.0%

#### Unified Budget Expenditure by Region (2001-2004)



The OSCE, within the framework of its management reforms and with the introduction of a new Chart of Accounts, has reviewed the types of expenditure groupings it had used in previous years and made appropriate adjustments to streamline and align these with the needs and reporting requirements of the Organization. Accordingly, the five main cost categories have replaced the nine groupings of expenditures used in the previous year. Expenditures for 2003 have been re-stated in line with these categories for comparison.

#### Unified Budget Expenditure by Cost Category

EUR million	2004		2003	
Staff costs	103.2	61.1%	100.4	60.6%
Operational Costs	49.7	29.4%	44.5	26.9%
Assets/Equipment	6.3	3.8%	9.9	6.0%
Office Costs	9.1	5.4%	9.8	6.0%
HoM Facility	0.4	0.2%	0.9	0.5%
<b>Total</b>	<b>168.7</b>	<b>100%</b>	<b>165.5</b>	<b>100%</b>

Staff costs continue to represent the most significant share of OSCE's annual expenditures.

## 2.4 Staffing

Total budgeted positions as at 31 December 2004 were 4,017, representing a 1.0 percent decrease over the previous year (2003: 4,059 budgeted positions). Field Operations account for 88 percent of total number of budgeted positions. The distribution of positions within the Organization is shown in Annex A.

#### Budgeted Positions

number of positions	2004		2003	
<b>Professional Staff</b>	<b>1,616</b>	<b>100%</b>	<b>1,655</b>	<b>100%</b>
International contracted	268	17%	263	16%
Seconded	1,006	62%	1,029	62%
National professional	342	21%	363	22%
<b>General Services Staff</b>	<b>2,401</b>	<b>100%</b>	<b>2,404</b>	<b>100%</b>
Secretariat and Institutions	232	10%	211	9%
Local general services	2,169	90%	2,193	91%
<b>Total Staff</b>	<b>4,017</b>		<b>4,059</b>	

#### Budgeted vs. Filled Positions as at 31 December 2004

number of positions	Budgeted	Filled	% Filled
<b>Professional Staff</b>	<b>1,616</b>	<b>1,273</b>	<b>79%</b>
International contracted	268	243	90%
Seconded	1,006	723	72%
National professional	342	307	90%
<b>General Services Staff</b>	<b>2,401</b>	<b>2,248</b>	<b>94%</b>
Secretariat and Institutions	232	222	96%
Local general services	2,169	2,026	93%
<b>Total Staff</b>	<b>4,017</b>	<b>3,520</b>	<b>88%</b>

## 3. Extra-budgetary Contributions

Extra-budgetary contributions are a valuable source of funding for the OSCE to finance projects and activities that are consistent with OSCE objectives but are not funded under the Unified Budget. Expenditures against available extra-budgetary resources in 2004 amounted to EUR 20.6 million, representing an increase of 6 percent over the previous year (2003: EUR 19.4 million).

Unlike resources provided under the Unified Budget, extra-budgetary resources are normally multi-year in nature and balances are brought forward from one year to the next. The Fund balance of all extra-budgetary resources brought forward into 2004 from 2003 amounted to EUR 31.7 million and the Fund balance carried forward into 2005 from 2004 amounted to EUR 31.8 million.

Extra-budgetary contributions received in 2004 amounted to EUR 21.4 million (2003: EUR 21.4 million). Of this amount, EUR 20.4 million was received in respect of pledges accepted in 2004 and EUR 1 million was received in respect of pledges accepted in 2003.

## 4. Cash Management

Cash and bank balances are managed in strict compliance with the OSCE's Financial Regulations. Accordingly, all amounts received from participating States against assessed contributions billed are used for the purposes authorised within the relevant year's budget, and any cash surplus is credited to participating States within the timelines set out in Financial Regulation 7.07.

Cash and bank balances as at end 2004 and 2003 are shown below (The Secretariat bank balances include the Revolving, Contingency and IRMA Funds as well as Extra-budgetary Funds).

### Cash and Bank balances

EUR '000	2004		2003	
I. Fund related to The Secretariat and Institutions				
The Secretariat	91,122	94%	106,948	96%
Institutions	1,357	1%	1,123	1%
<b>Total Secr. &amp; Institutions</b>	<b>92,479</b>	<b>96%</b>	<b>108,071</b>	<b>97%</b>
II. Funds Related to OSCE Field Operations (by Region)				
South-Eastern Europe	2,249	2%	2,638	2%
Eastern Europe	271	0%	168	0%
Caucasus	950	1%	550	0%
Central Asia	778	1%	506	0%
<b>Total Field Operations</b>	<b>4,248</b>	<b>4%</b>	<b>3,862</b>	<b>3%</b>
<b>Total</b>	<b>96,727</b>	<b>100%</b>	<b>111,934</b>	<b>100%</b>

### The Secretariat - 2004 Bank and Cash balances

EUR '000	2004	2003
UB bank and cash	51,604	61,645
XB bank and cash	34,628	37,624
Revolving	2,710	2,710
Contingency	2,180	2,180
IRMA	-	2,789
<b>Total</b>	<b>91,122</b>	<b>106,948</b>

The primary objective guiding the Secretariat's Treasury is to ensure the efficient and cost-effective management of OSCE's financial resources, namely cash and bank accounts. Cash is managed centrally in order to safeguard funds, better monitor cash flow and optimise investment income. Treasury is also responsible for developing and implementing instructions and procedures for the safe custody of cash and bank balances at all Institutions and Field Operations.

The geographic as well as currency composition of cash and bank balances is monitored closely for the purposes of risk management. Banks used by the

OSCE across all locations of its Institutions and Field Operations are reviewed regularly to ensure that the Organization's funds are safeguarded with due care and prudence.

In line with Financial Regulation 5.02, short-term investments are made in the form of time-deposits of monies not needed for immediate requirement and all interest earned is credited as miscellaneous income to the Secretariat.

## 5. Management Issues

2004 was an important year for the OSCE with respect to the further development and strengthening of its management and budgetary processes.

During 2004, the implementation of the OSCE's management reforms went through its most critical phase. In these twelve months, the OSCE introduced a fully revised regulatory management system; implemented a new budget format; set up a new system of clear individual responsibilities; rolled-out a new ICT-based management support system, connecting all OSCE offices to a single, centrally operated database; and provided management training to over 800 persons - including both Programme Managers and administrative staff. With its management reforms, the OSCE has essentially introduced a new management concept aimed at increasing the Organization's capacity to turn policy decisions into concrete operations in a rapid and flexible manner, while improving cost-efficiency, transparency and accountability to participating States.

### 5.1 Common Regulatory Management System

The Permanent Council decision on Further Progress in the Management of the Organization (PC/DEC.554 of 27 June 2003) tasked the Advisory Committee on Management and Finance to review the draft new Financial Regulations and to develop recommendations for their approval by the Permanent Council in the course of 2003.

Regrettably, the draft new Financial Regulations submitted by the Secretary General in October 2003 have not been approved by participating States to date. At the same time a clear, consistent and practical regulatory management framework was required for the OSCE in order to enable the continued implementation of the Management Reforms. Accordingly, the Secretary General continued to streamline existing instructions and directives, with a view to putting in



place a Common Regulatory Management System for the OSCE. New Instructions have been developed, which provide Fund and Programme Managers with clear and practical guidance in their daily work. Annex B outlines the Staff and Provisional (pending approval of the new Financial Regulations) Financial/Administrative Instructions which have been drafted and issued in the course of 2004.

Following completion of the remaining draft instructions, together with the approval of the new Financial Regulations, the OSCE's Common Regulatory System will be fully in place.

## 5.2 The Management Agenda, IRMA and Doc.in

The implementation of the Management Agenda, as published in September 2001, together with IRMA and Doc.In, continued to be a key priority for the OSCE in 2004.

Following extensive preparatory work in 2002 and 2003, the roll-out of the Finance and Procurement Modules of Oracle started on 5 January 2004 on the basis of a new Chart of Accounts designed to suit OSCE's reporting requirements. This was followed by the roll-out of the remaining modules of the Oracle business suite into IRMA and included Budget, Projects/Grants Accounting, Human Resources, Recruitment, Contracts Management, Asset Management and Inventory. The Payroll Module was run in parallel to the OSCE's Interim Payroll system for the months of November and December, ready for roll-out on 1 January 2005.

While extensive training programmes had already been conducted in the course of 2003 to get core functional users ready for the January 2004 roll-out, further training requirements were addressed in 2004 to ensure that Fund and Programme Managers received tailored and wide-ranging training. The preparation for the parallel runs and subsequent roll-out of the Payroll Module also required further training for administrative staff.

As envisaged, the management reforms and the implementation of IRMA have resulted in increased internal controls for the Organization, providing a number of automatic safeguards which ensure full transparency and clear lines of accountability. The introduction and roll-out of the Delegates' as well as Fund/Programme Managers' Dashboards now provides up-to-date and real time management reporting in a secure manner to

all authorized users.

The participating States agreed to finance the IRMA project through the establishment of the IRMA Fund, with a budget of EUR 6.9 million for a three-year period of implementation. Total expenditure for 2004 amounted to EUR 1.96 million, the resulting balance of the Fund to be carried forward to 2005 is EUR 81 thousand.

## IRMA Fund Expenditure for 2004

EUR '000	
Staff Costs	510
Consultancy Services	488
Investment Costs	343
Training Activities	615
<b>Total</b>	<b>1,956</b>

Significant progress was made in the establishment of a common system for managing the OSCE's records and documents in 2004. An extensive records survey was completed of all OSCE documents, and standard metadata were introduced based on international standards and aligned with the OSCE's Programme structure. A digitization programme was introduced to scan selected documents for access, preservation and integration into the document management system. Doc.In has now been made available to all OSCE staff, and further training will be the focus of the work in 2005 in order to consolidate this component of the Management Reform.

## 5.3 Unified Budget Reform

The reform of the budget process forms the cornerstone of the Management Agenda and significant progress was achieved in this respect during 2004.

The 2004 Unified Budget Proposal was submitted to participating States in a new format, fully in line with the programme budgeting principles set out in PC Decision 553 on the OSCE's Unified Budget Process. Programmes were presented with their objectives and outputs clearly set out and in line with the mandate of the respective Fund, together with the resource requirements for each Programme. The 2004 Unified Budget Proposal was prepared using the fully integrated functionality of IRMA, thereby supporting further streamlining of the budget preparation process and enabling the use of the full potential of the budget as a communication and management tool.

#### **5.4 Constraints and Operational Challenges**

The Secretary General would like to highlight important outstanding issues that may affect the efficient management of the OSCE resources.

1. Due to the delay in approving the Organization's new Financial Regulations, the Common Regulatory Management System had to be introduced on a "provisional" basis. The Management Agenda and the reforms implemented require that the basis for the CRMS be finalized and formalized by participating States at the earliest opportunity.
2. Lack of decisions on a number of issues related to OSCE staff, such as classification, salary scales for local staff and the taxation of local staff salaries makes planning and budgeting for such costs increasingly cumbersome and the retention of human resources problematic.
3. The continuing delay in addressing the issue of Augmentations is distorting established lines of responsibility, authority and accountability and is in contravention of the programme budgeting principles laid out in PC Decision 553 on the Unified Budget Process.

## Annex A: OSCE Staffing Overview – Budgeted and Actual Staff Positions

as at 31 December 2004

Fund number of positions	Contracted		Seconded		National Professional		TOTAL PROF		General Service		GRAND TOTAL	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
The Secretariat	120	114	27	25	0	0	147	139	179	174	326	312
ODIHR	41	38	14	4	0	0	55	42	44	40	99	82
HCNM	14	12	5	3	0	0	19	15	6	6	25	21
Representative on Freedom of the Media	4	4	5	2	0	0	9	6	3	3	12	9
<b>SECRETARIAT AND INSTITUTIONS</b>	<b>179</b>	<b>168</b>	<b>51</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>230</b>	<b>202</b>	<b>232</b>	<b>222</b>	<b>462</b>	<b>424</b>
Mission in Kosovo	59	47	257	180	121	102	437	329	782	741	1,219	1,070
Tasks in Bosnia and Herzegovina	6	6	142	119	148	135	296	260	409	399	705	659
Mission to Croatia	2	2	62	48	15	15	79	65	153	150	232	215
Mission to Serbia and Montenegro	2	2	65	60	14	14	81	76	134	126	215	202
Presence in Albania	0	0	32	26	10	9	42	35	82	75	124	110
Spillover Monitor Mission to Skopje	7	6	145	88	19	18	171	112	280	232	451	344
<b>South-Eastern Europe</b>	<b>76</b>	<b>63</b>	<b>703</b>	<b>521</b>	<b>327</b>	<b>293</b>	<b>1,106</b>	<b>877</b>	<b>1,840</b>	<b>1,723</b>	<b>2,946</b>	<b>2,600</b>
Mission to Moldova	0	0	11	10	0	0	11	10	18	18	29	28
Project Co-ordinator in the Ukraine	0	0	3	3	0	0	3	3	9	9	12	12
Office in Minsk	0	0	5	5	0	0	5	5	8	8	13	13
Representative to the Estonian Commission on Military Pensioners	0	0	1	1	0	0	1	1	1	0	2	1
Representative to the Latvian - Russian JC on Military Pensioners	0	0	0	0	0	0	0	0	0	0	0	0
<b>Eastern Europe</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>19</b>	<b>36</b>	<b>35</b>	<b>56</b>	<b>54</b>
Mission to Georgia	9	8	170	93	5	5	184	106	128	111	312	217
Office in Yerevan	1	1	6	6	1	1	8	8	14	14	22	22
Office in Baku	1	1	5	5	0	0	6	6	12	12	18	18
High Level Planning Group	0	0	8	7	0	0	8	7	1	1	9	8
The Minsk Process	0	0	0	0	0	0	0	0	0	0	0	0
Personal Representative of the CIO	0	0	6	5	0	0	6	5	10	10	16	15
<b>Caucasus</b>	<b>11</b>	<b>10</b>	<b>195</b>	<b>116</b>	<b>6</b>	<b>6</b>	<b>212</b>	<b>132</b>	<b>165</b>	<b>148</b>	<b>377</b>	<b>280</b>
Centre in Almaty	0	0	4	4	0	0	4	4	13	13	17	17
Centre in Ashgabad	0	0	6	5	0	0	6	5	10	10	16	15
Centre in Bishkek	0	0	7	7	5	4	12	11	17	16	29	27
Centre in Tashkent	0	0	5	4	2	2	7	6	11	11	18	17
Centre in Dushanbe	2	2	15	13	2	2	19	17	78	71	97	88
<b>Central Asia</b>	<b>2</b>	<b>2</b>	<b>37</b>	<b>33</b>	<b>9</b>	<b>8</b>	<b>48</b>	<b>43</b>	<b>129</b>	<b>121</b>	<b>177</b>	<b>164</b>
<b>TOTAL FOR FUNDS RELATED TO OSCE FIELD OPERATIONS</b>	<b>89</b>	<b>75</b>	<b>955</b>	<b>689</b>	<b>342</b>	<b>307</b>	<b>1,386</b>	<b>1,071</b>	<b>2,169</b>	<b>2,026</b>	<b>3,555</b>	<b>3,097</b>
<b>TOTAL OSCE 2004 UNIFIED BUDGET</b>	<b>268</b>	<b>243</b>	<b>1,006</b>	<b>723</b>	<b>342</b>	<b>307</b>	<b>1,616</b>	<b>1,273</b>	<b>2,401</b>	<b>2,248</b>	<b>4,017</b>	<b>3,520</b>



# ANNEX B: OSCE Common Regulatory Management System

## Financial/Administrative Regulations, Rules and Instructions

Subjects	Articles	Regulations	Rules	Instructions (11 documents)
Applicability	I	▲	■	NO INSTRUCTION
Common Regulatory Management System	II	▲	■	NO INSTRUCTION
Responsibility, Authority and Accountability and Internal Control	III XII	▲	■	1 DELEGATION OF APPROVAL AUTHORITY
OSCE Chief Administrative Officer	IV	▲	■	NO INSTRUCTION
The Unified Budget and Management of Programme Implementation	V VII	▲	■	2 UNIFIED BUDGET AND PROGRAMME IMPLEMENTATION (draft) 3 DOCUMENT MANAGEMENT (draft)
Extra Budgetary Contributions	VI	▲	■	4 EXTRA-BUDGETARY CONTRIBUTIONS
Management of Income and Cash Management	VIII IX	▲	■	5 INCOME AND CASH MANAGEMENT
Management of Goods and Services	X	▲	■	6 SUPPLY CHAIN for GOODS and SERVICES 7 ASSET MANAGEMENT for GOODS and SERVICES 8 BUILDING MANAGEMENT (under development) 9 OFFICIAL TRAVEL (draft)
Management of Non-OSCE Resources	XI	▲	■	NO INSTRUCTION
Internal Oversight	XIII	▲	NO RULES	10 REPORTING OF INAPPROPRIATE USE OF OSCE RESOURCES AND PROPOSALS FOR IMPROVEMENT OF PROGRAMME DELIVERY (former n.7)
The Accounts and Annual Financial Statements	XIV	▲	■	11 THE ACCOUNTS AND ANNUAL FINANCIAL STATEMENTS
External Auditors	XV	▲	NO RULES	NO INSTRUCTION

Subjects	Articles	Regulations	Rules	Instructions (17 documents)
General	I		NO RULES	NO INSTRUCTION
Duties, Obligations and Privileges	II	▲	■	4 COMPENSATION FOR LOSS OR DAMAGE TO PERSONAL EFFECTS
Appointments and Assignments	III	▲	■	5 PERSONNEL FILES 12 TRANSFERS 15 PERFORMANCE APPRAISAL SYSTEM 17 STANDARD RECRUITMENT PROCEDURES
Separation from Service	IV	▲	■	8 SEPARATION FROM SERVICE/CLEARANCE PROCEDURE
Salaries and Entitlements	V	▲	■	2 SALARY AND BOARD AND LODGING ADVANCES 3 DEPENDENCY ALLOWANCE 5 EDUCATION ALLOWANCE/EDUCATION GRANT TRAVEL 13 RENTAL SUBSIDIARY 14 MANAGEMENT AND STAFF TRAINING NEEDS 16 OFFICIAL ENTITLEMENTS TRAVEL
Social Security and Provident Fund	VI	▲	■	NO INSTRUCTION
Working Hours and Leave	VII	▲	■	1 OVERTIME 7 HOME LEAVE
Staff Relations	VIII	▲	■	9 ELECTION PROCEDURE FOR STAFF REPRESENTATIVES 10 TERMS OF REFERENCE FOR STAFF REPRESENTATIVES
Disciplinary Procedure	IX	▲	■	NO INSTRUCTION
Appeals	X	▲	■	NO INSTRUCTION
Final Provisions	XI	▲	NO RULES	NO INSTRUCTION
APPENDIX 1	OSCE CODE OF CONDUCT			11 PREVENTING THE PROMOTION/FACILITATION OF TRAFFICKING IN HUMAN BEINGS

## Chapter II – Budget and Expenditure Report

## BUDGET AND EXPENDITURE REPORT

for the Year Ended 31 December 2004

Fund	Main Programme	Approved Budget (PC DEC 590)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Utiliz. Rate %
EUR '000	Programme									
<b>I. FUNDS RELATED TO THE SECRETARIAT AND INSTITUTIONS</b>										
<b>The Secretariat</b>										
<b>Secretary General and Central Services</b>										
	Executive Management	857	92	949	0	949	909	24	933	98
	Press and Public Information	1,099	56	1,155	0	1,155	1,053	63	1,116	97
	External Co-operation	625	(23)	602	0	602	576	14	590	98
	Legal Services	272	(4)	268	0	268	263	0	263	98
	Gender Issues	159	(12)	147	0	147	135	07	142	97
	Security Management	311	(24)	287	0	287	246	38	284	99
	<b>Total</b>	<b>3,324</b>	<b>84</b>	<b>3,408</b>	<b>0</b>	<b>3,408</b>	<b>3,182</b>	<b>146</b>	<b>3,328</b>	<b>98</b>
<b>Chairman in Office</b>										
	Short-term Missions, Visits of C.D. and P.R. of C.D.	225	75	300	0	300	291	0	291	97
	Advisory Committee on Management and Finance	15	(14)	01	0	01	01	0	01	94
	Special Representative on Combating Trafficking in Human Beings	134	(22)	112	0	112	109	0	109	98
	<b>Total</b>	<b>374</b>	<b>39</b>	<b>412</b>	<b>0</b>	<b>412</b>	<b>401</b>	<b>0</b>	<b>401</b>	<b>97</b>
<b>Special Unit on Combating trafficking in Human Beings</b>										
	Special Unit on Combating Trafficking in Human Beings	306	(183)	123	0	123	104	17	121	99
	<b>Total</b>	<b>306</b>	<b>(183)</b>	<b>123</b>	<b>0</b>	<b>123</b>	<b>104</b>	<b>17</b>	<b>121</b>	<b>99</b>
<b>Internal Oversight</b>										
	Internal Oversight	914	(58)	856	0	856	771	68	839	98
	<b>Total</b>	<b>914</b>	<b>(58)</b>	<b>856</b>	<b>0</b>	<b>856</b>	<b>771</b>	<b>68</b>	<b>839</b>	<b>98</b>
<b>Strategic Police Matters Unit</b>										
	Strategic Police Matters	678	(29)	649	0	649	600	40	640	99
	<b>Total</b>	<b>678</b>	<b>(29)</b>	<b>649</b>	<b>0</b>	<b>649</b>	<b>600</b>	<b>40</b>	<b>640</b>	<b>99</b>
<b>Action Against Terrorism Unit</b>										
	Action Against Terrorism	434	(11)	423	0	423	396	18	414	98
	<b>Total</b>	<b>434</b>	<b>(11)</b>	<b>423</b>	<b>0</b>	<b>423</b>	<b>396</b>	<b>18</b>	<b>414</b>	<b>98</b>

Fund	Main Programme	Approved Budget (PC-DEC 590)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Utiliz. Rate %
EUR '000										
<b>Activities Related to Economic and Environmental Aspects of Security</b>										
	Co-ordinator of OSCE Economic and Environmental Activities	967	37	1,004	0	1,004	971	14	986	98
	Economic Forum Meeting	395	19	414	0	414	396	12	407	98
<b>Total</b>		<b>1,362</b>	<b>56</b>	<b>1,418</b>	<b>0</b>	<b>1,418</b>	<b>1,367</b>	<b>26</b>	<b>1,393</b>	<b>98</b>
<b>Conflict Prevention</b>										
	Direction and Management	351	(4)	347	0	347	328	10	338	98
	Mission Programme Section	734	96	830	0	830	781	31	812	98
	Project Co-ordination Cell	139	(12)	127	0	127	123	02	125	98
	FSC Chairmanship	0	07	07	0	07	06	0	06	97
	Communications Network	666	(94)	572	0	572	478	68	545	95
	FSC Support Unit	381	(17)	364	0	364	334	23	357	98
	Operational Planning Unit and Situation/Communications Room	930	(95)	834	0	834	791	27	818	98
<b>Total</b>		<b>3,201</b>	<b>(120)</b>	<b>3,081</b>	<b>0</b>	<b>3,081</b>	<b>2,841</b>	<b>161</b>	<b>3,002</b>	<b>97</b>
<b>Human Resource Management</b>										
	Direction and Management	389	09	398	0	398	376	14	390	98
	Recruitment	496	20	516	0	516	496	10	506	98
	Personnel Management	625	44	669	0	669	605	54	660	99
	Training Section	643	31	673	0	673	629	28	657	98
<b>Total</b>		<b>2,152</b>	<b>104</b>	<b>2,256</b>	<b>0</b>	<b>2,256</b>	<b>2,106</b>	<b>107</b>	<b>2,213</b>	<b>98</b>
<b>Department of Management and Finance</b>										
	Direction and Management	368	25	393	0	393	366	13	379	96
	Finance Services	1,098	80	1,178	0	1,178	1,127	28	1,155	98
	Information and Communications Technology	3,102	568	3,670	0	3,670	3,409	189	3,598	98
	Mission Support Services	2,629	136	2,764	0	2,764	2,588	140	2,728	99
	Central Documents and Records Management	277	14	291	0	291	281	04	285	98
	Doc.In	0	339	339	0	339	261	70	331	98
	Conference and Language Services Vienna	5,618	(657)	4,961	0	4,961	4,569	249	4,818	97
	Prague Office	413	(119)	295	0	295	287	02	289	98
<b>Total</b>		<b>13,505</b>	<b>386</b>	<b>13,891</b>	<b>0</b>	<b>13,891</b>	<b>12,887</b>	<b>696</b>	<b>13,583</b>	<b>98</b>
<b>TOTAL FOR THE SECRETARIAT</b>		<b>26,249</b>	<b>269</b>	<b>26,518</b>	<b>0</b>	<b>26,518</b>	<b>24,655</b>	<b>1,279</b>	<b>25,934</b>	<b>98</b>

Fund		Approved Budget (PC.DEC 590)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Utiliz. Rate %
Main Programme	Programme									
EUR '000										
<b>Office of the Democratic Institutions and Human Rights (ODIHR)</b>										
	Direction and Policy	1,537	(22)	1,515	0	1,515	1,479	15	1,494	99
	Fund Administration Unit	2,343	(25)	2,118	0	2,118	1,936	133	2,068	98
	Elections	3,931	1,375	5,306	0	5,306	4,877	144	5,021	95
	Democratization	1,250	41	1,291	0	1,291	1,170	97	1,267	98
	Roma and Sinti Issues	310	33	343	0	343	256	82	338	98
	Human Rights	796	155	951	0	951	825	84	908	96
	<b>TOTAL FOR ODIHR</b>	<b>10,166</b>	<b>1,358</b>	<b>11,523</b>	<b>0</b>	<b>11,523</b>	<b>10,542</b>	<b>554</b>	<b>11,096</b>	<b>96</b>
<b>High Commissioner on National Minorities (HCNM)</b>										
	Office of High Commissioner	1,280	11	1,291	0	1,291	1,252	04	1,256	97
	Fund Administration Unit	643	(48)	595	0	595	579	05	583	98
	Conflict Prevention Activities	642	(87)	605	0	605	594	01	594	98
	<b>TOTAL FOR HCNM</b>	<b>2,565</b>	<b>(74)</b>	<b>2,491</b>	<b>0</b>	<b>2,491</b>	<b>2,424</b>	<b>10</b>	<b>2,433</b>	<b>98</b>
<b>Representative on Freedom of the Media</b>										
	Office of Representative	316	(35)	282	0	282	263	11	275	97
	Freedom of the Media	662	(24)	639	0	639	584	41	626	98
	<b>TOTAL FOR REPR. ON FREEDOM OF THE MEDIA</b>	<b>979</b>	<b>(58)</b>	<b>921</b>	<b>0</b>	<b>921</b>	<b>848</b>	<b>53</b>	<b>900</b>	<b>98</b>
<b>TOTAL FOR FUNDS RELATED TO THE SECRETARIAT AND INSTITUTIONS</b>		<b>39,959</b>	<b>1,495</b>	<b>41,453</b>	<b>0</b>	<b>41,453</b>	<b>38,469</b>	<b>1,895</b>	<b>40,364</b>	<b>97</b>
<b>II. FUNDS RELATED TO OSCE FIELD OPERATIONS SOUTH-EASTERN EUROPE</b>										
<b>Mission to Kosovo</b>										
	Office of Head of Mission	2,390	94	2,484	0	2,484	2,406	15	2,421	97
	Fund Administration Unit	15,653	(1,059)	14,594	0	14,594	12,732	1,680	14,412	99
	Democratization	5,842	(400)	5,442	0	5,442	5,008	192	5,200	96
	Temporary Media Commission/MC	145	72	217	0	217	159	53	212	98
	ombudsman Institution	425	(125)	300	0	300	263	08	272	91
	Human Rights and Rule of Law	4,763	(685)	4,078	0	4,078	3,940	106	4,046	99
	Elections	5,148	(290)	4,858	0	4,858	4,680	09	4,690	97
	Police Education and Development	4,809	410	5,219	0	5,219	5,093	35	5,128	98
	<b>Total</b>	<b>39,173</b>	<b>(1,983)</b>	<b>37,190</b>	<b>0</b>	<b>37,190</b>	<b>34,282</b>	<b>2,099</b>	<b>36,381</b>	<b>98</b>

Fund Main Programme Programme EUR 000	Approved Budget (PC DEC 590)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Utiliz. Rate %
<b>Secretariat Augmentations</b>	3,225	(32)	3,193	0	3,193	3,150	17	3,167	99
<b>ODIHR Augmentations</b>	264	(20)	244	0	244	206	32	239	98
<b>TOTAL MISSION TO KOSOVO</b>	<b>42,662</b>	<b>(2,035)</b>	<b>40,627</b>	<b>0</b>	<b>40,627</b>	<b>37,639</b>	<b>2,148</b>	<b>39,786</b>	<b>98</b>
<b>Tasks in Bosnia and Herzegovina</b>									
Office of Head of Mission	1,816	146	1,961	0	1,961	1,910	17	1,928	98
Fund Administration Unit	3,426	409	3,835	0	3,835	3,721	37	3,758	98
Security Cooperation	1,187	121	1,308	0	1,308	1,280	04	1,283	98
Public Administration Reform	1,799	(133)	1,666	0	1,666	1,623	14	1,637	98
Education	1,889	(9)	1,880	0	1,880	1,822	21	1,842	98
Democratization	3,199	(330)	2,869	0	2,869	2,789	24	2,813	98
Human Rights and Rule of Law	4,348	(471)	3,877	0	3,877	3,769	33	3,802	98
<b>Total</b>	<b>17,664</b>	<b>(268)</b>	<b>17,396</b>	<b>0</b>	<b>17,396</b>	<b>16,913</b>	<b>151</b>	<b>17,063</b>	<b>98</b>
<b>Regional Stabilization/Arms Control</b>									
Implementation of Articles II and IV	536	(70)	466	0	466	441	15	456	98
<b>Total</b>	<b>536</b>	<b>(70)</b>	<b>466</b>	<b>0</b>	<b>466</b>	<b>441</b>	<b>15</b>	<b>456</b>	<b>98</b>
<b>Secretariat Augmentation</b>	1,253	(9)	1,244	0	1,244	1,225	06	1,232	99
<b>TOTAL TASKS IN BOSNIA AND HERZEGOVINA</b>	<b>19,453</b>	<b>(347)</b>	<b>19,106</b>	<b>0</b>	<b>19,106</b>	<b>18,579</b>	<b>172</b>	<b>18,751</b>	<b>98</b>
<b>Mission to Croatia</b>									
Office of Head of Mission	1,186	0	1,186	0	1,186	1,145	24	1,170	99
Fund Administration Unit	2,635	0	2,635	0	2,635	2,622	217	2,579	98
Return and Integration	2,166	(20)	2,146	0	2,146	1,980	133	2,113	98
Rule of Law (including Police)	2,160	(36)	2,125	0	2,125	1,971	119	2,090	98
Democratization	1,959	(149)	1,810	0	1,810	1,653	124	1,777	98
<b>Total</b>	<b>10,107</b>	<b>(205)</b>	<b>9,902</b>	<b>0</b>	<b>9,902</b>	<b>9,112</b>	<b>617</b>	<b>9,729</b>	<b>98</b>
<b>Secretariat Augmentation</b>	298	(3)	295	0	295	288	04	292	99
<b>TOTAL MISSION TO CROATIA</b>	<b>10,404</b>	<b>(208)</b>	<b>10,197</b>	<b>0</b>	<b>10,197</b>	<b>9,400</b>	<b>621</b>	<b>10,020</b>	<b>98</b>
<b>Mission to Serbia and Montenegro</b>									
Office of Head of Mission	951	33	984	0	984	932	20	951	97
Fund Administration Unit	3,021	(100)	2,921	0	2,921	2,634	200	2,834	97
Police Affairs	2,486	(197)	2,289	0	2,289	2,190	57	2,247	98
Economic and Environmental	321	(10)	311	0	311	285	21	305	98
Human Rights and Rule of Law	1,242	09	1,250	0	1,250	1,223	19	1,243	99
Democratization	1,267	39	1,306	0	1,306	1,274	15	1,289	99
Media	573	(43)	530	0	530	493	20	513	97
<b>TOTAL MISSION TO SERBIA AND MONTENEGRO</b>	<b>9,860</b>	<b>(270)</b>	<b>9,590</b>	<b>0</b>	<b>9,590</b>	<b>9,031</b>	<b>351</b>	<b>9,382</b>	<b>98</b>

<b>Fund</b>	<b>Main Programme</b>	<b>Approved Budget (PC DEC 590)</b>	<b>PC Authorized Transfers</b>	<b>Revised Budget</b>	<b>Transfers as per Fin. Reg. 3.02 (b)</b>	<b>Revised Budget after Transfers</b>	<b>Disbursements</b>	<b>ULO</b>	<b>Expenditure</b>	<b>Utiliz. Rate %</b>
EUR 000										
<b>Presence in Albania</b>										
	Office of Head of Mission	804	(18)	786	0	786	713	58	771	98
	Fund Administration Unit	639	(22)	617	0	617	553	51	604	98
	Security and Co-operation	805	(32)	772	0	772	726	31	757	98
	Democratization	802	(22)	780	0	780	723	42	765	98
	Human Rights and Rule of Law	726	(38)	687	0	687	614	62	677	98
	<b>TOTAL PRESENCE IN ALBANIA</b>	<b>3,776</b>	<b>(133)</b>	<b>3,643</b>	<b>0</b>	<b>3,643</b>	<b>3,329</b>	<b>245</b>	<b>3,573</b>	<b>98</b>
<b>Spillover Monitor Mission to Skopje</b>										
	Office of Head of Mission	1,685	(86)	1,599	0	1,599	1,447	149	1,596	100
	Fund Administration Unit	4,030	(508)	3,522	0	3,522	2,816	684	3,500	99
	Police Development	3,901	(415)	3,486	0	3,486	3,223	220	3,443	99
	Confidence-Building	1,369	(57)	1,312	0	1,312	1,221	75	1,296	99
	Rule of Law	1,637	(139)	1,498	0	1,498	1,239	237	1,476	99
	Media Development	465	(28)	437	0	437	307	127	434	99
	Public Administration Support	503	04	507	0	507	341	164	504	100
	<b>Total</b>	<b>13,589</b>	<b>(1,229)</b>	<b>12,360</b>	<b>0</b>	<b>12,360</b>	<b>10,593</b>	<b>1,657</b>	<b>12,250</b>	<b>99</b>
	<b>Secretariat Augmentation</b>	<b>157</b>	<b>(12)</b>	<b>145</b>	<b>0</b>	<b>145</b>	<b>125</b>	<b>16</b>	<b>142</b>	<b>98</b>
	<b>TOTAL SPILLOVER MONITOR MISSION TO SKOPJE</b>	<b>13,746</b>	<b>(1,241)</b>	<b>12,505</b>	<b>0</b>	<b>12,505</b>	<b>10,718</b>	<b>1,673</b>	<b>12,391</b>	<b>99</b>
	<b>TOTAL FOR SOUTH-EASTERN EUROPE</b>	<b>99,901</b>	<b>(4,233)</b>	<b>95,668</b>	<b>0</b>	<b>95,668</b>	<b>88,696</b>	<b>5,208</b>	<b>93,904</b>	<b>98</b>
<b>EASTERN EUROPE</b>										
<b>Mission to Moldova</b>										
	Office of Head of Mission	292	(17)	276	0	276	270	03	273	99
	Fund Administration Unit	492	(5)	487	0	487	360	105	465	95
	Conflict Prevention/Resolution	262	(29)	233	0	233	230	02	231	99
	Human Rights Monitoring/Democratization	452	(41)	311	0	311	209	98	306	98
	<b>TOTAL MISSION TO MOLDOVA</b>	<b>1,498</b>	<b>(191)</b>	<b>1,307</b>	<b>0</b>	<b>1,307</b>	<b>1,068</b>	<b>207</b>	<b>1,275</b>	<b>98</b>
<b>Project Co-ordinator in Ukraine</b>										
	Office of Head of Mission	163	(20)	143	0	143	139	01	140	98
	Fund Administration Unit	187	(29)	158	0	158	147	09	156	99
	Support to the Ukraine Institutions through Projects	735	21	755	0	755	732	06	738	98
	<b>TOTAL PROJECT CO-ORDINATOR IN UKRAINE</b>	<b>1,085</b>	<b>(29)</b>	<b>1,057</b>	<b>0</b>	<b>1,057</b>	<b>1,019</b>	<b>16</b>	<b>1,034</b>	<b>98</b>



<b>Fund</b>	<b>Main Programme</b>	<b>Approved Budget (PC DEC 590)</b>	<b>PC Authorized Transfers</b>	<b>Revised Budget</b>	<b>Transfers as per Fin. Reg. 3.02 (b)</b>	<b>Revised Budget after Transfers</b>	<b>Disbursements</b>	<b>ULO</b>	<b>Expenditure</b>	<b>Utiliz. Rate %</b>
EUR '000	Programme	(PC DEC 590)	Transfers							
<b>Office in Minsk</b>										
	Office of Head of Mission	360	(62)	298	0	298	290	06	296	99
	Fund Administration Unit	158	(25)	133	0	133	126	05	131	99
	Economic and Environmental Activities	212	(43)	169	0	169	164	02	166	98
	Institution-Building, Rule of Law and Civil Society	212	(45)	167	0	167	163	01	164	98
	<b>TOTAL OFFICE IN MINSK</b>	<b>942</b>	<b>(176)</b>	<b>766</b>	<b>0</b>	<b>766</b>	<b>743</b>	<b>14</b>	<b>757</b>	<b>99</b>
<b>Representative to the Estonian Commission on Military Pensioners</b>										
	Office of Head of Mission	102	(22)	80	0	80	79	0	79	98
	Fund Administration Unit	21	(2)	19	0	19	19	0	19	98
	<b>TOTAL REPRESENTATIVE TO THE ESTONIAN COMMISSION ON MILITARY PENSIONERS</b>	<b>123</b>	<b>(24)</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>97</b>	<b>0</b>	<b>97</b>	<b>98</b>
<b>Representative to the Latvian-Russian Joint Commission on Military Pensioners</b>										
	Office of Head of Mission	12	(6)	06	0	06	05	01	06	96
	<b>TOTAL REPRESENTATIVE TO THE LATVIAN-RUSSIAN JOINT COMMISSION ON MILITARY PENSIONERS</b>	<b>12</b>	<b>(6)</b>	<b>06</b>	<b>0</b>	<b>06</b>	<b>05</b>	<b>01</b>	<b>06</b>	<b>96</b>
	<b>TOTAL FOR EASTERN EUROPE</b>	<b>3,661</b>	<b>(425)</b>	<b>3,236</b>	<b>0</b>	<b>3,236</b>	<b>2,931</b>	<b>238</b>	<b>3,170</b>	<b>98</b>
<b>CAUCASUS</b>										
<b>Mission to Georgia</b>										
	Office of Head of Mission	1,643	74	1,717	(11)	1,706	1,568	118	1,686	99
	Fund Administration Unit	2,263	(272)	1,991	11	2,002	1,938	64	2,002	100
	Political and Military Aspects Security and Police Aspects	890	(165)	725	0	725	650	67	717	99
	Border Monitoring Operations	15,100	(1,770)	13,331	0	13,331	13,042	236	13,279	100
	Economic and Environmental Activities	187	(17)	170	0	170	160	07	167	98
	Human Dimension Activities	1,189	(226)	963	0	963	936	22	958	99
	<b>TOTAL MISSION TO GEORGIA</b>	<b>21,272</b>	<b>(2,375)</b>	<b>18,897</b>	<b>0</b>	<b>18,897</b>	<b>18,295</b>	<b>514</b>	<b>18,809</b>	<b>100</b>
<b>Office in Yerevan</b>										
	Office of Head of Mission	196	(13)	183	0	183	176	06	182	100
	Fund Administration Unit	344	(41)	303	0	303	293	06	299	99
	Political-Military Activities	345	(95)	250	0	250	235	0	235	94
	Economic and Environmental Activities	245	(25)	219	0	219	199	14	213	97
	Human Dimension Activities	210	(9)	201	0	201	197	0	197	98
	<b>TOTAL OFFICE IN YEREVAN</b>	<b>1,339</b>	<b>(183)</b>	<b>1,156</b>	<b>0</b>	<b>1,156</b>	<b>1,100</b>	<b>26</b>	<b>1,126</b>	<b>97</b>

Fund	Main Programme	Approved Budget (PC,DEC 590)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Utiliz. Rate %
EUR 000										
<b>Office in Baku</b>										
	Office of Head of Mission	190	(14)	175	0	175	171	0	172	98
	Fund Administration Unit	268	(55)	213	0	213	202	07	209	98
	Political-Military Activities	372	(30)	342	0	342	334	0	335	98
	Economic and Environmental Activities	258	(14)	244	0	244	224	15	239	98
	Human Dimensions Activities	470	(105)	365	0	365	358	0	358	98
	<b>TOTAL OFFICE IN BAKU</b>	<b>1,558</b>	<b>(219)</b>	<b>1,339</b>	<b>0</b>	<b>1,339</b>	<b>1,290</b>	<b>24</b>	<b>1,313</b>	<b>98</b>
<b>High Level Planning Group</b>										
	Office of Head of Mission	211	(66)	145	0	145	136	05	141	97
	<b>TOTAL HIGH LEVEL PLANNING GROUP</b>	<b>211</b>	<b>(66)</b>	<b>145</b>	<b>0</b>	<b>145</b>	<b>136</b>	<b>05</b>	<b>141</b>	<b>97</b>
<b>The Minsk Process</b>										
	Office of Head of Mission	953	(585)	369	0	369	335	26	361	98
	<b>TOTAL THE MINSK PROCESS</b>	<b>953</b>	<b>(585)</b>	<b>369</b>	<b>0</b>	<b>369</b>	<b>335</b>	<b>26</b>	<b>361</b>	<b>98</b>
<b>Personal Representative of the CIO</b>										
	Office of Head of Mission	643	(42)	601	0	601	589	01	590	98
	Fund Administration Unit	247	19	266	0	266	214	45	259	97
	<b>TOTAL PERSONAL REPRESENTATIVE OF THE CIO</b>	<b>890</b>	<b>(23)</b>	<b>867</b>	<b>0</b>	<b>867</b>	<b>803</b>	<b>46</b>	<b>849</b>	<b>98</b>
	<b>TOTAL FOR CAUCASUS</b>	<b>26,223</b>	<b>(3,451)</b>	<b>22,772</b>	<b>0</b>	<b>22,772</b>	<b>21,959</b>	<b>640</b>	<b>22,600</b>	<b>99</b>
<b>CENTRAL ASIA</b>										
<b>Centre in Almaty</b>										
	Office of Head of Mission	108	09	117	0	117	108	07	115	98
	Fund Administration Unit	458	(20)	438	0	438	392	37	429	98
	Support for the Democratic Development of Political Institutions	207	(34)	172	0	172	162	07	168	98
	Economic Development and Ecological Improvement	202	10	212	0	212	208	0	208	98
	Capacity-Building and Civil Society Support	138	(4)	133	0	133	128	03	130	98
	Democratic Development and Freedom of Media	399	(36)	363	0	363	330	21	352	97
	<b>TOTAL CENTRE IN ALMATY</b>	<b>1,511</b>	<b>(76)</b>	<b>1,435</b>	<b>0</b>	<b>1,435</b>	<b>1,328</b>	<b>74</b>	<b>1,402</b>	<b>98</b>
<b>Centre in Ashgabad</b>										
	Office of Head of Mission	160	(58)	101	0	101	99	0	99	98
	Fund Administration Unit	162	05	167	0	167	113	50	163	98
	Support for Building up Democratic Society, Rule of Law and Market Reforms	805	(307)	499	0	499	435	56	491	98
	<b>TOTAL CENTRE IN ASHGABAD</b>	<b>1,127</b>	<b>(360)</b>	<b>767</b>	<b>0</b>	<b>767</b>	<b>648</b>	<b>106</b>	<b>754</b>	<b>98</b>

Fund	Main Programme	Approved Budget (PC DEC 590)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Utiliz. Rate %
EUR '000	Programme									
<b>Centre in Bishkek</b>										
	Office of Head of Mission	268	(2)	266	0	266	258	01	259	98
	Fund Administration Unit	357	(52)	304	0	304	259	30	289	95
	Enhancing Political Stability and Democracy	156	09	165	0	165	161	03	165	100
	Scientific Co-operation in the Second Dimension	235	14	249	0	249	225	18	243	98
	Human Dimension Activities	267	(5)	263	0	263	210	35	245	93
	Democratic Transformation	456	(37)	419	0	419	335	74	409	98
	Assistance to the Legal Reform Process	173	(14)	158	0	158	142	14	155	98
	<b>TOTAL CENTRE IN BISHKEK</b>	<b>1,911</b>	<b>(88)</b>	<b>1,824</b>	<b>0</b>	<b>1,824</b>	<b>1,590</b>	<b>175</b>	<b>1,765</b>	<b>97</b>
<b>Centre in Tashkent</b>										
	Office of Head of Mission	133	(29)	105	0	105	100	03	103	98
	Fund Administration Unit	338	(12)	326	0	326	315	05	321	99
	Good Governance Programme	348	(81)	267	0	267	262	0	262	98
	Democratization and Rule of Law Programme	279	(27)	251	0	251	210	36	246	98
	Parliamentary Reform Programme	178	(14)	164	0	164	161	0	161	98
	Anti-Trafficking Programme	150	(38)	113	0	113	99	11	110	98
	Media Programme	65	02	67	0	67	65	0	65	98
	Education for Young People Programme	128	(82)	46	0	46	43	02	45	98
	<b>TOTAL CENTRE IN TASHKENT</b>	<b>1,618</b>	<b>(280)</b>	<b>1,338</b>	<b>0</b>	<b>1,338</b>	<b>1,256</b>	<b>56</b>	<b>1,313</b>	<b>98</b>
<b>Centre in Dushanbe</b>										
	Office of Head of Mission	195	(32)	163	0	163	158	01	160	98
	Fund Administration Unit	915	(56)	859	0	859	826	14	840	98
	Supporting Economic Development in Tajikistan	528	(46)	482	0	482	471	01	473	98
	Addressing Environmental Issue - Capacity-Building	253	(8)	250	0	250	245	0	245	98
	Promoting Democratization in Tajikistan	396	(76)	321	0	321	313	01	314	98
	Fostering Democratization of Media in Tajikistan	441	(96)	345	0	345	337	01	338	98
	Fostering Political Dialogue and Security	458	(16)	443	0	443	434	0	434	98
	Media Action in Tajikistan	361	0	361	0	361	360	0	360	100
	Gender Awareness and Equality in Tajikistan	308	(66)	242	0	242	237	01	237	98
	<b>TOTAL CENTRE IN DUSHANBE</b>	<b>3,855</b>	<b>(391)</b>	<b>3,465</b>	<b>0</b>	<b>3,465</b>	<b>3,380</b>	<b>19</b>	<b>3,400</b>	<b>98</b>
<b>TOTAL FOR CENTRAL ASIA</b>										
		10,022	(1,194)	8,829	0	8,829	8,202	431	8,633	98
<b>TOTAL FOR FUNDS RELATED TO THE OSCE FIELD OPERATIONS</b>										
		139,807	(9,303)	130,505	0	130,505	121,789	6,518	128,306	98
<b>GRAND TOTAL OSCE UNIFIED BUDGET</b>										
		179,766	(7,808)	171,958	0	171,958	160,258	8,412	168,670	98



## Chapter III - Financial Statements



**STATEMENT 1: OSCE Consolidated Statement of Income,  
Expenditure and Changes in Fund Balance**  
for the year ending 31 December 2004

EUR '000		Total OSCE (Unified Budget, IRMA and Extra-budgetary)	
	Note	2004	2003
Assessed Contributions	2/5	171,958	170,164
Extra-budgetary Contributions	3	21,367	21,413
Miscellaneous Income	2/5	3,504	4,645
Currency Exchange Adjustments	2/4	(93)	(1,657)
Savings on prior year ULO's	9	1,816	1,540
Other Adjustments	10	337	(346)
<b>TOTAL INCOME</b>	2/5	<b>197,990</b>	<b>195,758</b>
<b>TOTAL EXPENDITURE</b>	2/6	<b>191,201</b>	<b>189,706</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>6,788</b>	<b>6,053</b>
Less credits to participating States / Transfers	2/7	(16,906)	(12,675)
Refund of unspent XB contributions to Donors		(489)	(3,395)
Fund Balance 1 January		76,545	86,563
<b>Fund Balance at Period End</b>	2/8	<b>65,938</b>	<b>76,545</b>

**STATEMENT 2: OSCE Consolidated Statement of Assets, Liabilities and Fund Balances**  
as at 31 December 2004

EUR '000		Total OSCE (Unified Budget, IRMA and Extra-budgetary)	
	Note	2004	2003*
<b>Assets</b>			
Cash and Short-term Deposits Budgetary	2/3	62,099	74,309
Cash and Short-term Deposits Extra-budgetary	2/3	34,628	37,624
Assessed Contributions Receivable	4	7,886	12,484
Accounts Receivable	5	4,419	4,974
Prepaid Expenses and Advances	6	5,687	3,943
<b>TOTAL ASSETS</b>		<b>114,719</b>	<b>133,334</b>
<b>Liabilities</b>			
Accounts Payable	8	4,862	5,511
Reserve for unliquidated obligations	9	10,263	12,787
Funds held for third parties	11	1,969	2,770
Contributions Received in Advance	12	26,186	30,262
Other Current Liabilities		331	317
<b>TOTAL LIABILITIES</b>		<b>43,611</b>	<b>51,647</b>
<b>Reserves and Fund Balances</b>			
Unallocated surplus	2/7	280	252
Revolving Fund	2/2	2,710	2,710
Contingency Fund	2/2	2,180	2,180
Fund Balance	2/8	65,938	76,546
<b>TOTAL RESERVES AND FUND BALANCE</b>		<b>71,108</b>	<b>81,688</b>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>114,719</b>	<b>133,335</b>

\* 2003 comparative figures restated - see note 18 *Reconciliation between 2003 and 2004 presentation*

Note: Contingent Liabilities - see Note 14

### STATEMENT 3: OSCE Consolidated Statement of Cash Flow

for the year ending 31 December 2004

EUR '000	Total OSCE (Unified Budget, IRMA and Extra-budgetary)
	<b>2004</b>
<b>NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>	<b>6,788</b>
(Increase) decrease in assessed contributions receivable	4,598
(Increase) decrease in accounts receivable	554
(Increase) decrease in prepaid expenditure and advances	(1,744)
Increase (decrease) in contributions received in advance	(4,076)
Increase (decrease) in reserve for unliquidated obligations	(2,514)
Increase (decrease) in accounts payable	(649)
Increase (decrease) in other current liabilities	14
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2,972</b>
(Increase) Decrease in Unallocated Surplus	28
Increase (decrease) in funds held for third parties	(810)
Credits to participating States	(16,906)
Refund of unspent Extra-budgetary contribution	(489)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(18,178)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(15,206)</b>



**STATEMENT 4: Summary of all OSCE Statement of Income, Expenditure and Changes in Fund Balance**  
for the year ending 31 December 2004

		Total Institutions		Total Field Operations		Total Unified Budget		IRMA		Total Extra-budgetary Funds		Total Unified Budget, IRMA and Extra-budgetary	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Note													
Assessed Contributions	2/5	41,453	35,538	130,505	134,625	171,958	170,164	0	0	0	0	171,958	170,164
Extra-budgetary Contributions	3	0	0	0	0	0	0	0	0	21,367	21,413	21,367	21,413
Miscellaneous Income	2/5	3,231	4,082	274	563	3,504	4,645	0	0	0	0	3,504	4,645
Currency Exchange Adjustments	2/4	167	441	(301)	(212)	(133)	229	0	0	(859)	(1,886)	(993)	(1,657)
Savings on prior year UIO's	9	116	63	1,382	1,434	1,498	1,497	1	0	317	43	1,816	1,540
Other Adjustments	10	0	1	0	0	0	1	0	0	337	(347)	337	(346)
<b>TOTAL INCOME</b>	2/5	<b>44,967</b>	<b>40,125</b>	<b>131,860</b>	<b>136,410</b>	<b>176,827</b>	<b>176,536</b>	<b>1</b>	<b>0</b>	<b>21,162</b>	<b>19,223</b>	<b>197,990</b>	<b>195,758</b>
<b>TOTAL EXPENDITURE</b>	2/6	<b>40,364</b>	<b>34,412</b>	<b>128,306</b>	<b>131,063</b>	<b>168,670</b>	<b>165,475</b>	<b>1,956</b>	<b>4,848</b>	<b>20,575</b>	<b>19,383</b>	<b>191,201</b>	<b>189,706</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>4,603</b>	<b>5,713</b>	<b>3,553</b>	<b>5,348</b>	<b>8,156</b>	<b>11,061</b>	<b>(1,955)</b>	<b>(4,848)</b>	<b>587</b>	<b>(160)</b>	<b>6,788</b>	<b>6,053</b>
Less credits to participating States / Transfers		(4,178)	(1,680)	(12,728)	(10,996)	(16,906)	(12,675)	0	0	0	0	(16,906)	(12,675)
Refund of unspent XB contributions to Donors		0	0	0	0	0	0	0	0	(489)	(395)	(489)	(395)
Fund Balance 1 January		15,113	11,080	27,694	33,342	42,808	44,422	2,037	6,885	31,701	35,256	76,545	86,563
<b>Fund Balance at Period End</b>	2/8	<b>15,538</b>	<b>15,113</b>	<b>18,519</b>	<b>27,694</b>	<b>34,058</b>	<b>42,808</b>	<b>81</b>	<b>2,037</b>	<b>31,799</b>	<b>31,701</b>	<b>65,938</b>	<b>76,545</b>

EUR '000

## STATEMENT 5: Summary of all OSCE Statement of Assets, Liabilities and Fund Balance as at 31 December 2004

		Total Institutions		Total Field Operations		Total Unified Budget		IRMA		Total Extra-budgetary Funds		Total Unified Budget, IRMA and Extra-budgetary	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
EUR '000													
Note	Cash and Short-term Dep. Budgetary	57,851	67,658	4,248	3,862	62,099	71,520	0	2,789	0	0	62,099	74,309
	Cash and Short-term Dep. Extra-budgetary	34,628	37,624	0	0	34,628	37,624	0	0	0	0	34,628	37,624
4	Assessed Contributions Receivable	3,607	4,642	4,279	7,843	7,886	12,484	0	0	0	0	7,886	12,484
5	Accounts Receivable	3,083	3,659	682	474	3,765	4,134	414	599	241	241	4,419	4,974
6	Prepaid Expenses and Advances	1,748	831	3,871	2,365	5,620	3,196	0	662	67	85	5,687	3,943
	Due From Other Funds	8,493	3,416	39,102	52,031	47,595	55,447	0	0	33,644	35,140	81,239	90,587
	<b>TOTAL ASSETS</b>	<b>109,410</b>	<b>117,830</b>	<b>52,183</b>	<b>66,575</b>	<b>161,592</b>	<b>184,406</b>	<b>414</b>	<b>4,050</b>	<b>33,952</b>	<b>35,467</b>	<b>195,959</b>	<b>223,922</b>
8	Accounts Payable	2,610	2,910	1,929	2,278	4,539	5,188	0	0	323	323	4,862	5,511
	Reserve for unliquidated obligations	1,895	1,419	6,518	8,839	8,412	10,258	20	1,132	1,831	1,397	10,263	12,787
11	Funds held for third parties	1,878	2,687	92	83	1,969	2,770	0	0	0	0	1,969	2,770
12	Contributions Received in Advance	25,777	29,853	409	409	26,186	30,262	0	0	0	0	26,186	30,262
	Due To Other Funds	56,487	60,705	24,640	27,271	81,128	87,976	312	882	201	1,730	81,239	90,587
	Other Current Liabilities	54	1	76	1	130	2	0	0	201	315	331	317
	<b>TOTAL LIABILITIES</b>	<b>88,701</b>	<b>97,575</b>	<b>33,663</b>	<b>38,881</b>	<b>122,364</b>	<b>136,456</b>	<b>332</b>	<b>2,013</b>	<b>2,154</b>	<b>3,765</b>	<b>124,850</b>	<b>142,234</b>
2/7	Unallocated surplus	280	252	0	0	280	252	0	0	0	0	280	252
2/2	Revolving Fund	2,710	2,710	0	0	2,710	2,710	0	0	0	0	2,710	2,710
2/2	Contingency Fund	2,180	2,180	0	0	2,180	2,180	0	0	0	0	2,180	2,180
2/8	Fund Balance	15,538	15,113	18,519	27,694	34,058	42,808	81	2,037	31,799	31,702	65,938	76,546
	<b>TOTAL RESERVES AND FUND BALANCE</b>	<b>20,709</b>	<b>20,255</b>	<b>18,519</b>	<b>27,694</b>	<b>39,228</b>	<b>47,950</b>	<b>81</b>	<b>2,037</b>	<b>31,799</b>	<b>31,702</b>	<b>71,108</b>	<b>81,688</b>
	<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>	<b>109,410</b>	<b>117,830</b>	<b>52,183</b>	<b>66,575</b>	<b>161,592</b>	<b>184,406</b>	<b>414</b>	<b>4,050</b>	<b>33,952</b>	<b>35,467</b>	<b>195,959</b>	<b>223,922</b>

## STATEMENT 6: Summary of all OSCE Statement of Cash Flow

for the year ending 31 December 2004

	Total Institutions		Total Field Operations		Total Unified Budget		IRMA		Total Extra-budgetary Funds		Total Unified Budget, IRMA and Extra-budgetary	
	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004
EUR '000	4,603	3,553	8,156	0	0	0	0	0	0	0	0	0
<b>EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>												
(Increase) decrease in assessed contributions receivable	1,035	3,563	4,598	0	0	0	0	0	0	0	0	0
(Increase) decrease in accounts receivable	577	0	369	0	0	0	0	0	0	0	0	0
(Increase) decrease in prepaid expenditure and advances	(918)	0	0	0	0	0	0	0	0	0	0	0
(Increase) decrease in inter-fund balances receivable	5,077	12,929	7,852	0	0	0	0	0	0	0	0	0
Increase (decrease) in contributions received in advance	(4,076)	0	(4,076)	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserve for unliquidated obligations	485	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in accounts payable	(300)	0	(300)	0	0	0	0	0	0	0	0	0
Increase (decrease) in other current liabilities	53	75	128	0	0	0	0	0	0	0	0	0
Increase (decrease) in inter-fund balances payable	(4,217)	0	(4,217)	0	0	0	0	0	0	0	0	0
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(7,835)</b>	<b>13,106</b>	<b>5,271</b>	<b>(2,789)</b>	<b>0</b>	<b>(2,789)</b>	<b>0</b>	<b>0</b>	<b>490</b>	<b>2,972</b>	<b>0</b>	<b>0</b>
(Increase) Decrease in Unallocated Surplus	28	0	28	0	0	0	0	0	0	0	0	0
Increase (decrease) in funds held for third parties	(819)	8	(810)	0	0	0	0	0	0	0	0	0
Credits to participating States	(4,178)	0	(4,178)	0	0	0	0	0	0	0	0	0
Refund of unspent Extra-budgetary contribution	0	0	0	0	0	0	0	0	0	0	0	0
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(4,969)</b>	<b>(12,720)</b>	<b>(17,688)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(489)</b>	<b>(18,178)</b>	<b>0</b>	<b>0</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(12,804)</b>	<b>386</b>	<b>(12,418)</b>	<b>(2,789)</b>	<b>0</b>	<b>(2,789)</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>(15,206)</b>	<b>0</b>	<b>0</b>

**STATEMENT 7: Summary of all OSCE Statement of Cash Surplus\***  
for the year ending 31 December 2004

EUR '000	Total Institutions	Total Field Operations	Total Unified Budget
	<b>2004</b>	<b>2004</b>	<b>2004</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>	<b>4,603</b>	<b>3,553</b>	<b>8,156</b>
Add Contributions Receivable 1. Jan	4,642	7,843	12,484
Less Contributions Receivable at Period End	(3,607)	(4,279)	(7,886)
<b>CASH SURPLUS FOR THE YEAR</b>	<b>5,638</b>	<b>7,117</b>	<b>12,755</b>
Cash Surplus 1. Jan	10,471	19,852	30,323
Less Credits to participating States / Transfers	(4,178)	(12,728)	(16,906)
<b>Cash Surplus at Period End</b>	<b>11,931</b>	<b>14,240</b>	<b>26,172</b>
Add contributions receivable at Period End	3,607	4,279	7,886
<b>Fund Balance at Period End</b>	<b>15,538</b>	<b>18,519</b>	<b>34,058</b>

\* See note 2/1

**STATEMENT 8: OSCE Secretariat and Institutions, Statement of Income, Expenditure and Changes in Fund Balance**  
for the Year ending 31 December 2004

	Note	The Secretariat		Office for Democratic Institutions and Human Rights		High Commissioner on National Minorities		Representative on Freedom of the Media		Total Secretariat and Institutions	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Assessed Contributions	2/5	26,518	22,695	11,523	9,629	2,491	2,380	921	836	41,453	35,538
Miscellaneous Income	2/5	3,221	4,055	3	23	6	3	0	0	3,231	4,082
Currency Exchange Adjustments	2/4	250	511	(83)	(56)	0	(14)	0	0	167	441
Savings on prior year UNO's	9	99	48	3	0	0	0	13	15	116	63
Other Adjustments	10	0	0	0	1	0	0	0	0	0	1
<b>TOTAL INCOME</b>	2/5	<b>30,088</b>	<b>27,309</b>	<b>11,447</b>	<b>9,597</b>	<b>2,498</b>	<b>2,369</b>	<b>934</b>	<b>850</b>	<b>44,967</b>	<b>40,125</b>
<b>TOTAL EXPENDITURE</b>	2/6	<b>25,934</b>	<b>21,970</b>	<b>11,096</b>	<b>9,323</b>	<b>2,433</b>	<b>2,286</b>	<b>900</b>	<b>833</b>	<b>40,364</b>	<b>34,412</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>4,154</b>	<b>5,339</b>	<b>351</b>	<b>274</b>	<b>64</b>	<b>83</b>	<b>33</b>	<b>17</b>	<b>4,603</b>	<b>5,713</b>
Less credits to participating States / Transfers	2/7	(4,291)	(1,481)	184	(154)	(22)	(19)	(50)	(25)	(4,178)	(1,680)
Fund Balance 1 January		13,114	9,256	1,398	1,279	436	373	165	172	15,113	11,080
<b>Fund Balance at Period End</b>		<b>12,977</b>	<b>13,114</b>	<b>1,934</b>	<b>1,398</b>	<b>478</b>	<b>436</b>	<b>148</b>	<b>165</b>	<b>15,538</b>	<b>15,113</b>

EUR '000

**STATEMENT 9: OSCE Secretariat and Institutions, Statement of Assets, Liabilities and Fund Balances**  
as at 31 December 2004

		The Secretariat		Office for Democratic Institutions and Human Rights		High Commissioner on National Minorities		Representative on Freedom of the Media		Total Secretariat and Institutions	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
		EUR '000									
	<b>Note</b>										
Cash and Short-term Deposit Budgetary	2/3	56,494	66,535	1,350	1,105	7	18	0	0	57,851	67,658
Cash and Short-term Deposit Extra-budgetary	2/3	34,628	37,624	0	0	0	0	0	0	34,628	37,624
Assessed Contributions Receivable	4	2,349	3,027	951	1,217	232	304	75	94	3,607	4,642
Accounts Receivable	5	2,974	3,328	90	291	19	41	0	0	3,083	3,659
Prepaid Expenses and Advances	6	120	171	1,615	659	13	0	0	0	1,748	831
Due From Other Funds		7,968	3,122	4	22	343	134	178	138	8,493	3,416
<b>TOTAL ASSETS</b>		<b>104,532</b>	<b>113,807</b>	<b>4,010</b>	<b>3,293</b>	<b>614</b>	<b>497</b>	<b>253</b>	<b>233</b>	<b>109,410</b>	<b>117,830</b>
Accounts Payable	8	2,238	2,430	339	446	38	34	(5)	0	2,610	2,910
Reserve for unliquidated obligations	9	1,279	1,179	554	169	10	3	53	68	1,895	1,419
Funds held for third parties	11	1,681	2,643	196	44	0	0	0	0	1,878	2,687
Contributions Received in Advance	12	25,777	29,853	0	0	0	0	0	0	25,777	29,853
Due To Other Funds		55,371	59,446	988	1,236	71	23	57	0	56,487	60,705
Other Current Liabilities		38	1	0	0	17	0	0	0	54	1
<b>TOTAL LIABILITIES</b>		<b>86,384</b>	<b>95,551</b>	<b>2,077</b>	<b>1,895</b>	<b>135</b>	<b>61</b>	<b>105</b>	<b>68</b>	<b>88,701</b>	<b>97,575</b>
Unallocated surplus	2/7	280	252	0	0	0	0	0	0	280	252
Revolving Fund	2/7	2,710	2,710	0	0	0	0	0	0	2,710	2,710
Contingency Fund	2/2	2,180	2,180	0	0	0	0	0	0	2,180	2,180
Fund Balance		12,977	13,114	1,934	1,398	478	436	148	165	15,538	15,113
<b>TOTAL RESERVES AND FUND BALANCE</b>		<b>18,148</b>	<b>18,256</b>	<b>1,934</b>	<b>1,398</b>	<b>478</b>	<b>436</b>	<b>148</b>	<b>165</b>	<b>20,709</b>	<b>20,255</b>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>104,532</b>	<b>113,807</b>	<b>4,010</b>	<b>3,293</b>	<b>614</b>	<b>497</b>	<b>253</b>	<b>233</b>	<b>109,410</b>	<b>117,830</b>

# STATEMENT 10: OSCE Secretariat and Institutions, Statement of Cash Flow

for the year ending 31 December 2004

EUR '000	The Secretariat	Office for Democratic Institutions and Human Rights	High Commissioner on National Minorities	Representative on Freedom of the Media	Total Secretariat and Institutions
	2004	2004	2004	2004	2004
<b>EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>	4,154	351	64	33	4,603
(Increase) decrease in assessed contributions receivable	678	266	71	19	1,035
(Increase) decrease in accounts receivable	354	200	22	0	577
(Increase) decrease in prepaid expenditure and advances	51	(956)	(13)	0	(918)
(Increase) decrease in inter-fund balances receivable	(4,846)	18	(208)	(40)	(5,077)
Increase (decrease) in contributions received in advance	(4,076)	0	0	0	(4,076)
Increase (decrease) in reserve for unliquidated obligations	109	385	6	(15)	485
Increase (decrease) in accounts payable	(191)	(107)	4	(5)	(300)
Increase (decrease) in other current liabilities	37	0	17	0	53
Increase (decrease) in inter-fund balances payable	(4,074)	(249)	49	57	(4,217)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(7,804)</b>	<b>(92)</b>	<b>11</b>	<b>50</b>	<b>(7,835)</b>
(Increase) Decrease in Unallocated Surplus	28	0	0	0	28
Increase (decrease) in funds held for third parties	(971)	153	0	0	(819)
Credits to participating States	(4,291)	184	(22)	(50)	(4,178)
Refund of unspent Extra-budgetary contribution	0	0	0	0	0
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(5,233)</b>	<b>337</b>	<b>(22)</b>	<b>(50)</b>	<b>(4,969)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(13,038)</b>	<b>245</b>	<b>(11)</b>	<b>0</b>	<b>(12,804)</b>

**STATEMENT 11: OSCE Secretariat and Institutions. Statement of Cash Surplus\***  
for the year ending 31 December 2004

EUR '000	The Secretariat	Office for Democratic Institutions and Human Rights	High Commissioner on National Minorities	Representative on Freedom of the Media	Total Secretariat and Institutions
	2004	2004	2004	2004	2004
<b>EXCESS OF INCOME OVER EXPENDITURE</b>					
Add Contributions Receivable 1. Jan	4,154	351	64	33	4,603
Less Contributions Receivable at Period End	3,027	1,217	304	94	4,642
	(2,349)	(951)	(232)	(75)	(3,607)
<b>CASH SURPLUS FOR THE YEAR</b>	<b>4,832</b>	<b>617</b>	<b>136</b>	<b>53</b>	<b>5,638</b>
<b>Cash Surplus 1. Jan</b>	<b>10,087</b>	<b>182</b>	<b>132</b>	<b>71</b>	<b>10,471</b>
Less Credits to participating States / Transfers	(4,291)	184	(22)	(50)	(4,178)
Cash Surplus at Period End	10,629	983	246	73	11,931
Add contributions receivable at Period End	2,349	951	232	75	3,607
<b>Fund Balance at Period End</b>	<b>12,977</b>	<b>1,934</b>	<b>478</b>	<b>148</b>	<b>15,538</b>

\* See note 2/7



**STATEMENT 12: Summary by Region OSCE Field Operations, Statement of Income, Expenditure and Changes in Fund Balance**  
for the year ending 31 December 2004

	Note	South-Eastern Europe		Eastern Europe		Caucasus		Central Asia		Total Regions		Closed Funds		Total Field Operations	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Assessed Contributions	2/5	95,668	100,213	3,236	3,216	22,772	24,180	8,829	6,810	130,505	134,418	0	207	130,505	134,625
Miscellaneous Income		191	509	38	23	35	4	10	16	274	551	0	11	274	563
Currency Exchange Adjustments	2/4	(42)	(6)	(39)	(33)	(68)	(60)	(122)	(106)	(301)	(204)	0	(8)	(301)	(212)
Savings on prior year UO's	9	969	1,020	10	2	345	245	58	10	1,382	1,277	0	157	1,382	1,434
<b>TOTAL INCOME</b>	2/5	<b>96,786</b>	<b>101,735</b>	<b>3,246</b>	<b>3,207</b>	<b>23,054</b>	<b>24,369</b>	<b>8,775</b>	<b>6,731</b>	<b>131,860</b>	<b>136,043</b>	<b>0</b>	<b>368</b>	<b>131,860</b>	<b>136,410</b>
<b>TOTAL EXPENDITURE</b>	2/6	<b>93,904</b>	<b>98,705</b>	<b>3,170</b>	<b>3,064</b>	<b>22,600</b>	<b>22,827</b>	<b>8,633</b>	<b>6,262</b>	<b>128,306</b>	<b>130,858</b>	<b>0</b>	<b>205</b>	<b>128,306</b>	<b>131,063</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>2,881</b>	<b>3,030</b>	<b>76</b>	<b>143</b>	<b>454</b>	<b>1,542</b>	<b>142</b>	<b>470</b>	<b>3,553</b>	<b>5,185</b>	<b>0</b>	<b>163</b>	<b>3,553</b>	<b>5,348</b>
Less credits to participating States / Transfers	2/7	(11,591)	(10,502)	(97)	(128)	(665)	41	(72)	(123)	(12,425)	(10,712)	(303)	(284)	(12,728)	(10,996)
Fund Balance 1 January		20,854	28,325	635	620	4,066	2,483	1,167	821	26,721	32,248	973	1,094	27,694	33,342
<b>Fund Balance at Period End</b>		<b>12,144</b>	<b>20,854</b>	<b>614</b>	<b>635</b>	<b>3,855</b>	<b>4,066</b>	<b>1,236</b>	<b>1,167</b>	<b>17,850</b>	<b>26,721</b>	<b>670</b>	<b>973</b>	<b>18,519</b>	<b>27,694</b>

EUR '000

**STATEMENT 13: Summary by Region OSCE Field Operations, Statement of Assets, Liabilities and Fund Balances**  
as at 31 December 2004

EUR '000		Note	South-Eastern Europe		Eastern Europe		Caucasus		Central Asia		Total Regions		Closed Funds		Total Field Operations	
			2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Cash and Short-term Deposits/Budgetary	2/3		2,249	2,638	271	168	950	550	778	506	4,248	3,862	0	0	4,248	3,862
Assessed Contributions Receivable	4		2,557	4,883	231	387	879	1,567	367	662	4,034	7,499	245	344	4,279	7,843
Accounts Receivable	5		572	403	32	36	5	34	73	1	682	474	0	0	682	474
Prepaid Expenses and Advances	6		1,751	1,254	38	47	1,698	962	385	102	3,871	2,365	0	0	3,871	2,365
Due From Other Funds			32,458	47,502	673	127	4,344	3,397	1,144	314	38,620	51,339	482	692	39,102	52,031
<b>TOTAL ASSETS</b>			<b>39,586</b>	<b>56,679</b>	<b>1,246</b>	<b>765</b>	<b>7,876</b>	<b>6,510</b>	<b>2,747</b>	<b>1,585</b>	<b>51,455</b>	<b>65,540</b>	<b>727</b>	<b>1,036</b>	<b>52,183</b>	<b>66,575</b>
Accounts Payable	8		1,618	1,981	21	16	248	276	42	5	1,929	2,278	0	0	1,929	2,278
Reserve for unliquidated obligations	9		5,208	6,959	238	72	640	1,481	431	327	6,518	8,839	0	0	6,518	8,839
Funds held for third parties	11		90	82	0	0	0	0	1	1	92	83	0	0	92	83
Contributions Received in Advance			0	0	0	0	409	409	0	0	409	409	0	0	409	409
Due To Other Funds			20,466	26,803	372	41	2,707	278	1,037	86	24,583	27,208	58	63	24,640	27,271
Other current liabilities			60	1	0	0	16	0	0	0	76	1	0	0	76	1
<b>TOTAL LIABILITIES</b>			<b>27,442</b>	<b>35,826</b>	<b>632</b>	<b>130</b>	<b>4,020</b>	<b>2,444</b>	<b>1,511</b>	<b>419</b>	<b>33,606</b>	<b>38,818</b>	<b>58</b>	<b>63</b>	<b>33,663</b>	<b>38,881</b>
Fund Balance			12,144	20,854	614	635	3,855	4,066	1,236	1,167	17,850	26,721	670	973	18,519	27,694
<b>TOTAL FUND BALANCE</b>			<b>12,144</b>	<b>20,854</b>	<b>614</b>	<b>635</b>	<b>3,855</b>	<b>4,066</b>	<b>1,236</b>	<b>1,167</b>	<b>17,850</b>	<b>26,721</b>	<b>670</b>	<b>973</b>	<b>18,519</b>	<b>27,694</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>			<b>39,586</b>	<b>56,679</b>	<b>1,246</b>	<b>765</b>	<b>7,876</b>	<b>6,510</b>	<b>2,747</b>	<b>1,585</b>	<b>51,455</b>	<b>65,540</b>	<b>727</b>	<b>1,036</b>	<b>52,183</b>	<b>66,575</b>

**STATEMENT 14: Summary by Region OSCE Field Operations, Statement of Cash Flow**  
for the year ending 31 December 2004

	EUR '000	South-Eastern Europe	Eastern Europe	Caucasus	Central Asia	Total Regions	Closed Funds	Total Field Operations
		<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>
<b>EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>								
(Increase) decrease in assessed contributions receivable		2,326	156	688	295	3,465	99	3,563
(Increase) decrease in accounts receivable		(169)	3	30	(72)	(207)	0	(207)
(Increase) decrease in prepaid expenditure and advances		(497)	8	(736)	(282)	(1,506)	0	(1,506)
(Increase) decrease in inter-fund balances receivable		15,044	646	(948)	(330)	12,719	210	12,929
Increase (decrease) in contributions received in advance		0	0	0	0	0	0	0
Increase (decrease) in reserve for unliquidated obligations		(1,751)	167	(340)	103	(2,321)	0	(2,321)
Increase (decrease) in accounts payable		(363)	5	(29)	38	(349)	0	(349)
Increase (decrease) in other current liabilities		59	0	16	0	75	0	75
Increase (decrease) in inter-fund balances payable		(6,337)	331	2,430	951	(2,626)	6)	(2,631)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>11,193</b>	<b>200</b>	<b>1,065</b>	<b>345</b>	<b>12,802</b>	<b>303</b>	<b>13,106</b>
(Increase) Decrease in Unallocated Surplus		0	0	0	0	0	0	0
Increase (decrease) in funds held for third parties		9	0	0	0	8	0	8
Credits to participating States		(11,591)	(97)	(665)	(72)	(12,425)	(303)	(12,728)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(11,582)</b>	<b>(97)</b>	<b>(665)</b>	<b>(73)</b>	<b>(12,416)</b>	<b>(303)</b>	<b>(12,720)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>		<b>(389)</b>	<b>103</b>	<b>399</b>	<b>272</b>	<b>386</b>	<b>0</b>	<b>386</b>

**STATEMENT 15: Summary by Region OSCE Field Operations, Statement of Cash Surplus\***  
or the year ending 31 December 2004

	South-Eastern Europe	Eastern Europe	Caucasus	Central Asia	Total Regions	Closed Funds	Total Field Operations
	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>							
Add Contributions Receivable 1. Jan	2,881	76	454	142	3,553	0	3,553
Less Contributions Receivable at Period End	4,883	387	1,567	662	7,499	344	7,843
	(2,557)	(231)	(879)	(677)	(4,034)	(245)	(4,279)
<b>CASH SURPLUS FOR THE YEAR</b>	<b>5,207</b>	<b>232</b>	<b>1,142</b>	<b>437</b>	<b>7,018</b>	<b>99</b>	<b>7,117</b>
Cash Surplus 1. Jan	15,971	247	2,500	505	19,223	629	19,852
Less Credits to participating States / Transfers	(11,591)	(97)	(665)	(72)	(12,425)	(803)	(12,728)
<b>Cash Surplus at Period End</b>	<b>9,587</b>	<b>383</b>	<b>2,976</b>	<b>869</b>	<b>13,816</b>	<b>424</b>	<b>14,240</b>
Add contributions receivable at Period End	2,557	231	879	367	4,034	245	4,279
<b>Fund Balance at Period End</b>	<b>12,144</b>	<b>614</b>	<b>3,855</b>	<b>1,236</b>	<b>17,850</b>	<b>670</b>	<b>18,519</b>

EUR '000

\* See note 2/7

**STATEMENT 16: OSCE Field Operations South Eastern Europe, Statement of Income, Expenditure and Changes in Fund Balance**  
for the year ending 31 December 2004

		Mission in Kosovo		Tasks in Bosnia and Herzegovina		Mission to Croatia		Mission to Serbia and Montenegro		Presence in Albania		Spillover Monitor Mission to Skopje		Total South-Eastern Europe	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
		EUR '000													
Assessed Contributions Miscellaneous Income Currency Exchange Adjustments Savings on prior year ULO's	Note														
	2/5	40,627	42,478	19,106	20,044	10,197	10,418	9,590	8,604	3,643	3,949	12,505	14,720	95,668	100,213
	2/5	65	235	73	224	34	20	23	16	0	7	(4)	6	191	509
	2/4	(5)	10	(7)	0	(31)	(10)	(8)	(6)	0	(7)	9	7	(42)	(6)
	9	406	720	63	19	78	8	122	47	28	13	272	213	969	1,020
<b>TOTAL INCOME</b>	2/5	<b>41,093</b>	<b>43,443</b>	<b>19,235</b>	<b>20,287</b>	<b>10,278</b>	<b>10,436</b>	<b>9,728</b>	<b>8,661</b>	<b>3,671</b>	<b>3,962</b>	<b>12,781</b>	<b>14,946</b>	<b>96,786</b>	<b>101,735</b>
<b>TOTAL EXPENDITURE</b>	2/6	<b>39,786</b>	<b>42,160</b>	<b>18,751</b>	<b>19,877</b>	<b>10,020</b>	<b>10,281</b>	<b>9,382</b>	<b>8,107</b>	<b>3,573</b>	<b>3,926</b>	<b>12,391</b>	<b>14,354</b>	<b>93,904</b>	<b>98,705</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>1,306</b>	<b>1,282</b>	<b>484</b>	<b>411</b>	<b>257</b>	<b>155</b>	<b>346</b>	<b>554</b>	<b>98</b>	<b>36</b>	<b>390</b>	<b>592</b>	<b>2,881</b>	<b>3,030</b>
Less credits to participating States / Transfers	2/7	(8,000)	(6,854)	(698)	(4,035)	(328)	(1,542)	(708)	616	(239)	(53)	(1,616)	1,367	(11,591)	(10,502)
Fund Balance 1 January		11,513	17,085	2,490	6,115	1,018	2,405	2,023	853	881	898	2,929	969	20,854	28,325
<b>Fund Balance at Period End</b>		<b>4,819</b>	<b>11,513</b>	<b>2,275</b>	<b>2,490</b>	<b>947</b>	<b>1,018</b>	<b>1,660</b>	<b>2,023</b>	<b>740</b>	<b>881</b>	<b>1,702</b>	<b>2,929</b>	<b>12,144</b>	<b>20,854</b>

# STATEMENT 17: OSCE Field Operations South Eastern Europe, Statement of Assets, Liabilities and Fund Balances

as at 31 December 2004

EUR '000															
		Mission in Kosovo		Tasks in Bosnia and Herzegovina		Mission to Croatia		Mission to Serbia and Montenegro		Presence in Albania		Spillover Monitor Mission to Skopje		Total South-Eastern Europe	
	Note	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Cash and Short-term Deposits	2/3	720	969	466	579	427	163	196	296	99	227	340	403	2,249	2,638
Assessed Contributions Receivable	4	834	1,748	655	1,078	233	432	254	516	319	544	262	564	2,557	4,883
Accounts Receivable	5	0	71	111	82	0	0	5	2	95	24	361	273	572	403
Prepaid Expenses and Advances	6	424	288	22	162	409	520	225	129	11	9	659	147	1,751	1,254
Due From Other Funds		24,291	29,050	2,165	2,216	722	11,001	1,651	1,594	583	660	3,047	2,981	32,458	47,502
TOTAL ASSETS		26,270	32,126	3,418	4,116	1,791	12,117	2,330	2,536	1,108	1,417	4,669	4,368	39,586	56,679
Accounts Payable	8	828	1,166	615	633	17	61	76	81	26	3	55	37	1,618	1,981
Reserve for liquidated obligations	9	2,148	3,006	172	983	621	751	351	372	245	525	1,673	1,324	5,208	6,959
Funds held for third parties	11	0	0	14	11	0	0	0	0	8	8	69	63	90	82
Due To Other Funds		18,417	16,441	343	0	206	10,287	243	61	89	0	1,169	15	20,466	26,803
Other current liabilities		59	0	0	0	0	0	0	0	0	0	1	1	60	1
TOTAL LIABILITIES		21,451	20,613	1,143	1,627	844	11,098	670	513	368	535	2,967	1,440	27,442	35,826
Fund Balance		4,819	11,513	2,275	2,490	947	1,018	1,660	2,023	740	881	1,702	2,929	12,144	20,854
TOTAL FUND BALANCE		4,819	11,513	2,275	2,490	947	1,018	1,660	2,023	740	881	1,702	2,929	12,144	20,854
TOTAL LIABILITIES AND FUND BALANCE		26,270	32,126	3,418	4,116	1,791	12,117	2,330	2,536	1,108	1,417	4,669	4,368	39,586	56,679

**STATEMENT 18: OSCE Field Operations South Eastern Europe, Statement of Cash Flow**  
for the year ending 31 December 2004

	Mission in Kosovo	Tasks in Bosnia and Herzegovina	Mission to Croatia	Mission to Serbia and Montenegro	Presence in Albania	Spillover Monitor Mission to Skopje	Total South-Eastern Europe
	2004	2004	2004	2004	2004	2004	2004
<b>EUR 000</b>							
<b>EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>	<b>1,306</b>	<b>484</b>	<b>257</b>	<b>346</b>	<b>98</b>	<b>390</b>	<b>2,881</b>
(Increase) decrease in assessed contributions receivable	914	423	199	262	225	303	2,326
(Increase) decrease in accounts receivable	71	(29)	0	(3)	(119)	(88)	(169)
(Increase) decrease in prepaid expenditure and advances	(137)	140	111	(96)	(2)	(512)	(497)
(Increase) decrease in inter-fund balances receivable	4,759	52	10,279	(57)	77	(66)	15,044
Increase (decrease) in reserve for unliquidated obligations	(858)	(811)	(130)	(21)	(280)	350	(1,751)
Increase (decrease) in accounts payable	(338)	(17)	(44)	(5)	23	18	(363)
Increase (decrease) in other current liabilities	59	0	0	0	0	0	59
Increase (decrease) in inter-fund balances payable	1,976	343	(10,081)	182	89	1,154	(6,337)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>7,751</b>	<b>583</b>	<b>592</b>	<b>608</b>	<b>111</b>	<b>1,548</b>	<b>11,193</b>
Increase (decrease) in funds held for third parties	0	3	0	0	0	6	9
Credits to participating States	(8,000)	(698)	(328)	(708)	(239)	(1,616)	(11,591)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(8,000)</b>	<b>(696)</b>	<b>(328)</b>	<b>(708)</b>	<b>(239)</b>	<b>(1,610)</b>	<b>(11,582)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(249)</b>	<b>(113)</b>	<b>264</b>	<b>(100)</b>	<b>(128)</b>	<b>(63)</b>	<b>(389)</b>

**STATEMENT 19: OSCE Field Operations South Eastern Europe, Statement of Cash Surplus\***  
or the year ending 31 December 2004

	Mission in Kosovo	Tasks in Bosnia and Herzegovina	Mission to Croatia	Mission to Serbia and Montenegro	Presence in Albania	Spillover Monitor Mission to Skopje	Total South-Eastern Europe
	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>							
Add Contributions Receivable 1. Jan	1,306	484	257	346	98	390	2,881
Less Contributions Receivable at Period End	1,748 (834)	1,078 (655)	432 (233)	516 (254)	544 (319)	564 (262)	4,883 (2,557)
<b>CASH SURPLUS FOR THE YEAR</b>	<b>2,221</b>	<b>906</b>	<b>457</b>	<b>608</b>	<b>323</b>	<b>693</b>	<b>5,207</b>
Cash Surplus 1. Jan	9,765	1,412	586	1,507	337	2,364	15,971
Less Credits to participating States / Transfers	(8,000)	(698)	(328)	(708)	(239)	(1,616)	(11,591)
<b>Cash Surplus at Period End</b>	<b>3,985</b>	<b>1,620</b>	<b>714</b>	<b>1,407</b>	<b>421</b>	<b>1,440</b>	<b>9,587</b>
Add contributions receivable at Period End	834	655	233	254	319	262	2,557
<b>Fund Balance at Period End</b>	<b>4,819</b>	<b>2,275</b>	<b>947</b>	<b>1,660</b>	<b>740</b>	<b>1,702</b>	<b>12,144</b>

\* See note 2/7



**STATEMENT 20: OSCE Field Operations Eastern Europe, Statement of Income, Expenditure and Changes in Fund Balance**  
or the year ending 31 December 2004

		Mission to Moldova		Project Co-ordinator in Ukraine		Office in Minsk		Rep. on the Estonian Commission on Military Pensioners		Rep. on the Latvian Russian Joint Commission on Military Pensioners		Total Eastern Europe	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Assessed Contributions		1,307	1,115	1,057	1,136	766	833	100	120	6	12	3,236	3,216
Miscellaneous Income		23	5	1	5	15	12	0	0	0	0	38	23
Currency Exchange Adjustments		(6)	(6)	(29)	(28)	(4)	(2)	0	0	0	0	(39)	(33)
Savings on prior year ULO's		1	1	7	0	1	1	0	0	1	0	10	2
<b>TOTAL INCOME</b>		<b>1,326</b>	<b>1,118</b>	<b>1,035</b>	<b>1,114</b>	<b>778</b>	<b>844</b>	<b>100</b>	<b>120</b>	<b>7</b>	<b>12</b>	<b>3,246</b>	<b>3,207</b>
<b>TOTAL EXPENDITURE</b>		<b>1,275</b>	<b>1,101</b>	<b>1,034</b>	<b>1,104</b>	<b>757</b>	<b>740</b>	<b>97</b>	<b>109</b>	<b>6</b>	<b>10</b>	<b>3,170</b>	<b>3,064</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>51</b>	<b>18</b>	<b>1</b>	<b>9</b>	<b>20</b>	<b>104</b>	<b>3</b>	<b>10</b>	<b>1</b>	<b>2</b>	<b>76</b>	<b>143</b>
Less credits to participating States / Transfers		13	(13)	(29)	(64)	(71)	(49)	(9)	(12)	0	0	(97)	(128)
Fund Balance 1 January		135	131	153	197	305	250	39	41	2	1	635	620
<b>Fund Balance at Period End</b>		<b>199</b>	<b>135</b>	<b>124</b>	<b>153</b>	<b>254</b>	<b>305</b>	<b>33</b>	<b>39</b>	<b>3</b>	<b>2</b>	<b>614</b>	<b>635</b>

EUR '000

**STATEMENT 21: OSCE Field Operations Eastern Europe, Statement of Assets, Liabilities and Fund Balances**  
as at 31 December 2004

		Mission to Moldova		Project Co-ordinator in Ukraine		Office in Minsk		Rep. on the Estonian Commission on Military Pensioners		Rep. on the Latvian Russian Joint Commission on Military Pensioners		Total Eastern Europe	
	Note	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
EUR '000													
Cash and Short-term Deposit Budgetary	2/3	78	39	141	61	51	47	2	20	0	0	271	168
Assessed Contributions Receivable	4	75	127	72	122	74	121	10	17	0	1	231	387
Accounts Receivable	5	32	34	0	2	0	0	0	0	0	0	32	36
Prepaid Expenses and Advances	6	19	5	8	8	1	32	11	1	0	0	38	47
Due From Other Funds		311	0	0	0	320	120	33	4	10	4	673	127
<b>TOTAL ASSETS</b>		<b>514</b>	<b>206</b>	<b>220</b>	<b>193</b>	<b>445</b>	<b>320</b>	<b>57</b>	<b>42</b>	<b>10</b>	<b>4</b>	<b>1,246</b>	<b>765</b>
Accounts Payable	8	27	15	6)	2	1	0	0	0	0	0	21	16
Reserve for unliquidated obligations	9	207	26	16	26	14	15	0	2	1	2	238	72
Due To Other Funds		81	29	86	12	175	0	24	0	6	0	372	41
<b>TOTAL LIABILITIES</b>		<b>315</b>	<b>70</b>	<b>96</b>	<b>40</b>	<b>190</b>	<b>15</b>	<b>24</b>	<b>2</b>	<b>7</b>	<b>2</b>	<b>632</b>	<b>130</b>
Fund Balance		199	135	124	153	254	305	33	39	3	2	614	635
<b>TOTAL FUND BALANCE</b>		<b>199</b>	<b>135</b>	<b>124</b>	<b>153</b>	<b>254</b>	<b>305</b>	<b>33</b>	<b>39</b>	<b>3</b>	<b>2</b>	<b>614</b>	<b>635</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b>514</b>	<b>206</b>	<b>220</b>	<b>193</b>	<b>445</b>	<b>320</b>	<b>57</b>	<b>42</b>	<b>10</b>	<b>4</b>	<b>1,246</b>	<b>765</b>

**STATEMENT 22: OSCE Field Operations Eastern Europe, Statement of Cash Flow**  
or the year ending 31 December 2004

EUR '000

	Mission to Moldova	Project Co-ordinator in Ukraine	Office in Minsk	Rep. on the Estonian Commission on Military Pensioners	Rep. on the Latvian Russian Joint Commission on Military Pensioners	Total Eastern Europe
	2004	2004	2004	2004	2004	2004
<b>EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>	51	1	20	3	1	76
(Increase) decrease in assessed contributions receivable	52	50	47	7	1	156
(Increase) decrease in accounts receivable	2	2	0	0	0	3
(Increase) decrease in prepaid expenditure and advances	(13)	1	32	(11)	0	8
(Increase) decrease in inter-fund balances receivable	(11)	0	(20)	(29)	(6)	(546)
Increase (decrease) in reserve for unliquidated obligations	181	(10)	(1)	(2)	(1)	167
Increase (decrease) in accounts payable	12	(8)	1	0	0	5
Increase (decrease) in other current liabilities	0	0	0	0	0	0
Increase (decrease) in inter-fund balances payable	52	74	175	24	6	331
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>25</b>	<b>109</b>	<b>74</b>	<b>(8)</b>	<b>0</b>	<b>200</b>
(Increase) Decrease in Unallocated Surplus	0	0	0	0	0	0
Increase (decrease) in funds held for third parties	0	0	0	0	0	0
Credits to participating States	13	(29)	(71)	(9)	0	(97)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>13</b>	<b>(29)</b>	<b>(71)</b>	<b>(9)</b>	<b>0</b>	<b>(97)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>38</b>	<b>80</b>	<b>3</b>	<b>(18)</b>	<b>0</b>	<b>103</b>

**STATEMENT 23: OSCE Field Operations Eastern Europe, Statement of Cash Surplus\***  
or the year ending 31 December 2004

	Mission to Moldova	Project Co-ordinator in Ukraine	Office in Minsk	Rep. on the Estonian Commission on Military Pensioners	Rep. on the Latvian Russian Joint Commission on Military Pensioners	Total Eastern Europe
EUR '000	2004	2004	2004	2004	2004	2004
<b>EXCESS OF INCOME OVER EXPENDITURE</b>						
Add Contributions Receivable 1. Jan	51	1	20	3	1	76
Less Contributions Receivable at Period End	127	122	121	17	1	387
	(75)	(72)	(74)	(10)	0	(231)
<b>CASH SURPLUS FOR THE YEAR</b>	<b>104</b>	<b>50</b>	<b>67</b>	<b>9</b>	<b>1</b>	<b>232</b>
Cash Surplus 1. Jan	8	31	184	22	2	247
Less Credits to participating States / Transfers	13	(29)	(71)	(9)	0	(97)
<b>Cash Surplus at Period End</b>	<b>125</b>	<b>53</b>	<b>180</b>	<b>22</b>	<b>3</b>	<b>383</b>
Add contributions receivable at Period End	75	72	74	10	0	231
<b>Fund Balance at Period End</b>	<b>199</b>	<b>124</b>	<b>254</b>	<b>33</b>	<b>3</b>	<b>614</b>

\* See note 2/7

**STATEMENT 24: OSCE Field Operations Caucasus, Statement of Income, Expenditure and Changes in Fund Balance**  
for the year ending 31 December 2004

		Mission to Georgia		Office in Yerevan		Office in Baku		*Funds Relating to the Conflict Dealt with by the OSCE Minsk Conference				Total	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Assessed Contributions													
2/5	18,897	20,566	1,156	933	1,339	1,278	1,380	1,404	22,772	24,180			
Miscellaneous Income													
2/5	29	1	0	2	0	1	6	0	35	4			
Currency Exchange Adjustments													
2/4	(74)	(14)	(10)	(17)	(7)	(19)	(7)	(10)	(98)	(60)			
Savings on prior year ULO's													
9	324	238	1	0	6	2	14	4	345	245			
<b>TOTAL INCOME</b>		<b>19,176</b>	<b>20,791</b>	<b>1,147</b>	<b>918</b>	<b>1,338</b>	<b>1,393</b>	<b>1,398</b>	<b>23,054</b>	<b>24,369</b>			
<b>TOTAL EXPENDITURE</b>		<b>18,809</b>	<b>19,423</b>	<b>1,126</b>	<b>921</b>	<b>1,313</b>	<b>1,352</b>	<b>1,286</b>	<b>22,600</b>	<b>22,827</b>			
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>367</b>	<b>1,368</b>	<b>21</b>	<b>(3)</b>	<b>25</b>	<b>41</b>	<b>112</b>	<b>454</b>	<b>1,542</b>			
Less credits to participating States / Transfers		(481)	243	11	(37)	(24)	(170)	(65)	(665)	41			
Fund Balance 1 January		3,209	1,598	66	105	177	614	667	4,066	2,483			
<b>Fund Balance at Period End</b>		<b>3,094</b>	<b>3,209</b>	<b>98</b>	<b>66</b>	<b>177</b>	<b>486</b>	<b>614</b>	<b>3,855</b>	<b>4,066</b>			

\* Note - Includes the following Funds: High Level Planning Group, The Minsk Process, and Personal Representative of the CD

## STATEMENT 25: OSCE Field Operations Caucasus, Statement of Assets, Liabilities and Fund Balances as at 31 December 2004

		Mission to Georgia		Office in Yerevan		Office in Baku		* Funds Relating to the Conflict Dealt with by the OSCE				Total Caucasus	
		2004		2003		2004		2004		2003		2004	
		EUR '000											
		Note	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
Cash and Short-term Deposit Budgetary		2/3	698	392	47	48	83	65	122	44	950	550	
Assessed Contributions Receivable		4	597	1,100	48	89	54	105	180	273	879	1,567	
Accounts Receivable		5	5	34	0	0	0	0	0	0	5	34	
Prepaid Expenses and Advances		6	1,655	922	18	0	24	40	0	0	1,698	962	
Due From Other Funds			2,715	2,593	81	0	204	55	1,344	749	4,344	3,397	
<b>TOTAL ASSETS</b>			<b>5,670</b>	<b>5,041</b>	<b>194</b>	<b>137</b>	<b>366</b>	<b>265</b>	<b>1,645</b>	<b>1,066</b>	<b>7,876</b>	<b>6,510</b>	
Accounts Payable		8	272	275	(1)	0	(23)	1	0	1	248	276	
Reserve for unliquidated obligations		9	514	1,340	26	11	24	88	77	42	640	1,481	
Funds held for third parties		11	0	0	0	0	0	0	0	0	0	0	
Contributions Received in Advance			0	0	0	0	0	0	409	409	409	409	
Due To Other Funds			1,789	218	71	60	173	0	674	0	2,707	278	
Other current liabilities			1	0	0	0	15	0	0	0	16	0	
<b>TOTAL LIABILITIES</b>			<b>2,575</b>	<b>1,832</b>	<b>96</b>	<b>71</b>	<b>189</b>	<b>88</b>	<b>1,160</b>	<b>452</b>	<b>4,020</b>	<b>2,444</b>	
Fund Balance			3,094	3,209	98	66	177	177	486	614	3,855	4,066	
<b>TOTAL FUND BALANCE</b>			<b>3,094</b>	<b>3,209</b>	<b>98</b>	<b>66</b>	<b>177</b>	<b>177</b>	<b>486</b>	<b>614</b>	<b>3,855</b>	<b>4,066</b>	
<b>TOTAL LIABILITIES AND FUND BALANCE</b>			<b>5,670</b>	<b>5,041</b>	<b>194</b>	<b>137</b>	<b>366</b>	<b>265</b>	<b>1,645</b>	<b>1,066</b>	<b>7,876</b>	<b>6,510</b>	

\* Note - Includes the following Funds: High Level Planning Group, The Mission Process, and Personal Representative of the C.D

## STATEMENT 26: OSCE Field Operations Caucasus, Statement of Cash Flow

for the year ending 31 December 2004

	Mission to Georgia	Office in Yerevan	Office in Baku	* Funds Relating to the Conflict Dealt with by the OSCE Minsk Conference	Total Caucasus
EUR '000	2004	2004	2004	2004	2004
<b>EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>	<b>367</b>	<b>21</b>	<b>25</b>	<b>41</b>	<b>454</b>
(Increase) decrease in assessed contributions receivable	503	40	51	94	688
(Increase) decrease in accounts receivable	29	0	0	0	30
(Increase) decrease in prepaid expenditure and advances	(733)	(18)	15	0	(736)
(Increase) decrease in inter-fund balances receivable	(123)	(81)	(49)	(595)	(948)
Increase (decrease) in reserve for unliquidated obligations	(826)	14	(64)	36	(840)
Increase (decrease) in accounts payable	(3)	(1)	(24)	(1)	(29)
Increase (decrease) in other current liabilities	1	0	15	0	16
Increase (decrease) in inter-fund balances payable	1,571	11	173	674	2,430
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>787</b>	<b>(12)</b>	<b>42</b>	<b>248</b>	<b>1,065</b>
(Increase) Decrease in Unallocated Surplus	0	0	0	0	0
Increase (decrease) in funds held for third parties	0	0	0	0	0
Credits to participating States	(481)	11	(24)	(170)	(665)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(481)</b>	<b>11</b>	<b>(24)</b>	<b>(170)</b>	<b>(665)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>305</b>	<b>(1)</b>	<b>18</b>	<b>78</b>	<b>399</b>

\* Note - Includes the following Funds: High Level Planning Group, The Minsk Process, and Personal Representative of the CD

**STATEMENT 27: OSCE Field Operations Caucasus, Statement of Cash Surplus\***  
or the year ending 31 December 2004

EUR '000	** Funds Relating to the Conflict Dealt with by the OSCE					Total Caucasus
	Mission to Georgia	Office in Yerevan	Office in Baku	Minsk Conference		
	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>	<b>367</b>	<b>21</b>	<b>25</b>	<b>41</b>	<b>454</b>	<b>454</b>
Add Contributions Receivable 1. Jan	1,100	89	105	273	1,567	1,567
Less Contributions Receivable at Period End	(597)	(48)	(54)	(180)	(879)	(879)
<b>CASH SURPLUS FOR THE YEAR</b>	<b>870</b>	<b>61</b>	<b>75</b>	<b>135</b>	<b>1,142</b>	<b>1,142</b>
Cash Surplus 1. Jan	2,109	(22)	72	341	2,500	2,500
Less Credits to participating States / Transfers	(481)	11	(24)	(170)	(665)	(665)
<b>Cash Surplus at Period End</b>	<b>2,498</b>	<b>50</b>	<b>123</b>	<b>306</b>	<b>2,976</b>	<b>2,976</b>
Add contributions receivable at Period End	597	48	54	180	879	879
<b>Fund Balance at Period End</b>	<b>3,094</b>	<b>98</b>	<b>177</b>	<b>486</b>	<b>3,855</b>	<b>3,855</b>

\* See note 2/7

\*\* Note - Includes the following Funds: High Level Planning Group, The Minsk Process, and Personal Representative of the C D



**STATEMENT 28: OSCE Field Operations Central Asia, Statement of Income, Expenditure and Changes in Fund Balance**  
for the year ending 31 December 2004

EUR '000		Centre in Almaty		Centre in Ashgabad		Centre in Bishkek		Centre in Tashkent		Centre in Dushanbe		Total Central Asia	
	Note	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Assessed Contributions	2/5	1,435	1,174	767	705	1,824	1,316	1,338	943	3,465	2,674	8,829	6,810
Miscellaneous Income	2/5	0	0	5	0	3	0	0	0	2	16	10	16
Currency Exchange Adjustments	2/4	(29)	(35)	(3)	(1)	(6)	(18)	(3)	(15)	(82)	(37)	(122)	(106)
Savings on prior year UIO's	9	7	2	1	3	14	1	6	2	29	2	58	10
<b>TOTAL INCOME</b>	2/5	<b>1,414</b>	<b>1,141</b>	<b>770</b>	<b>706</b>	<b>1,836</b>	<b>1,299</b>	<b>1,341</b>	<b>930</b>	<b>3,414</b>	<b>2,655</b>	<b>8,775</b>	<b>6,731</b>
<b>TOTAL EXPENDITURE</b>	2/6	<b>1,402</b>	<b>1,071</b>	<b>754</b>	<b>631</b>	<b>1,765</b>	<b>1,261</b>	<b>1,313</b>	<b>882</b>	<b>3,400</b>	<b>2,417</b>	<b>8,633</b>	<b>6,262</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>12</b>	<b>70</b>	<b>16</b>	<b>76</b>	<b>71</b>	<b>39</b>	<b>29</b>	<b>48</b>	<b>14</b>	<b>238</b>	<b>142</b>	<b>470</b>
Less credits to participating States / Transfers	2/7	(17)	(21)	(9)	(11)	(11)	(8)	(22)	(99)	(13)	16	(72)	(123)
Fund Balance 1 January		157	108	152	87	151	120	155	206	552	299	1,167	821
<b>Fund Balance at Period End</b>		<b>152</b>	<b>157</b>	<b>159</b>	<b>152</b>	<b>210</b>	<b>151</b>	<b>161</b>	<b>155</b>	<b>553</b>	<b>552</b>	<b>1,236</b>	<b>1,167</b>

**STATEMENT 29: OSCE Field Operations Central Asia, Statement of Asset, Liabilities and Fund Balances**  
as at 31 December 2004

EUR '000		Note	Centre in Almaty		Centre in Ashgabad		Centre in Bishkek		Centre in Tashkent		Centre in Dushanbe		Total Central Asia	
			2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Cash and Short-term Deposits	Budgetary	2/3	122	124	10	16	221	197	105	16	321	153	778	506
Assessed Contributions Receivable		4	47	90	38	70	62	116	52	93	167	293	367	662
Accounts Receivable		5	0	0	0	1	73	0	0	0	0	0	73	1
Prepaid Expenses and Advances		6	92	60	0	0	259	2	30	38	4	1	385	102
Due From Other Funds			31	0	430	77	0	0	238	70	446	168	1,144	314
<b>TOTAL ASSETS</b>			<b>291</b>	<b>275</b>	<b>478</b>	<b>164</b>	<b>615</b>	<b>316</b>	<b>425</b>	<b>217</b>	<b>938</b>	<b>615</b>	<b>2,747</b>	<b>1,585</b>
Accounts Payable		8	4	0	1	3	34	1	3	0	2	0	42	5
Reserve for liquidated obligations		9	74	74	106	8	175	121	56	62	19	62	431	327
Funds held for third parties		11	1	1	0	0	0	0	0	0	0	0	1	1
Contributions Received in Advance			0	0	0	0	0	0	0	0	0	0	0	0
Due To Other Funds			60	43	212	0	196	43	205	0	363	0	1,037	86
Other current liabilities			0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL LIABILITIES</b>			<b>139</b>	<b>118</b>	<b>319</b>	<b>12</b>	<b>405</b>	<b>165</b>	<b>263</b>	<b>62</b>	<b>384</b>	<b>62</b>	<b>1,511</b>	<b>419</b>
Fund Balance			152	157	159	152	210	151	161	155	553	552	1,236	1,167
<b>TOTAL FUND BALANCE</b>			<b>152</b>	<b>157</b>	<b>159</b>	<b>152</b>	<b>210</b>	<b>151</b>	<b>161</b>	<b>155</b>	<b>553</b>	<b>552</b>	<b>1,236</b>	<b>1,167</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>			<b>291</b>	<b>275</b>	<b>478</b>	<b>164</b>	<b>615</b>	<b>316</b>	<b>425</b>	<b>217</b>	<b>938</b>	<b>615</b>	<b>2,747</b>	<b>1,585</b>

**STATEMENT 30: OSCE Field Operations Central Asia, Statement of Cash Flow**  
for the year ending 31 December 2004

EUR '000	Centre in Almaty	Centre in Ashgabad	Centre in Bishkek	Centre in Tashkent	Centre in Dushanbe	Total Central Asia
	2004	2004	2004	2004	2004	2004
<b>EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>	12	16	71	29	14	142
Increase/decrease in assessed contributions receivable	43	32	54	41	125	295
Increase/decrease in accounts receivable	0	1	(73)	0	0	(72)
Increase/decrease in prepaid expenditure and advances	(32)	0	(256)	8	(8)	(282)
Increase/decrease in inter-fund balances receivable	(31)	(353)	0	(168)	(278)	(830)
Increase (decrease) in reserve for unliquidated obligations	1	97	54	(6)	(43)	103
Increase (decrease) in accounts payable	3	(8)	33	3	2	38
Increase (decrease) in other current liabilities	0	0	0	0	0	0
Increase (decrease) in inter-fund balances payable	17	212	153	205	363	951
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>15</b>	<b>3</b>	<b>35</b>	<b>111</b>	<b>181</b>	<b>345</b>
Increase/Decrease in Unallocated Surplus	0	0	0	0	0	0
Increase (decrease) in funds held for third parties	0	0	0	0	0	0
Credits to participating States	(17)	(9)	(11)	(22)	(13)	(73)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(17)</b>	<b>(9)</b>	<b>(11)</b>	<b>(22)</b>	<b>(13)</b>	<b>(73)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(2)</b>	<b>(6)</b>	<b>24</b>	<b>89</b>	<b>168</b>	<b>272</b>

**STATEMENT 31: OSCE Field Operations Central Asia, Statement of Cash Surplus\***  
or the year ending 31 December 2004

EUR '000	Centre in Almaty	Centre in Ashgabad	Centre in Bishkek	Centre in Tashkent	Centre in Dushanbe	Total Central Asia
	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2004</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>						
Add Contributions Receivable 1. Jan	12	16	71	29	14	142
Less Contributions Receivable at Period End	90	70	116	93	293	662
	(47)	(38)	(62)	(52)	(167)	(367)
<b>CASH SURPLUS FOR THE YEAR</b>	<b>55</b>	<b>48</b>	<b>124</b>	<b>69</b>	<b>140</b>	<b>437</b>
Cash Surplus 1. Jan	67	81	35	62	260	505
Less Credits to participating States / Transfers	(17)	(9)	(11)	(22)	(13)	(72)
<b>Cash Surplus at Period End</b>	<b>105</b>	<b>121</b>	<b>148</b>	<b>109</b>	<b>386</b>	<b>869</b>
Add contributions receivable at Period End	47	38	62	52	167	367
<b>Fund Balance at Period End</b>	<b>152</b>	<b>159</b>	<b>210</b>	<b>161</b>	<b>553</b>	<b>1,236</b>

\* See note 2/7

**STATEMENT 32: Extra-budgetary Part 1 Statement of Income, Expenditure and Changes in Fund Balance**  
for the year ending 31 December 2004

	Note	Fund to support OSCE action for peace, democracy and stability in BiH		Fund to foster the integration of recently admitted participating States		Fund for activities relating to Economic and Environmental Aspects of Security		Fund for activities related to the Removal and Destruction of Russian Ammunition and Armaments from Moldova				Fund relating to the Stability Pact for South Eastern Europe	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Extra-budgetary Contributions	3	962	1,879	2	35	1,032	301	0	51	0	9	0	0
Miscellaneous Income	2/5	0	0	0	0	0	0	0	0	0	0	0	0
Currency Exchange Adjustments		0	0	0	0	0	0	(659)	(1,886)	0	0	0	0
Savings on prior year ULO's	9	1	2	0	0	0	0	0	0	0	0	0	0
Other Adjustments		0	(463)	(13)	0	(61)	37	0	0	0	(99)	0	(99)
<b>TOTAL INCOME</b>	2/5	<b>963</b>	<b>1,417</b>	<b>(11)</b>	<b>35</b>	<b>971</b>	<b>338</b>	<b>(859)</b>	<b>(1,835)</b>	<b>0</b>	<b>(30)</b>	<b>0</b>	<b>(30)</b>
<b>TOTAL EXPENDITURE</b>	2/6	<b>1,262</b>	<b>1,621</b>	<b>20</b>	<b>64</b>	<b>1,024</b>	<b>230</b>	<b>1,549</b>	<b>1,795</b>	<b>159</b>	<b>154</b>	<b>(159)</b>	<b>(184)</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>(300)</b>	<b>(204)</b>	<b>(31)</b>	<b>(29)</b>	<b>(53)</b>	<b>107</b>	<b>(2,408)</b>	<b>(3,630)</b>	<b>(159)</b>	<b>(184)</b>		
Refund of unspent XB contributions to Donors		(62)	(287)	0	0	0	(9)	0	(1,586)	(3)	0		
Fund Balance 1 January		2,506	2,996	90	119	653	555	12,297	17,513	275	459		
<b>Fund Balance at Period End</b>		<b>2,144</b>	<b>2,506</b>	<b>59</b>	<b>90</b>	<b>600</b>	<b>653</b>	<b>9,889</b>	<b>12,297</b>	<b>113</b>	<b>275</b>		

EUR '000

**STATEMENT 33: Extra-budgetary Part 1 Statement of Assets, Liabilities and Fund Balances**  
as at 31 December 2004

		Fund to support OSCE action for peace, democracy and stability in BiH		Fund to foster the integration of recently admitted participating States		Fund for activities relating to Economic and Environmental Aspects of Security		Fund for activities related to the Removal and Destruction of Russian Ammunition and Armaments from Moldova		Fund relating to the Stability Pact for South Eastern Europe	
	Note	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
EUR '000											
Accounts Receivable	5	239	239	0	0	0	0	0	0	0	0
Prepaid Expenses and Advances	6	85	85	0	0	0	0	0	0	0	0
Due From Other Funds		1,905	2,665	59	90	659	685	10,002	12,297	113	275
<b>TOTAL ASSETS</b>		<b>2,230</b>	<b>2,990</b>	<b>59</b>	<b>90</b>	<b>659</b>	<b>685</b>	<b>10,002</b>	<b>12,297</b>	<b>113</b>	<b>275</b>
Accounts Payable	8	13	13	0	0	0	0	0	0	0	0
Reserve for unliquidated obligations	9	72	28	0	0	59	0	113	0	0	0
Due To Other Funds		0	443	0	0	0	31	0	0	0	0
<b>TOTAL LIABILITIES</b>		<b>86</b>	<b>484</b>	<b>0</b>	<b>0</b>	<b>60</b>	<b>32</b>	<b>113</b>	<b>0</b>	<b>0</b>	<b>0</b>
Fund Balance		2,144	2,506	59	90	600	653	9,889	12,297	113	275
<b>TOTAL FUND BALANCE</b>		<b>2,144</b>	<b>2,506</b>	<b>59</b>	<b>90</b>	<b>600</b>	<b>653</b>	<b>9,889</b>	<b>12,297</b>	<b>113</b>	<b>275</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b>2,230</b>	<b>2,990</b>	<b>59</b>	<b>90</b>	<b>659</b>	<b>685</b>	<b>10,002</b>	<b>12,297</b>	<b>113</b>	<b>275</b>

STATEMENT 34: Extra-budgetary Part 1 Statement of Cash Flow  
for the year ending 31 December 2004

EUR '000					
	Fund to support OSCE action for peace, democracy and stability in BiH	Fund to foster the integration of recently admitted participating States	Fund for activities relating to Economic and Environmental Aspects of Security	Fund for activities related to the Removal and Destruction of Russian Ammunition and Armaments from Moldova	Fund relating to the Stability Pact for South Eastern Europe
	2004	2004	2004	2004	2004
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	500	(31)	(53)	(2,408)	(159)
(Increase) decrease in assessed contributions receivable	0	0	0	0	0
(Increase) decrease in accounts receivable	0	0	0	0	0
(Increase) decrease in prepaid expenditure and advances	0	0	0	0	0
(Increase) decrease in inter-fund balances receivable	760	31	25	2,295	161
Increase (decrease) in reserve for unliquidated obligations	44	0	59	113	0
Increase (decrease) in accounts payable	0	0	0	0	0
Increase (decrease) in other current liabilities	0	0	0	0	0
Increase (decrease) in inter-fund balances payable	(443)	0	(31)	0	0
NET CASH FLOW FROM OPERATING ACTIVITIES	62	0	0	0	3
(Increase) decrease in Unallocated Surplus	0	0	0	0	0
Increase (decrease) in funds held for third parties	0	0	0	0	0
Credits to participating States	0	0	0	0	0
Refund of unspent extra-budgetary contribution	(62)	0	0	0	(3)
NET CASH FLOW FROM FINANCING ACTIVITIES	(62)	0	0	0	(3)
NET INCREASE (DECREASE) IN CASH	0	0	0	0	0

**STATEMENT 35: Extra-budgetary Part 2 Statement of Income, Expenditure and Changes in Fund Balance**  
for the year ending 31 December 2004

	Note	Fund for activities related to the Reduction of Military Forces and Equipment from Georgia		Bishkek Conference		Other Activities and Special Projects		Total Extra-budgetary Funds	
		2004	2003	2004	2003	2004	2003	2004	2003
EUR '000									
Extrabudgetary Contributions	3	665	553	0	2	18,706	18,583	21,267	21,413
Miscellaneous Income	2/5	0	0	0	0	0	0	0	0
Currency Exchange Adjustments		0	0	0	0	0	0	659	(1,886)
Savings on priority projects	9	11	0	0	0	305	41	317	43
Other Adjustments		0	0	0	0	411	118	337	(647)
<b>TOTAL INCOME</b>	<b>2/5</b>	<b>676</b>	<b>553</b>	<b>0</b>	<b>2</b>	<b>19,423</b>	<b>18,743</b>	<b>21,162</b>	<b>19,223</b>
<b>TOTAL EXPENDITURE</b>	<b>2/6</b>	<b>522</b>	<b>281</b>	<b>0</b>	<b>0</b>	<b>16,039</b>	<b>15,238</b>	<b>20,575</b>	<b>19,383</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>154</b>	<b>272</b>	<b>0</b>	<b>2</b>	<b>3,384</b>	<b>3,505</b>	<b>587</b>	<b>(160)</b>
Refund of unspent Extra-budgetary contributions to Donors		0	0	0	0	(425)	(1,513)	(489)	(3,395)
Fund Balance 1 January		1,018	746	26	24	14,836	12,845	31,701	35,256
<b>Fund Balance at Period End</b>		<b>1,172</b>	<b>1,018</b>	<b>26</b>	<b>26</b>	<b>17,795</b>	<b>14,836</b>	<b>31,799</b>	<b>31,701</b>



**STATEMENT 36: Extra-budgetary Part 2 Statement of Assets, Liabilities and Fund Balances**  
as at 31 December 2004

	Note	Fund for activities related to the Reduction of Military Forces and Equipment from Georgia		Bishkek Conference		Other Activities and Special Projects		Total Extra-budgetary Funds	
		2004	2003	2004	2003	2004	2003	2004	2003
EUR '000									
Accounts Receivable	5	0	0	0	0	2	2	241	241
Prepaid Expenses and Advances	6	0	0	0	0	(18)	0	67	85
Due From Other Funds		1,192	1,547	26	26	19,687	17,556	33,645	35,140
<b>TOTAL ASSETS</b>		<b>1,192</b>	<b>1,547</b>	<b>26</b>	<b>26</b>	<b>19,671</b>	<b>17,558</b>	<b>33,952</b>	<b>35,467</b>
Accounts Payable	8	0	0	0	0	310	310	323	323
Reserve for unliquidated obligations	9	20	73	0	0	1,566	1,296	1,831	1,397
Due To Other Funds		0	456	0	0	(201)	800	(201)	1,730
Other current liabilities		0	0	0	0	201	315	201	315
<b>TOTAL LIABILITIES</b>		<b>20</b>	<b>529</b>	<b>0</b>	<b>0</b>	<b>1,876</b>	<b>2,721</b>	<b>2,154</b>	<b>3,765</b>
Fund Balance		1,172	1,018	26	26	17,795	14,837	31,799	31,702
<b>TOTAL FUND BALANCE</b>		<b>1,172</b>	<b>1,018</b>	<b>26</b>	<b>26</b>	<b>17,795</b>	<b>14,837</b>	<b>31,799</b>	<b>31,702</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b>1,192</b>	<b>1,547</b>	<b>26</b>	<b>26</b>	<b>19,671</b>	<b>17,558</b>	<b>33,952</b>	<b>35,467</b>

**STATEMENT 37: Extra-budgetary Part 2 Statement of Cash Flow**  
for the year ending 31 December 2004

	Fund for activities related to the Reduction of Military Forces and Equipment from Georgia	Bishkek Conference	Other Activities and Special Projects	Total Extra-budgetary Funds
	2004	2004	2004	2004
EUR 000	154	0	3,384	587
<b>EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>				
(Increase) decrease in assessed contributions receivable	0	0	0	0
(Increase) decrease in accounts receivable	0	0	0	0
(Increase) decrease in prepaid expenditure and advances	0	0	18	18
(Increase) decrease in inter-fund balances receivable	355	0	2,132	1,496
Increase (decrease) in reserve for unliquidated obligations	53	0	271	434
Increase (decrease) in accounts payable	0	0	0	0
Increase (decrease) in other current liabilities	0	0	(14)	(14)
Increase (decrease) in inter-fund balances payable	(456)	0	(1,001)	(1,931)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>0</b>	<b>0</b>	<b>426</b>	<b>490</b>
(Increase) Decrease in Unallocated Surplus	0	0	0	0
Increase (decrease) in funds held for third parties	0	0	0	0
Credits to participating States	0	0	0	0
Refund of unspent Extra-budgetary contribution	0	0	(425)	(489)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>0</b>	<b>0</b>	<b>(425)</b>	<b>(489)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>

## Chapter IV - Notes to the Financial Statements



# Notes to the Financial Statements

## Note 1 - Objectives

Since the beginning of the Helsinki process in 1973, the Conference for Security and Co-operation in Europe (CSCE) and now the Organization for Security and Co-operation in Europe (OSCE), has taken a broad and comprehensive view of security.

The OSCE has a comprehensive and co-operative approach to security that integrates politico-military, economic and environmental and human dimension issues. In this endeavour the OSCE is engaged in a wide range of operational activities that address security issues including arms control, preventive diplomacy, confidence and security-building measures, human rights, police development, rule of law, border monitoring, anti-terrorism measures, election monitoring and economic and environmental aspects of security.

Its 55 participating States cover continental Europe, the Caucasus, Central Asia and North America, and it co-operates with Mediterranean and Asian partners. Within its region, the OSCE is a primary instrument for early warning, conflict prevention, crisis management and post-conflict rehabilitation.

## Note 2 - Significant Accounting Policies

### 1) Basis of presentation

The financial statements of the Organization are presented in thousands of Euro and are prepared in accordance with the Financial Regulations, the United Nations System of Accounting Standards, and stated accounting policies.

### 2) Fund Accounting

The OSCE operates a system of fund accounting and the resulting financial statements present the financial results of budgetary Funds approved under PC.DEC/590 dated 24 December 2003 and subsequent budget revisions, the IRMA Fund and extra-budgetary Funds.

For purposes of the presentation and approval of the 2004 Unified Budget, Funds were grouped under (i) Funds related to the Secretariat and Institutions and (ii) Funds related to Field Operations, with the latter, in turn, being grouped into regions. This presentation is also followed in this Financial Report and Financial Statements.

The following Funds were operated during the year:

#### a) Standard Scale Funds: Assessed Contributions

These Funds are financed from the Revised Standard Scale of Contributions (PC.DEC 468 dated 11 April 2002).

#### I. FUNDS RELATED TO THE SECRETARIAT AND INSTITUTIONS

- The Secretariat
- Office for Democratic Institutions and Human Rights (ODIHR)
- High Commissioner on National Minorities (HCNM)
- Representative on Freedom of the Media

#### b) Scale for Large OSCE Missions and Projects

The following Funds are financed from the Scale for Large OSCE Missions and Projects (PC.DEC/408 dated 05 April 2001).

#### II. FUNDS RELATED TO OSCE FIELD OPERATIONS

##### South-Eastern Europe

- Mission in Kosovo
- Tasks in Bosnia and Herzegovina
- Mission to Croatia
- Mission to Serbia and Montenegro
- Presence in Albania
- Spillover Monitor Mission to Skopje

##### Eastern Europe

- Mission to Moldova

- Project Co-ordinator in Ukraine
- Office in Minsk
- Representative to the Estonian Commission on Military Pensioners
- Representative to the Latvian-Russian JC on Military Pensioners

##### Caucasus

- Mission to Georgia.
- Office in Yerevan
- Office in Baku
- High Level Planning Group
- The Minsk Process
- Personal Representative of the CIO

##### Central Asia

- Centre in Almaty
- Centre in Ashgabad
- Centre in Bishkek
- Centre in Tashkent
- Centre in Dushanbe

Missions and Field Operations whose mandate has expired for one financial year are grouped under "Closed Field Operations Funds".

This includes the following Funds:

- Kosovo, Sandjak and Vojvodina
- Mission to Estonia
- Expert Mission to Ukraine
- Mission to Latvia
- Representative to the Joint Committee on the Skudra Radar Station
- Sanctions Assistance Missions
- Action Against Terrorism Fund
- Assistance Group to Chechnya

#### c) Revolving and Contingency Funds

- The Revolving Fund, amounting to EUR 2.7 million was established by the Permanent Council (PC.DEC/133, 27 June 1996) to meet the short-term cash requirements of duly authorised OSCE activities that could result from the period between the billing and payment of assessed contributions.
- The Contingency Fund, amounting to EUR 2.18 million was established by the Permanent Council (PC.DEC/182, 17 July 1997) to allow OSCE to act immediately after the adoption of a Permanent Council decision on a new activity and to cover the corresponding financial requirements prior to the approval of the relevant supplementary budget.

Neither the Revolving Fund nor the Contingency Fund were utilized during the 2004 Financial Year.

The Statement of Cash Flows for the Revolving and Contingency Funds for the year ending 31 December 2004, expressed in thousands of Euro, is as follows:

	Revolving Fund	Contingency Fund
EUR '000		
Balance 1 January 2004	2,710	2,180
Cash Outflow	-	-
Cash Inflow	-	-
Balance 31 December 2004	2,710	2,180

#### d) IRMA

The Integrated Resource Management (IRMA) Fund, amounting to EUR 6.9 million, was established by the Permanent Council (PC.DEC/493, 25 July 2002) for the development and implementation of the IRMA system. The Fund covers a project implementation period of three years with the balance carried forward from one year to the next. Total expenditure for 2004 amounted to EUR 1,956 thousand with details below. The closing Fund balance at 31 December 2004 is EUR 81 thousand.

## IRMA Fund Expenditure for 2004

Staff Costs	510
Consultancy Services	488
Investment Costs	343
Training Activities	615
<b>Total</b>	<b>1,956</b>

### e) Extra-budgetary Funds (see Note 3)

#### 3) Cash

Cash is managed centrally to ensure the safekeeping of funds and to reduce exchange rate and interest rate exposure (Provisional Financial/Administrative Instruction Five on Income and Cash Management). Cash, bank balances and short-term investments as at 31 December 2004 amounted to EUR 96.7 million. EUR 62.1 million of this amount is in respect of budgetary funds (including Revolving, Contingency Funds), EUR 34.6 million is held in a separate bank account for extra-budgetary contributions. After the final adjustments were made and the accounts closed, the actual net amount due from the Secretariat to all Extra-budgetary Funds amounted to EUR 33.8 million. A detailed schedule of Bank and Cash Balances is reflected in Appendix I. In accordance with Financial Regulation 5.02, short-term investments were made during the year in the form of time deposits of funds not needed for immediate requirements. A schedule of investments made during the year and the respective interest rates are reflected in Appendix II.

#### 4) Transactions involving Foreign Currencies

Transactions in foreign currencies are recorded in Euro at the UN Monthly Operational Rates of Exchange in effect on the date of the transactions. At the end of the financial year assets and liabilities are valued at the rates applicable as at 31 December. Gains and losses arising from transactions and translation are recorded as currency exchange adjustments and amounted to a cumulative loss of EUR 993 thousand in 2004. This was mainly due to the depreciation of the US Dollar against the Euro. In compliance with Provisional Financial/Administrative Instruction Five on Income and Cash Management, large exchange rate gains or losses incurred under extra-budgetary programmes/projects have been charged to the respective extra-budgetary programmes/projects.

#### 5) Budget and Income

Income from assessed contributions from participating States is recorded on an accrual basis. Accrued income for the financial year ending 31 December 2004 amounted to EUR 172.0 million, which is equal to the Year-End Revised Budget (PC.DEC 665). Total miscellaneous income, which mainly includes bank interest and insurance claims amounted to EUR 3.5 million in 2004.

#### 6) Expenditure

Expenditure is accounted for on an accrual and modified accrual basis. The cost of services is recorded on an accrual basis as expenditure of the current financial year, based on physical delivery. The cost of supplies and equipment is recorded on a modified accrual basis as expenditure in the current financial year based on the existence of a legally enforceable contract. Budgetary expenditure amounted to EUR 168.7 million, extra-budgetary expenditure amounted to EUR 20.6 million and IRMA Fund expenditure amounted to EUR 2.0 million, for a total of EUR 191.2 million in 2004.

#### 7) Cash Surplus or Deficit

At the end of each financial year, the cash surplus or deficit for the Funds financed through assessed contributions is determined by calculating the excess of income received over expenditure or the excess of expenditure over income received, as the case may be. The cash surplus of all Funds financed through assessed contributions is credited against contributions of the participating States in accordance with the scale(s) of distribution for the year to which the surplus relates, during the year following the year in which the accounts are accepted by

the Permanent Council. The allocation to a participating State of its share of the cash surplus is deferred in cases where the State is in arrears for the year to which the surplus relates and until such time as these arrears are paid in full (Financial Regulation 7.07). The accumulated undistributed cash surplus, which amounted to EUR 280 thousand as at 31 December 2004, is presented as an unallocated surplus in the Statement of Assets, Liabilities and Fund balances.

The formula used to calculate the cash surplus / deficit, as in previous years, is as follows:

EUR '000	
Assessed Contributions	171,958
+ Miscellaneous Income	3,504
+/- Foreign Exchange gain / (loss)	(133)
+ Savings on prior year Unliquidated Obligations	1,498
+ Other Adjustments	0
= Total Income	176,827
- Total Expenditure	(168,670)
= Excess of Income over Expenditure	8,156
+ Assessed Contributions receivable on 1 January 2004	12,484
- Assessed Contributions receivable on 31 December 2004	(7,886)
= <b>Cash Surplus for the year 2004</b>	<b>12,755</b>
+ Cash Surplus 1 January 2004	30,323
- Distribution of cash surplus/transfers	(16,906)
= Cash Surplus as at 31 December 2004	26,172
+ Assessed Contributions receivable on 31 December 2004	7,886
= <b>Fund Balance as at 31 December 2004</b>	<b>34,058</b>

Therefore the declared cash surplus for 2004 amounts to EUR 12,755 thousand. This is comprised of the excess of income over expenditure of EUR 8,156 thousand and the reduction in Assessed Contributions Receivable of EUR 4,598 thousand (EUR 12,484 less EUR 7,886).

#### 8) Fund Balance

The total Fund Balance at 31 December 2004 contains five elements, the cash surplus payable to participating States in 2005 and 2006, the reserve for assessed contributions receivable, the IRMA Fund and balances relating to Extra-budgetary projects funded by donors, as follows:

EUR Million	
Cash surplus payable 2005	13.4
Cash surplus payable 2006	12.8
Reserve for Assessed Contributions receivable	7.9
IRMA Fund	0.1
Total Extra-budgetary Fund Balance	31.8
<b>Total Fund Balance</b>	<b>65.9</b>

#### 9) Contributions In-Kind

Contributions in-kind in the form of salaries for seconded staff, rental of premises and equipment are not recorded in the accounts of the Organization. For 2004 the estimated value of in kind contributions is approximately EUR 77 million.

#### 10) Presentation

The figures in the accounts are presented rounded to the nearest Euro thousand. This may result in totals that are different by EUR 1,000.

### Note 3 - Extra-budgetary Contributions

Extra-budgetary contributions are recorded on a cash basis. Extra-budgetary contributions pledged in 2004 amounted to EUR 21.8 million, of which EUR 20.4 million was received in 2004 and EUR 1.4 million was outstanding as at 31 December 2004. Extra-budgetary contributions received in 2004 in respect of pledges made in 2003 amounted to EUR 1 million. Total extra-budgetary contributions received in 2004 amounted to EUR 21.4 million.

Extra-budgetary Funds established by the Permanent Council are as follows:

- The Fund to foster the integration of recently admitted

- participating States (PC.DEC/23, 2 March 1995);
- The Fund to support OSCE Action for Peace, Democracy and Stability in Bosnia and Herzegovina (PC.DEC/101, 11 January 1996);
- The Fund for Activities Related to Economic Aspects of Security (PC.DEC/150, 19 December 1996);
- The Fund relating to the Stability Pact for South Eastern Europe (PC.DEC/306, 1 July 1999);
- The Fund for Activities Related to the Removal and Destruction of Russian Ammunition and Armaments from Moldova (PC.DEC/329, 9 December 1999);
- The Fund for Activities related to the reduction of Military Forces and equipment from Georgia (293<sup>rd</sup> Reinforced Meeting of the Permanent Council on Georgia, 17 July 2000);
- The Bishkek International Conference on Enhancing Security and Stability in Central Asia: Strengthening Comprehensive Efforts to Counter Terrorism (PC.DEC/440, 11 October 2001).

Extra-budgetary contributions that do not fall under Funds established by the Permanent Council are classified, under "Other Activities and Special Projects".

Expenditure of Extra-budgetary resources amounted to EUR 20.6 million for the year ended 31 December 2004.

#### Note 4 - Assessed Contributions

##### 1) Assessed Contributions Receivable

Assessed Contributions Receivable as at 31 December 2004 amounted to EUR 3.6 million under the Revised Standard Scale of Contributions and EUR 4.3 million under the Scale for Large OSCE Missions and Projects, for a total of EUR 7.9 million. An aged schedule of contributions receivable as at 31 December 2004 is reflected in Appendix III.

##### 2) Uncollected Assessed Contributions

If a participating State has not paid all its assessed contributions and dues for special financing for the preceding financial year by 1 April of the current financial year, the Secretary General requests that participating State to pay its arrears within 60 days. If payment is not made in full during that period, the Secretary General requests an explanation of the reasons for non-payment from the participating State concerned. The Secretary General informs the Advisory Committee on Management and Finance of the steps taken as well as other initiatives undertaken and consults the Chairman-in-Office. If the amount of arrears of a participating State equals or exceeds the amount of the contributions due for the preceding two full years the Chairman-in-Office refers the issue to the Permanent Council. The Permanent Council shall take concrete measures to ensure early payment by the participating State concerned (Ref. Financial Regulation 4.09).

Assessed contributions receivable from participating States whose arrears equalled or exceeded the amount of contributions due for the preceding two full years amounted to EUR 6.6 million as at 31 December 2004 (EUR 9.2 million in 2003), detailed as follows:

EUR '000				
Participating State	2002 and			
	prior	2003	2004	Balance
Armenia	603	82	72	757
Georgia	752	82	72	906
Kyrgyzstan	802	82	72	956
Moldova	632	82	72	786
Tajikistan	338	82	72	492
Turkmenistan	692	82	72	846
Uzbekistan	1,368	289	248	1,905
<b>Total</b>	<b>5,188</b>	<b>781</b>	<b>680</b>	<b>6,648</b>

It should be noted that, in 2004, Albania, Azerbaijan, Belarus and Kazakhstan paid all or a large portion of their arrears from 2003 and prior.

#### Note 5 - Accounts Receivable

Accounts receivable amounted to EUR 4.4 million as at 31 December 2004. This amount is comprised primarily of VAT reimbursements receivable, amounts receivable from participating States and rent reimbursable from the Austrian government.

#### Note 6 - Prepaid Expenditure and Advances

Prepaid Expenditure and Advances amounted to EUR 5.7 million as at 31 December 2004. This amount is comprised primarily of advances to suppliers and implementing partners and advances to staff for travel.

#### Note 7 - Material Assets

The policies and procedures for the management of material assets have been reviewed and updated into new Provisional Financial/Administrative Instruction Seven on Asset Management for Goods and Services.

##### Definition

Material assets are defined as:

- Tangible assets with a minimum cost of EUR 1,000 and a useful life of minimum of two (2) years or
- Attractive assets with a cost below EUR 1,000, but which bear a special importance due to their nature or area of use, such as mobile phones, GPS units and handheld radios.

##### Accounting Policy

The cost of a material asset comprises its purchase price, non-refundable import duties and purchase taxes, initial delivery and handling costs, installation fees, and any direct costs of bringing the material asset to working condition for its intended use.

The purchase cost of material assets is charged to expenditure on purchase and therefore, is not reflected as an asset on the balance sheet. The OSCE maintains separate material asset records, including the historical acquisition cost, accumulated depreciation and net book value. Income from the disposal of surplus assets is normally recorded as miscellaneous income and simultaneously the historical acquisition cost and depreciation are removed from the material asset records. Data from this module is used as the basis of this disclosure note to the financial statements.

The historical acquisition cost of material assets as at 31 December 2004 is EUR 67.7 million, the accumulated depreciation is EUR 52.3 million and the net book value is EUR 15.4 million. The movement in material assets during the year is summarised in the following table.

EUR '000	Total	Total
Historical acquisition costs	2004	2003
Balance at 1 January	68,172	65,575
Additions	8,751	11,963
Disposals	(9,193)	(9,422)
Cost Adjustments	(1)	56
<b>Balance at 31 December</b>	<b>67,729</b>	<b>68,172</b>
<b>Accumulated depreciation</b>		
Balance at 1 January	(50,879)	(48,200)
Depreciation charge for year	(9,721)	(11,203)
Disposals	8,227	8,524
<b>Balance at 31 December</b>	<b>(52,373)</b>	<b>(50,879)</b>
<b>Net book value as at 31 December</b>	<b>15,356</b>	<b>17,293</b>



The following table shows the distribution of material assets by Fund.

Secretariat Institution and Field Operation	Historical Acquisition Costs	Net Book Value as at 31 Dec.2004	Percentage based on Net book Value
<b>I. Funds Related to the Secretariat and Institutions</b>			
The Secretariat	6,069	1,750	12%
ODIHR	1,365	408	3%
HCNM	246	72	0%
Rep. Freedom of the Media	53	18	0%
<b>II. Funds Related to the OSCE Field Operations</b>			
<u>South-Eastern Europe</u>			
Mission in Kosovo	26,108	3,653	24%
Task in Bosnia and Herzegovina	7,700	507	3%
Mission to Croatia	2,700	448	3%
Mission to Serbia and Montenegro	3,520	1,128	7%
Presence in Albania	2,110	604	4%
Spillover Monitor Mission in Skopje	5,531	1,799	12%
<u>Eastern Europe</u>			
Mission to Moldova	407	158	1%
Project Coordinator in Ukraine	165	62	0%
Office in Minsk	210	70	0%
Representative to the Estonian Commission on Military Pensioners	33	2	0%
<u>Caucasus</u>			
Mission to Georgia	7,396	3,182	21%
Office in Yerevan	227	52	0%
Office in Baku	265	98	1%
Funds Relating to the conflict dealt with by the Minsk conference	437	179	1%
<u>Central Asia</u>			
Centre in Almaty	221	104	1%
Centre in Ashgabat	177	51	0%
Centre in Bishkek	1,363	591	4%
Centre in Tashkent	250	74	0%
Centre in Dushanbe	1,177	347	2%
<b>Total</b>	<b>67,730</b>	<b>15,357</b>	<b>100%</b>

Useful life is the period of time over which an asset is expected to provide service potential to the Organization. Depreciation is calculated using the straight-line method so as to depreciate the initial cost over the estimated useful life. The categories of material assets and the range of useful life for each are as follows:

Category of Material Asset	Useful Life - Range of Years	Historical Acquisition Costs EUR'000	%
Power Generation	5	3,318	5%
Office Equipment	3 to 8	3,056	5%
Vehicles and Safety Equip.	3 to 10	20,481	30%
Security Equipment	3 to 8	1,618	2%
Building & Construction	3 to 7	2,671	4%
Information Technology (incl. communications)	2 to 5	25,945	38%
Tools and General	3 to 5	82	0%
Electrical Systems	3 to 10	1,242	2%
Conditioning Systems	2 to 10	1,776	3%
Printing, Audio & Visual Equip.	3 to 8	1,484	2%
Industrial Processing Machin.	4 to 7	20	0%
Furniture & Furnishings	5 to 10	1,350	2%
Materials Handling & Storage	2 to 10	733	1%
Domestic Appliances	2 to 7	783	1%
Other Equipment	3 to 8	3,171	5%
<b>Total</b>		<b>67,730</b>	<b>100%</b>

The historical acquisition cost of material assets retired in 2004 is EUR 9,193 thousand. The net book value of material assets retired in 2004 is EUR 966 thousand.

Taking into account proceeds from sale and insurance claims the net gain on material assets retired in 2004 is EUR 162 thousand as shown in the following tables:

## Gain/Loss on Material Assets retired in 2004

EUR' 000	Total
<b>Historical Acquisition Cost of Retired Assets</b>	<b>9,193</b>
Net Book Value of Retired Assets	966
Deduct Proceeds of Sale (including reimbursed amount from employees)	(966)
Deduct Proceeds received from the Insurance company	(163)
Add Removal Cost	1
<b>(Gain) /Loss</b>	<b>(162)</b>

## Note 8 - Accounts Payable

Accounts Payable amounted to EUR 4.9 million as at 31 December 2004. This amount is comprised of goods and services for which invoices were received but not paid, as well as amounts owing to staff.

## Note 9 - Unliquidated Obligations

Unliquidated obligations charged to expenditure as at 31 December 2004 amounted to EUR 10.3 million. Savings on prior year unliquidated obligations at 31 December 2004 amounted to 1.8 million.

The implementation of Financial Instruction 2/2000 continues to be closely monitored by the Secretariat. Each Purchase Order was screened against the criteria established in the Instruction defining eligibility for accrual as an unliquidated obligation at the year-end.

## Savings on prior year Unliquidated Obligations

Fund Name	2003 Reserve for ULOs	Expenditure in 2004 against 2003 Reserve	(Savings)/ Over expenditure on 2003 ULOs
EUR '000			
<b>I. Funds Related to the Secretariat and Institutions</b>			
The Secretariat	1,194	1,095	(99)
ODIHR	169	166	(3)
HCNM	3	3	
Rep. Freedom of the Media	68	55	(13)
<b>II. Funds Related to the OSCE Field Operations</b>			
<u>South-Eastern Europe</u>			
Mission in Kosovo	3,006	2,600	(406)
Tasks in Bosnia and Herzegovina	983	920	(63)
Mission to Croatia	751	673	(78)
Mission in Serbia and Montenegro	372	249	(122)
Presence in Albania	525	497	(28)
Spillover Monitor Mission to Skopje	1,324	1,052	(272)
<u>Eastern Europe</u>			
Mission to Moldova	26	25	(1)
Project Coordinator in Ukraine	26	19	(7)
Office in Minsk	15	14	(1)
Representative to the Estonian Comm. on Military Pensioners	2	2	
Repr. to the LatvianRussian JC on Military Pensioners	2	1	(1)
<u>Caucasus</u>			
Mission to Georgia	1,340	1,017	(324)
Office in Yerevan	11	11	
Office in Baku	88	81	(6)
High Level Planning Group	4	2	(2)
The Minsk Process	9	7	(2)
Personal Repr. of the CiO	29	18	(11)
<u>Central Asia</u>			
Centre in Almaty	74	66	(7)
Centre in Ashgabat	8	7	(1)
Centre in Bishkek	121	107	(14)
Centre in Tashkent	62	56	(6)
Centre in Dushanbe	62	33	(29)
IRMA	1,132	1,131	(1)
Tot. Extra-budgetary Funds	1,397	1,080	(317)
<b>Grand Total</b>	<b>12,802</b>	<b>10,986</b>	<b>(1,816)</b>



## Note 10 - Other Adjustments

Other adjustments, which are mainly the reclassification of funds held for third parties to extra-budgetary contributions, amounted to EUR 337 thousand in 2004.

## Note 11 - Funds Held for Third Parties

Funds held for third parties amounted to EUR 2.0 million as at 31 December 2004. This amount consists mainly of funds received from participating States in advance of paying salaries to seconded staff on their behalf.

## Note 12 - Contributions Received in Advance

Assessed contributions received in advance amounted to EUR 26.2 million as at 31 December 2004. This is mainly due to the distribution of the 2002 cash surplus of EUR 16.9 million, which was credited to the participating States in accordance with the Financial Regulations and the Year-End Revised Budget which amounted to a reduction of EUR 8.9 million.

## Note 13 - Cash and Other Losses

Cash and other losses for the year ended 31 December 2004 amounted to a total of EUR 1,891.59.

### Cash and Other Losses for 2004

Location	Description	EUR
ODIHR	Cash and Other Loss	68.61
Kosovo	Uncollectible Receivable	1,110.00
Bosnia and Herzegovina	Cash Losses	67.32
Tashkent	Cash Loss	645.66
<b>Total cash and other losses</b>		<b>1,891.59</b>

The historical acquisition cost and net book value of lost and stolen material assets in 2004 amounted to EUR 445 thousand (2003: EUR 181 thousand) and EUR 120 thousand respectively.

### Loss and Theft Report for 2004 - Material Assets

Fund EUR	Loss	Theft	Grand Total
The Secretariat	4,002	3,578	7,580
ODIHR	430	4,673	5,103
HCNM	185		185
Mission to Kosovo	36,554		36,554
Tasks in Bosnia and Herzegovina	3,570	21,480	25,050
Mission to Serbia and Montenegro	675	3,593	4,268
Presence in Albania	621		621
Spillover Monitor Mission to Skopje	19,887	4,092	23,979
Mission to Moldova	756		756
Office in Minsk	290	21,266	21,556
Mission to Georgia*	270,624	46,092	316,717
Office in Baku	449		449
Centre in Almaty	217		217
Centre in Bishkek	1,559	204	1,763
Centre in Tashkent		646	646
<b>Total Historical acquisition cost</b>	<b>339,821</b>	<b>105,624</b>	<b>445,445</b>
<b>Total Net Book Value</b>	<b>94,301</b>	<b>26,144</b>	<b>120,445</b>

\* This is due to retirement of the prefabricated building which was burnt in Shatili base in Georgia

## Note 14 - Contingent Liabilities

The following contingent liabilities are noted as at 31 December 2004 for claims and potential claims against the OSCE:

### • Mission in Kosovo

To cover eventual potential liabilities arising from the operational activities in Kosovo, a contingent liability is noted in the amount of EUR 3.9 million. The OSCE has taken steps to protect the Organization against undue claims by co-ordinating with the United Nations.

## Note 15 - Ex-Gratia Payments

During 2004 an ex-gratia payment of EUR 2,500 was approved by the Secretary General.

## Note 16 - Contractual Obligations and Separation Benefits

At the Balance Sheet date, 31 December 2004, the OSCE had no approved 2005 Unified Budget and no approved scale(s) of contribution. On 12 May 2005 the 2005 OSCE Unified Budget was approved (PC.DEC 672) together with a Provisional Financing Arrangement for Implementation of 2005 Unified Budget (PC.DEC 671).

The total contractual obligations under the Unified Budget extending beyond 31 December 2004 amount to approximately EUR 9.9 million and the contractual obligations payable if notice was given on 31 December 2004 amount to approximately EUR 2.1 million.

Separation payments under the Unified Budget that would have been due to staff if they had separated on 31 December 2004 amount to approximately EUR 24 million. This figure is made up of termination indemnity, accrued annual leave, notice period, repatriation grant, travel and removal costs.

## Note 17 - Post Balance Sheet Event

The mandate for the Border Monitoring Operation (BMO) under the Mission to Georgia expired on 31 December 2004. The approved Unified Budget for the BMO in 2004 was EUR 14.7 million.

The Budget and Assessed Contributions of the Organization in respect of 2004 were adjusted (reduced) by EUR 8.9 million to EUR 172 million as a result of PC.DEC 665 on the Year-End 2004 Unified Budget Revision.

## Note 18 - Reconciliation between 2003 and 2004 presentation

With the introduction of the new Chart of Accounts in IRMA, certain changes in classification were introduced, between:

- prepaid expenses and advances and accounts receivable,
- accounts payable and other current liabilities and
- reserve for unliquidated obligations and funds held for third parties.

Consequently the 2003 comparatives in these 2004 Financial Statements have been restated, as follows:

## Note 19 - Provident Fund

The Provident Fund is a defined contribution plan. The employer contributions of 15% and employee contributions of 7.5% of salary plus post adjustment (if applicable) are fixed. Employees may make additional voluntary contributions of up to 15%. The amounts collected are paid into a number of funds, held with Generali Worldwide Insurance Company Limited, Guernsey, Channel Islands (Generali Guernsey), on behalf of the employee. The assets are held by Generali Guernsey in the beneficial ownership of the employee. The Secretary General's responsibility is to establish arrangements to provide a Provident Fund facility to employees and to monitor these arrangements. The closing balance of the Provident Fund as at 31 December 2004 was EUR 34.2 million.

The Provident Fund is administered by Generali Guernsey in accordance with the contract. The OSCE obtains the Financial Statements of Generali Guernsey on an annual basis to review the financial position of the company. The latest available financial statements were in respect of the year ended 31 December 2003 and were audited by PriceWaterhouseCoopers Chartered Accountants, who gave an unqualified opinion on the financial statements.

## OSCE Consolidated Statement of Assets, Liabilities and Fund Balances

### Reconciliation between 2003 and 2004 Presentation

EUR '000	Total OSCE (Unified Budget, IRMA and Extra-budgetary)		
	2003	2003 restated in 2004	Variance
<b>Assets</b>			
Cash and Short-term Deposit Budgetary	74,309	74,309	0
Cash and Short-term Deposit Extra-budgetary	37,624	37,624	0
Assessed Contributions Receivable	12,484	12,484	0
Accounts Receivable	4,790	4,974	184
Prepaid Expenses and Advances	4,127	3,943	(184)
<b>TOTAL ASSETS</b>	<b>133,335</b>	<b>133,334</b>	<b>(1)</b>
<b>Liabilities</b>			
Accounts Payable	5,828	5,511	(317)
Reserve for unliquidated obligations	12,802	12,787	(15)
Funds held for third parties	2,755	2,770	15
Contributions Received in Advance	30,262	30,262	0
Other Current Liabilities	0	317	317
<b>TOTAL LIABILITIES</b>	<b>51,647</b>	<b>51,647</b>	<b>0</b>
<b>Reserves and Fund Balances</b>			
Unallocated surplus	252	252	0
Revolving Fund	2,710	2,710	0
Contingency Fund	2,180	2,180	0
Fund Balance	76,546	76,546	0
<b>TOTAL RESERVES AND FUND BALANCE</b>	<b>81,688</b>	<b>81,688</b>	<b>0</b>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>	<b>133,335</b>	<b>133,335</b>	<b>0</b>

**Provident Fund Summary Statement**  
for the year ending 31 December 2004

	DEPOSIT ADMINISTRATION FUNDS				INTERNATIONAL EQUITY FUNDS				EUROPEAN EQUITY FUND			
	Units '000	EUR '000	Units '000	USD '000	Units '000	EUR '000	Units '000	USD '000	Units '000	EUR '000	Units '000	TOTAL EUR '000
<b>Opening Balance 1 Jan 2004</b>	<b>19,219</b>	<b>19,796</b>	<b>6,255</b>	<b>6,443</b>	<b>41</b>	<b>789</b>	<b>42</b>	<b>1,011</b>				
Contributions/Premium Allocation	8,250	8,644	2,266	2,372	13	251	11	268	01	10		
Unit Adjustments	42	44	18	18	0	(03)	(0)	(03)				
Subscribers	2,650	2,763	(763)	(796)	(05)	(98)	(06)	(156)				
Withdrawals	(404)	(422)	(64)	(66)	(01)	(17)	(0)	(04)				
Switch Out	(05)	(05)	-	-	-	-	(0)	(01)				
Switch In	-	-	01	01	-	-	-	-	01	05		
Fees (Administration Fee and Establishment Charge)	(41)	(43)	(13)	(13)	(0)	(0)	(0)	(0)				
<b>Total movements during year</b>	<b>5,192</b>	<b>5,455</b>	<b>1,455</b>	<b>1,526</b>	<b>07</b>	<b>133</b>	<b>04</b>	<b>105</b>	<b>02</b>	<b>15</b>		
Guaranteed Interest on Opening Balance: 1.03		457		162								
Guaranteed Interest on units accumulated during year		190		48								
Deposit Administration Units (Additional Interest)	109	116	141	149								
<b>Closing Balance 31 December 2004</b>	<b>24,521</b>	<b>26,014</b>	<b>7,851</b>	<b>8,329</b>	<b>48</b>	<b>952</b>	<b>47</b>	<b>1,264</b>	<b>02</b>	<b>15</b>		
<b>Market Value as at 31 December 2004</b>												
<b>Exchange Rate</b>				<b>1.326</b>				<b>1.326</b>				
<b>Closing Balance 31 December 2004 in EUR '000</b>		<b>26,014</b>		<b>6,280</b>		<b>952</b>		<b>953</b>		<b>15</b>		<b>34,215</b>

## Appendix I - Bank and Cash Balances as at 31 December 2004

EUR '000			
Financial Institution	Currency	Interest rate	Balance
Bank Austria, Vienna - Current Account	EUR	1.00%	224
Bank Austria, Vienna - Fixed Deposit	EUR	2.22%	51,100
Bank Austria, Vienna - Revolving and Contingency Funds Fixed Deposit	EUR	2.15%	4,890
Bank Austria, Vienna - Current Account	USD	0.13%	185
Bank Austria, Moscow - Current Account	USD	-	8
<b>Sub Total: Secretariat Budgetary Bank Accounts</b>			<b>56,407</b>
Bank Austria, Vienna - Current Account	EUR	1.00%	603
Bank Austria, Vienna - Fixed Deposit	EUR	2.22%	28,500
Bank Austria, Vienna - Current Account	USD	0.13%	21
Bank Austria, Vienna - Fixed Deposit	USD	2.37%	5,504
<b>Sub Total: Extra Budgetary Bank Accounts</b>			<b>34,628</b>
<b>Total : Secretariat Bank Accounts</b>			<b>91,035</b>
Raiffeisen Bank, Warsaw - OD IHR	EUR	1.80%	752
Raiffeisen Bank, Warsaw - OD IHR	USD	0.50%	557
Raiffeisen Bank, Warsaw - OD IHR	PLN	-	8
ING Bank, The Hague - HCNM	EUR	1.50%	7
Ceskoslovenska Obchodni Banka, Prague	EUR	0.50%	51
Ceskoslovenska Obchodni Banka, Prague	CZK	0.10%	16
<b>Total: Institutions Bank Accounts</b>			<b>1,391</b>
American Bank of Albania, Tirana	EUR	-	79
American Bank of Albania, Tirana	USD	-	2
American Bank of Albania, Tirana	ALL	-	5
Raiffeisen Bank DD, Sarajevo	EUR	-	277
Raiffeisen Bank DD, Mostar	EUR	-	8
Raiffeisen Bank DD, Tuzla	EUR	-	0
Raiffeisen Bank DD, Banja Luka	EUR	-	1
Raiffeisen Bank DD, Sarajevo	BAM	-	64
Raiffeisen Bank DD, Mostar	BAM	-	7
Raiffeisen Bank DD, Tuzla	BAM	-	8
Raiffeisen Bank DD, Banja Luka	BAM	-	9
Splitska banka DD, Split	EUR	-	0
Splitska banka DD, Split	HRK	-	0
Zagrebacka Banka DD, Zagreb	EUR	0.11%	333
Zagrebacka Banka DD, Zagreb	USD	0.09%	48
Zagrebacka Banka DD, Zagreb	HRK	0.50%	19
Raiffeisen Bank Kosovo J.S.C., Kosovo	EUR	-	206
ProCredit Bank, Kosovo	EUR	-	250
BPK Bank, Pristina	EUR	1.00%	0
Commercial Bank, Podgorica	EUR	2.00%	83
Commercial Bank, Belgrade	EUR	2.00%	92
Commercial Bank, Belgrade	YUM	0.00%	1
ProCredit Bank, Skopje	EUR	-	275
ProCredit Bank, Skopje	USD	-	10
ProCredit Bank, Skopje	MKD	-	49
Hansapank, Tallin	EUR	0.20%	0
Hansapank, Tallin	USD	0.20%	1
Hansapank, Tallin	EEK	0.20%	0
Pröbank, Minsk	EUR	-	2
Pröbank, Minsk	USD	-	17
Pröbank, Minsk	BYR	-	3
Raiffeisenbank, Ukraine	EUR	0.50%	24
Raiffeisenbank, Ukraine	USD	0.50%	49
Raiffeisenbank, Ukraine	UAH	1.00%	9
Universabank, Moldova	EUR	-	40
Universabank, Moldova	USD	-	9
Universabank, Moldova	MDL	-	3
Bank of Georgia, Tbilisi	EUR	-	488
Bank of Georgia, Tbilisi	USD	-	123
Bank of Georgia, Tbilisi	GEL	-	54
International Bank of Azerbaijan, Baku	EUR	-	67
International Bank of Azerbaijan, Baku	USD	-	4
International Bank of Azerbaijan, Baku	AZM	-	1
HSBC, Miland Armenia Bank jsc, Yerevan	EUR	-	44
HSBC, Miland Armenia Bank jsc, Yerevan	USD	-	1
HSBC, Miland Armenia Bank jsc, Yerevan	AMD	-	1
ABN - AMRO Bank Kazakhstan, Almaty	EUR	-	74
ABN - AMRO Bank Kazakhstan, Almaty	USD	-	34
ABN - AMRO Bank Kazakhstan, Almaty	KZT	-	6

## Appendix I - Bank and Cash Balances as at 31 December 2004 (continued)

EUR 000

Financial Institution	Currency	Interest rate	Balance
Turkmen Turkish Commercial Bank, Ashgabad	EUR	-	8
Turkmen Turkish Commercial Bank, Ashgabad	USD	-	0
Turkmen Turkish Commercial Bank, Ashgabad	TMM	-	0
Demir Kyrgyz International Bank, Bishkek	EUR	-	98
Demir Kyrgyz International Bank, Bishkek	USD	-	77
Demir Kyrgyz International Bank, Bishkek	KGS	-	1
National Bank of Foreign Econ Act., Tashkent	EUR	-	35
National Bank of Foreign Econ Act., Tashkent	USD	1.50%	36
National Bank of Foreign Econ Act., Tashkent	UZS	-	6
<b>Total: Field Missions Bank Accounts</b>			<b>3,141</b>
<b>Total Bank Accounts</b>			<b>95,567</b>
<b>Total Cash</b>			<b>1,159</b>
<b>Grand Total</b>			<b>96,726</b>

## Appendix II - Short-term Investments and Interest Rates for 2004 (EUR)

From	To	Amount EUR '000	Interest Rate % p.A.
31-Dec-03	7-Jan-04	2,100	2.19
05-Jan-04	12-Jan-04	90,090	2.04
07-Jan-04	14-Jan-04	4,800	2.03
12-Jan-04	19-Jan-04	87,690	2.03
14-Jan-04	21-Jan-04	5,000	2.01
19-Jan-04	26-Jan-04	84,690	2.00
21-Jan-04	28-Jan-04	3,500	2.00
26-Jan-04	02-Feb-04	82,640	2.04
28-Jan-04	04-Feb-04	6,300	2.04
30-Jan-04	06-Feb-04	4,000	2.03
02-Feb-04	09-Feb-04	83,540	2.03
04-Feb-04	11-Feb-04	6,900	2.03
05-Feb-04	13-Feb-04	3,000	2.02
06-Feb-04	16-Feb-04	3,500	2.02
09-Feb-04	16-Feb-04	82,140	2.01
10-Feb-04	16-Feb-04	3,500	2.01
11-Feb-04	18-Feb-04	6,200	2.01
12-Feb-04	23-Feb-04	2,500	2.01
13-Feb-04	20-Feb-04	2,000	2.01
16-Feb-04	23-Feb-04	89,140	2.01
18-Feb-04	25-Feb-04	4,700	2.01
19-Feb-04	26-Feb-04	8,500	2.01
20-Feb-04	27-Feb-04	2,000	2.01
23-Feb-04	01-Mar-04	87,140	2.05
25-Feb-04	03-Mar-04	4,700	2.05
26-Feb-04	08-Mar-04	8,500	2.03
27-Feb-04	05-Mar-04	1,500	2.03
01-Mar-04	08-Mar-04	84,910	2.03
03-Mar-04	10-Mar-04	3,700	2.01
05-Mar-04	12-Mar-04	1,000	1.97
08-Mar-04	15-Mar-04	91,130	2.00
10-Mar-04	17-Mar-04	5,000	2.01
10-Mar-04	22-Mar-04	3,700	2.01
12-Mar-04	19-Mar-04	2,000	2.01
15-Mar-04	22-Mar-04	88,830	2.01
17-Mar-04	24-Mar-04	6,000	2.01
19-Mar-04	26-Mar-04	1,500	2.01
22-Mar-04	29-Mar-04	93,205	2.01
24-Mar-04	31-Mar-04	3,000	2.04
26-Mar-04	02-Apr-04	1,500	2.04
29-Mar-04	05-Apr-04	91,215	2.03
31-Mar-04	07-Apr-04	2,000	2.00
31-Mar-04	13-Apr-04	4,500	1.99
01-Apr-04	13-Apr-04	3,000	2.00
02-Apr-04	09-Apr-04	1,000	2.01
02-Apr-04	13-Apr-04	4,500	2.01
05-Apr-04	13-Apr-04	89,530	2.02
06-Apr-04	13-Apr-04	9,000	2.04
07-Apr-04	14-Apr-04	1,500	2.02
07-Apr-04	19-Apr-04	1,800	2.02
08-Apr-04	15-Apr-04	3,000	2.01
09-Apr-04	19-Apr-04	2,200	2.01
13-Apr-04	19-Apr-04	110,030	2.01
14-Apr-04	21-Apr-04	1,500	2.02
14-Apr-04	26-Apr-04	2,500	2.02
15-Apr-04	26-Apr-04	21,500	2.02
19-Apr-04	26-Apr-04	110,500	2.02
21-Apr-04	28-Apr-04	1,500	2.01
22-Apr-04	29-Apr-04	2,000	2.01
22-Apr-04	03-May-04	12,000	2.01
23-Apr-04	03-May-04	7,000	2.02
26-Apr-04	03-May-04	133,090	2.02
29-Apr-04	06-May-04	2,000	2.02
29-Apr-04	10-May-04	9,500	2.02
03-May-04	10-May-04	150,780	2.02
10-May-04	17-May-04	154,080	1.99
11-May-04	19-May-04	1,500	2.01
13-May-04	24-May-04	3,000	2.02
17-May-04	24-May-04	151,080	2.02
19-May-04	26-May-04	2,000	2.01
24-May-04	01-Jun-04	144,555	2.01
24-May-04	23-Jun-04	4,890	2.03
26-May-04	03-Jun-04	2,000	2.02
28-May-04	14-Jun-04	7,700	2.02
01-Jun-04	07-Jun-04	142,565	2.02
03-Jun-04	11-Jun-04	2,000	2.03
03-Jun-04	14-Jun-04	1,000	2.03

## Appendix II - Short-term Investments and Interest Rates for 2004 (continued)

From	To	Amount EUR '000	Interest Rate % p.A.
04-Jun-04	14-Jun-04	1,000	2.05
07-Jun-04	14-Jun-04	141,555	2.02
09-Jun-04	16-Jun-04	1,500	2.02
11-Jun-04	21-Jun-04	2,000	2.02
14-Jun-04	21-Jun-04	149,255	2.02
21-Jun-04	28-Jun-04	144,300	2.02
21-Jun-04	21-Jul-04	200	2.05
23-Jun-04	30-Jun-04	1,000	2.05
23-Jun-04	05-Jul-04	3,500	2.05
23-Jun-04	23-Jul-04	4,890	2.05
28-Jun-04	05-Jul-04	152,600	2.06
30-Jun-04	08-Jul-04	2,000	2.05
05-Jul-04	12-Jul-04	158,500	2.06
08-Jul-04	15-Jul-04	3,000	2.04
12-Jul-04	19-Jul-04	156,400	2.03
15-Jul-04	22-Jul-04	2,500	2.03
19-Jul-04	26-Jul-04	154,000	2.03
21-Jul-04	23-Aug-04	230	2.05
22-Jul-04	29-Jul-04	3,000	2.04
23-Jul-04	30-Jul-04	1,000	2.04
23-Jul-04	23-Aug-04	4,890	2.05
26-Jul-04	02-Aug-04	148,500	2.05
29-Jul-04	05-Aug-04	4,000	2.04
30-Jul-04	06-Aug-04	1,500	2.04
02-Aug-04	09-Aug-04	145,500	2.03
05-Aug-04	12-Aug-04	4,000	2.04
06-Aug-04	16-Aug-04	1,000	1.99
09-Aug-04	16-Aug-04	143,000	2.04
12-Aug-04	19-Aug-04	1,500	2.04
12-Aug-04	23-Aug-04	1,500	2.04
16-Aug-04	23-Aug-04	142,700	2.03
19-Aug-04	26-Aug-04	1,500	2.03
23-Aug-04	30-Aug-04	139,000	2.04
23-Aug-04	23-Sep-04	5,085	2.05
24-Aug-04	30-Aug-04	2,000	2.04
30-Aug-04	06-Sep-04	135,500	2.04
01-Sep-04	08-Sep-04	2,000	2.03
06-Sep-04	13-Sep-04	134,000	2.05
08-Sep-04	15-Sep-04	1,000	2.03
13-Sep-04	20-Sep-04	131,000	2.03
15-Sep-04	22-Sep-04	1,500	2.03
20-Sep-04	27-Sep-04	128,000	2.03
23-Sep-04	25-Oct-04	4,890	2.05
27-Sep-04	04-Oct-04	123,000	2.04
30-Sep-04	07-Oct-04	1,500	2.04
01-Oct-04	11-Oct-04	1,000	2.04
04-Oct-04	11-Oct-04	117,800	2.04
07-Oct-04	14-Oct-04	2,500	2.06
11-Oct-04	18-Oct-04	114,300	2.06
13-Oct-04	25-Oct-04	1,000	2.05
14-Oct-04	21-Oct-04	3,500	2.05
18-Oct-04	25-Oct-04	113,600	2.04
21-Oct-04	28-Oct-04	2,800	2.04
22-Oct-04	02-Nov-04	3,500	2.05
25-Oct-04	02-Nov-04	109,400	2.05
25-Oct-04	22-Nov-04	4,890	2.06
28-Oct-04	04-Nov-04	1,800	2.05
02-Nov-04	08-Nov-04	109,200	2.05
04-Nov-04	11-Nov-04	1,000	2.10
08-Nov-04	15-Nov-04	106,200	2.06
10-Nov-04	22-Nov-04	1,000	2.06
11-Nov-04	18-Nov-04	3,000	2.05
15-Nov-04	22-Nov-04	104,200	2.06
18-Nov-04	25-Nov-04	1,500	2.06
22-Nov-04	29-Nov-04	100,500	2.07
22-Nov-04	22-Dec-04	4,890	2.08
29-Nov-04	02-Dec-04	2,500	2.06
29-Nov-04	06-Dec-04	96,000	2.07
02-Dec-04	09-Dec-04	2,500	1.97
06-Dec-04	13-Dec-04	93,200	2.05
09-Dec-04	16-Dec-04	1,500	2.06
13-Dec-04	20-Dec-04	85,200	2.09
20-Dec-04	27-Dec-04	78,000	2.08
22-Dec-04	24-Jan-05	4,890	2.15
27-Dec-04	03-Jan-05	77,500	2.22
29-Dec-04	05-Jan-05	2,100	2.21

## Appendix II - Short-term Investments and Interest Rates for 2004 (USD)

From	To	Extra Budgetary USD '000	Interest Rate % p.A.
30-Dec-03	7-Jan-04	9,700	0.90
07-Jan-04	14-Jan-04	9,700	0.99
14-Jan-04	21-Jan-04	9,700	0.93
21-Jan-04	28-Jan-04	9,300	0.97
28-Jan-04	04-Feb-04	9,500	1.01
04-Feb-04	11-Feb-04	8,800	0.96
11-Feb-04	18-Feb-04	8,800	0.99
18-Feb-04	25-Feb-04	8,900	0.99
25-Feb-04	03-Mar-04	8,900	0.98
03-Mar-04	10-Mar-04	8,600	0.97
10-Mar-04	17-Mar-04	8,800	0.97
17-Mar-04	24-Mar-04	8,500	1.00
24-Mar-04	31-Mar-04	8,500	0.98
31-Mar-04	07-Apr-04	8,300	1.01
07-Apr-04	14-Apr-04	8,500	0.98
14-Apr-04	21-Apr-04	8,550	1.00
21-Apr-04	28-Apr-04	8,550	0.99
28-Apr-04	05-May-04	8,200	0.99
05-May-04	12-May-04	8,500	1.00
12-May-04	19-May-04	8,300	0.99
19-May-04	26-May-04	8,300	0.99
26-May-04	02-Jun-04	8,100	0.98
02-Jun-04	09-Jun-04	8,700	0.99
09-Jun-04	16-Jun-04	8,100	0.99
16-Jun-04	23-Jun-04	7,900	0.99
23-Jun-04	30-Jun-04	6,500	0.98
30-Jun-04	07-Jul-04	6,500	1.17
07-Jul-04	14-Jul-04	7,100	1.24
14-Jul-04	21-Jul-04	7,400	1.22
21-Jul-04	28-Jul-04	7,400	1.21
28-Jul-04	04-Aug-04	7,000	1.21
04-Aug-04	11-Aug-04	7,000	1.23
11-Aug-04	18-Aug-04	7,000	1.44
18-Aug-04	25-Aug-04	7,300	1.46
25-Aug-04	01-Sep-04	7,300	1.46
01-Sep-04	08-Sep-04	7,100	1.49
08-Sep-04	15-Sep-04	7,000	1.47
15-Sep-04	22-Sep-04	7,200	1.49
22-Sep-04	29-Sep-04	7,200	1.70
29-Sep-04	06-Oct-04	7,000	1.69
06-Oct-04	13-Oct-04	7,000	1.69
13-Oct-04	20-Oct-04	7,000	1.71
20-Oct-04	27-Oct-04	6,900	1.73
27-Oct-04	03-Nov-04	7,300	1.75
03-Nov-04	10-Nov-04	7,000	1.76
10-Nov-04	17-Nov-04	7,300	1.89
17-Nov-04	24-Nov-04	7,400	1.86
24-Nov-04	01-Dec-04	7,000	1.97
01-Dec-04	09-Dec-04	7,000	1.97
09-Dec-04	15-Dec-04	7,200	2.02
15-Dec-04	22-Dec-04	7,000	2.22
22-Dec-04	29-Dec-04	7,000	2.21
29-Dec-04	05-Jan-05	7,300	2.37



## Appendix III - Assessed Contributions Receivable as at 31 December 2004

EUR '000 Participating State	2002 and prior	2003	2004	Balance
Albania	0	0	88	88
Andorra	0	0	0	0
Armenia	603	82	72	757
Austria	0	0	0	0
Azerbaijan	0	41	72	113
Belarus	0	118	303	421
Belgium	0	0	0	0
Bosnia-Herzegovina	0	0	0	0
Bulgaria	0	0	0	0
Canada	0	0	0	0
Croatia	0	0	0	0
Cyprus	0	0	0	0
Czech Republic	0	0	0	0
Denmark	0	0	0	0
Estonia	0	0	0	0
the Former Yugoslav Republic of Macedonia	0	0	80	80
Finland	0	0	0	0
France	0	0	0	0
Georgia	752	82	72	906
Germany	0	0	0	0
Greece	0	0	0	0
Holy See	0	0	0	0
Hungary	0	0	0	0
Iceland	0	0	0	0
Ireland	0	0	0	0
Italy	0	0	0	0
Kazakhstan	0	125	252	377
Kyrgyzstan	802	82	72	956
Latvia	0	0	0	0
Liechtenstein	0	0	0	0
Lithuania	0	0	0	0
Luxembourg	0	0	0	0
Malta	0	0	0	0
Moldova	632	82	72	786
Monaco	0	0	0	0
Netherlands	0	0	0	0
Norway	0	0	0	0
Poland	0	0	0	0
Portugal	0	0	0	0
Romania	0	0	0	0
Russian Federation	0	0	0	0
San Marino	0	0	57	57
Serbia and Montenegro	0	0	103	103
Slovak Republic	0	0	0	0
Slovenia	0	0	0	0
Spain	0	0	0	0
Sweden	0	0	0	0
Switzerland	0	0	0	0
Tajikistan	338	82	72	492
Turkey	0	0	0	0
Turkmenistan	692	82	72	846
Ukraine	0	0	0	0
United Kingdom	0	0	0	0
United States	0	0	0	0
Uzbekistan	1,368	289	248	1,905
<b>Total</b>	<b>5,188</b>	<b>1,065</b>	<b>1,633</b>	<b>7,886</b>