

## **OSCE** Financial Report and Financial Statements for the year ended 31 December 2002

early warning   conflict prevention   crisis management   human rights   democratization confidence-building measures   arms control  
preventive diplomacy   security-building measures   election monitoring   police training   freedom of the media   anti-trafficking  
protecting national minorities   economic and environmental security   post-conflict rehabilitation  
anti-terrorism   institution building   border monitoring   building civil society

Letter of Transmittal to the Chairman  
of the Permanent Council of the OSCE from  
the Secretary General



Organization for Security and Co-operation in Europe

The Secretariat

26 September 2003

Sir,

Pursuant to the Financial Regulations and PC.DEC/553 dated 27 June 2003, I have the honour to submit Revision 1 of the Financial Report and Financial Statements of the Organization for Security and Co-operation in Europe for the year ended 31 December 2002 and the Audit Report of the External Auditor thereon for your consideration and approval.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'J. Kubiš'. The signature is fluid and cursive.

Ján Kubiš  
Secretary General

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# Audit Report of the External Auditor

25 September 2003

## To the Governing Body

We have audited the accompanying Financial Report and Financial Statements, comprising of financial report for the year ended 31 December 2002, Budget and Expenditure Report, Financial Statements 1 to 25, notes to the Financial Statements of the OSCE including annex I to III for the period ended on 31 December 2002 (Rev1). These accounts and the administration of the organisation are the responsibility of the Secretary General. Our responsibility is to express an opinion on the annual accounts and the administration based on our audit.

*This Audit Report replaces the Audit Report issued June 4, 2003.*

We conducted our audit in accordance with the Auditing Standards issued by the Auditing Standards Committee of the International Organisation of Supreme Audit Institutions (INTOSAI) in so far as they were applicable.

Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the accounts. An audit also includes assessing the accounting principles used and their application by the Secretary General, as well as evaluating the overall presentation of information in the annual accounts. We examined significant decisions, actions taken and circumstances of the organisation in order to be able to determine if the Secretary General in any way acted in contravention to the Financial Regulations of the organization.

We believe that our audit provides a reasonable basis for our opinion set out below.

- the Financial Report and Financial Statements present fairly the financial position of the OSCE as at 31 December 2002 and the financial results of the operations for the period then ended,
- the Financial Statements were prepared in accordance with generally accepted accounting principles,
- the financial transactions reflected in the statements have been effected in accordance with the Financial Regulations, budgetary provisions as well as applicable directives and financial instructions,

In accordance with common practice, we have issued a long form report on our audit of the 2002 Financial Report and Financial Statements, as provided for in the Financial Regulations adopted by the Permanent Council.



Jonas Hällström

Audit Director

Authorised Public Accountant, CISA

The Swedish National Audit Office

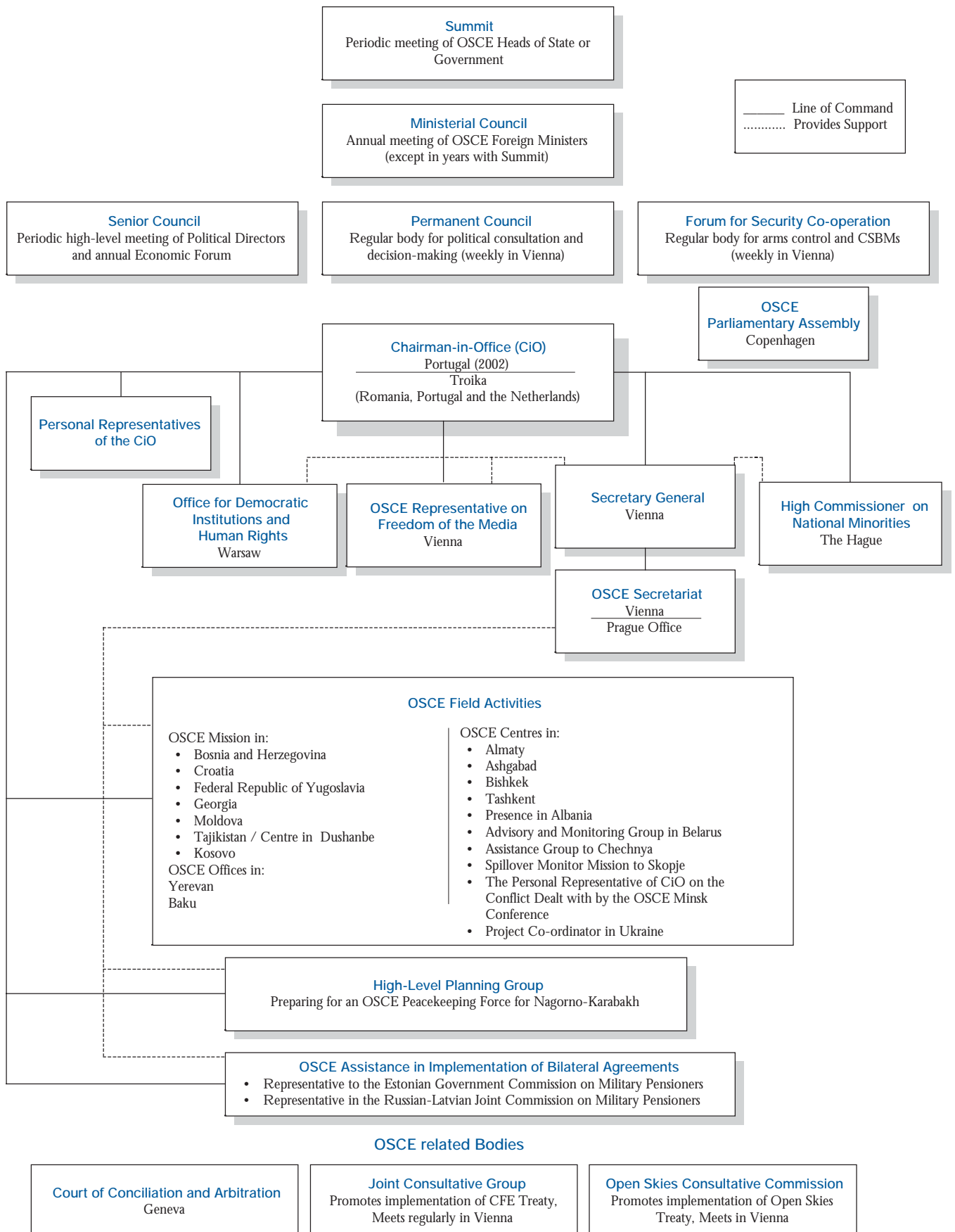


Anders Hjertstrand

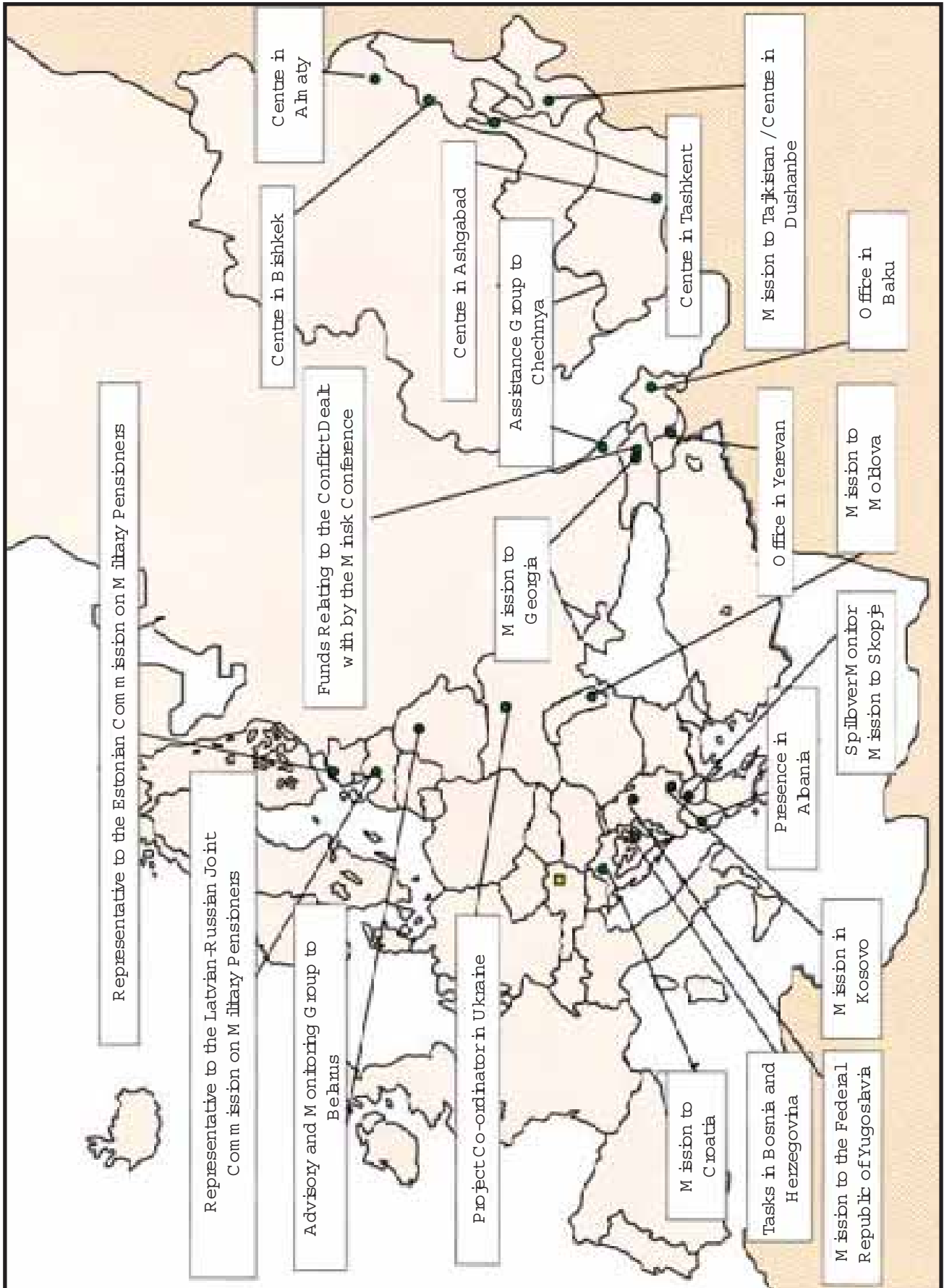
Audit Director

The Swedish National Audit Office

# OSCE Organizational Chart for 2002 as at 31 December 2002



# OSCE Missions and Field Operations as at 31 December 2002



# Chapter I - Financial Report

## for the year ended 31 December 2002

### 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 2002. The Financial Report provides the financial results for the OSCE's activities during the financial year 2002.

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 2001 was circulated (PC.IFC/9/03, 10 January 2003) to all Delegations of participating States. The majority of the recommendations have been implemented successfully, while others continue to be under implementation as work in progress.

The OSCE operates a system of fund accounting and the resulting financial statements present the financial results of budgetary Funds approved under PC.DEC/469 dated 11 April 2002<sup>1</sup> and subsequent budget revisions and extra-budgetary Funds. The OSCE's Consolidated Financial Statements cover activities undertaken by OSCE bodies, Institutions and Field Operations funded by participating States under the Unified Budget as well as under extra-budgetary contributions. This Financial Report provides an overview and analysis of the financial aspects of each of these.

#### Summary of the OSCE's Results for the Financial Year 2002

EUR million	UNIFIED BUDGET	EXTRA-BUDGETARY
<b>INCOME</b>		
Assessed Contributions	174,9	
Extra-budgetary Contributions		43,7
Other income and adjustments	7,3	(0,7)
<b>TOTAL INCOME</b>	<b>182,2</b>	<b>43,0</b>
<b>EXPENDITURE</b>		
Expenditure	167,5	24,0
<b>EXCESS OF INCOME OVER EXPENDITURE</b>	<b>14,7</b>	<b>19,0</b>
<b>BUDGET</b>		
Final Revised Budget	174,9	
Budget utilisation rate	96%	
<b>CASH SURPLUS 2002</b>	<b>16,9</b>	
	<i>Number of positions</i>	
<b>STAFFING – POSITIONS APPROVED</b>		
Professional staff positions	1.440	
General service staff positions	2.849	
Total staff positions	4.299	

Total Income for the OSCE's Consolidated Statement of Income, Expenditure and Changes in

Fund Balance includes extra-budgetary contributions, miscellaneous income, savings on prior year ULO's and adjustments. Total income for 2002 amounted to EUR 225.2 million (2001: EUR 224.2 million).

### 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 per cent of the approved Unified Budget) is due by 20 January and payment against the second bill (remaining 50 per cent of the Unified Budget) is due by 1 April.

OSCE income from assessed contributions against the 2002 Unified Budget totalled EUR 174.9 million, of which EUR 67.1 million is under the Revised Standard Scale of Contributions (PC.DEC/468, 11 April 2002) and EUR 107.8 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 7.3 million.

In accordance with PC.DEC/468 of 11 April 2002, it was decided that, as an exceptional measure, the OSCE Mission to Croatia will be funded in 2002 through the application of the Scale of Contributions for large OSCE Missions and Projects, as established by PC.DEC/408/Corr.1 of 5 April 2001. Accordingly, the OSCE's Financial Report and Financial Statements for the year ended 31 December 2002 include the Mission to Croatia under "Large OSCE Missions and Projects".

As of 31 December 2002, the OSCE received 96 per cent of assessed contributions billed against the 2002 Unified Budget (2001: 94 per cent). Assessed contributions due against prior years' bills also continued to be paid by participating States, which resulted in a net decrease of EUR 2.1 million in assessed contributions receivable.

The share of those participating States which consistently remain on the non-payers' list has remained at 1 per cent of assessed contributions receivable for the year 2002.

<sup>1</sup>For the first time in the history of the OSCE, the Unified Budget was approved some four months after the date stipulated in Financial Regulation 2.05. This created difficulties for the OSCE's work.



## 2.2 Budget, Expenditure and Staffing

### Budget

The 2002 Unified Budget was approved under PC.DEC/469 on 11 April 2002, in the amount of EUR 177.5 million and supplementary and revised budgets approved under subsequent Permanent Council Decisions amounted to a net reduction of EUR 2.6 million, for a total Revised Budget of EUR 174.9 million.

### Final Revised 2002 Unified Budget

EUR '000	2002	
The General Fund (Secretariat)	20,319	11.6%
Action Against Terrorism Fund	337	0.2%
ODIHR	8,534	4.9%
HCNM	2,119	1.2%
OSCE Representative on the Freedom of the Media	706	0.4%
Funds relating to the Conflict Dealt with by the OSCE Minsk Conference	1,615	0.9%
OSCE Missions and Field Operations	33,470	19.1%
Large OSCE Missions and Projects	107,849	61.6%
<b>Total Unified Budget</b>	<b>174,949</b>	<b>100%</b>

The following table lists the Supplementary Budgets approved by the Permanent Council in the course of 2002<sup>2</sup>.

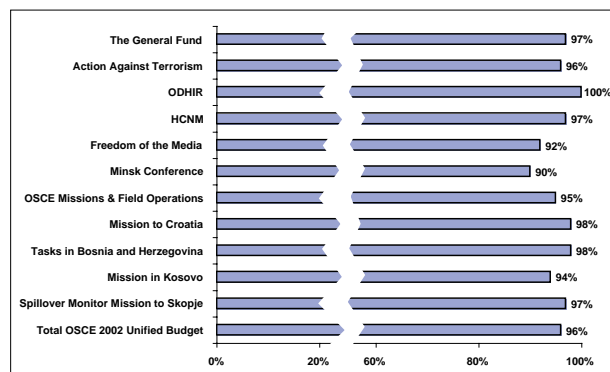
### Supplementary Budgets

PC Decision	EUR million	2002 Unified Budget
<b>11/4/2002</b> <b>PC.DEC/469</b>		<b>177.5</b>
19/4/2002 PC.DEC/470	Mission in Kosovo – 2002 Municipal Elections in Kosovo	9.8
16/5/2002 PC.DEC/474	Reallocation of Resources for the Tenth Meeting of the OSCE Economic Forum	0
23/5/2002 PC.DEC/478	Enhancing Resources dealing with Challenges to Security	0
20/6/2002 PC.DEC/481	Reallocation of Resources for the Supplementary Budget of the ODIHR 2002 Election Observation Missions and Technical Assistance Project	0
25/7/2002 PC.DEC/491	Mid-Year Review of the Year 2002 OSCE Unified Budget	0
25/7/2002 PC.DEC/492	Activities Relating to the Military Aspects of Security Supplementary Budget for the modernization of the OSCE Communications Network	0
4/10/2002 PC.DEC/497	2002 Mission to Moldova – Move to new premises	0
21/11/2002 PC.DEC/503	Supplementary Budget of the ODIHR 2002 Election Observation Mission for re-running of the Serbian Presidential Elections	0
<b>30/1/2003</b> <b>PC.DEC/532</b>	Final Revision of the 2002 Unified Budget	(12.4)
<b>FINAL REVISED 2002 UNIFIED BUDGET</b>	<b>(2.6)</b>	<b>174.9</b>

### Expenditure

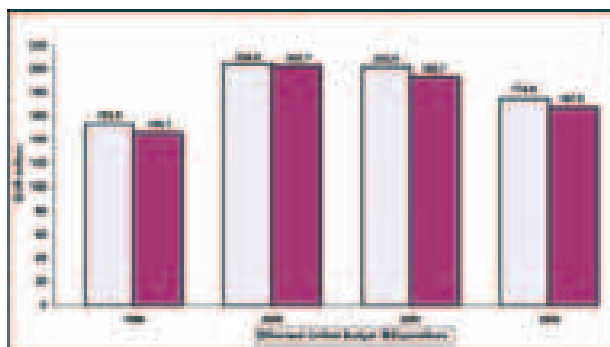
The 2002 total budgetary expenditure amounted to EUR 167.5 million, representing a decrease of 14 per cent compared to the previous year (2001: EUR 193.7 million). This consisted of EUR 64.7 million from Institutions, Missions and Field Operations and EUR 102.8 million from the Large Missions, and represents a utilisation rate of 96%.

### Budget Utilisation Rates for Final Revised 2002 Unified Budget



With the increasing involvement of the OSCE in South East Europe, expenditure under the Unified Budget increased exponentially, peaking in 2000 with a total expenditure of EUR 202.7 million. Since then, annual expenditures have been slowly decreasing to EUR 167.5 million in 2002.

### Budget vs. Expenditure 1999-2002

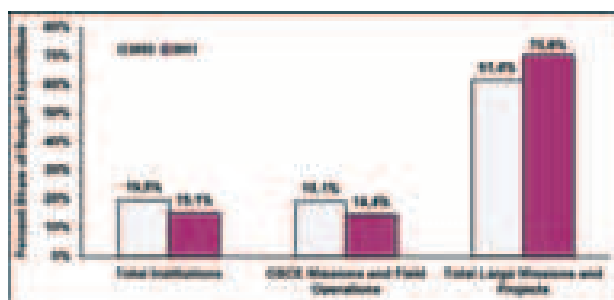


Although the Spillover Monitor Mission to Skopje was enhanced in 2002, the decrease in total expenditure is primarily a reflection of the downsizing of other large Missions in South East Europe. However, OSCE's field operations in Croatia, Bosnia and Herzegovina, Kosovo as well as the Spillover Monitor Mission to Skopje accounted for 61 percent of the total Budget expenditure in 2002.

<sup>2</sup> Supplementary budgets requiring "0" funding reflect decisions of the Permanent Council to fund these activities from reallocations / savings.

**Budget Expenditure**

EUR '000	2002		2001	
The General Fund	19,7	11,8%	18,2	9,4%
Action Against Terrorism Fund	0,3	0,2%	0	0,0%
Office for Democratic Institutions and Human Rights	8,5	5,1%	6,5	3,4%
High Commissioner on National Minorities	2,1	1,3%	1,9	1,0%
Representative on Freedom of the Media	0,6	0,4%	0,6	0,3%
Funds Relating to the Conflict Dealt with by the OSCE Minsk Conference	1,5	0,9%	2,0	1,0%
<b>Total Institutions</b>	<b>32,7</b>	<b>19,5%</b>	<b>29,2</b>	<b>15,1%</b>
<b>OSCE Missions and Field Operations</b>	<b>32,0</b>	<b>19,1%</b>	<b>27,8</b>	<b>14,4%</b>
Mission to Croatia	10,9	6,5%	12,5	6,5%
Tasks in Bosnia and Herzegovina	19,5	11,6%	25,1	13,0%
Mission in Kosovo	54,4	32,5%	92,8	47,9%
Spillover Monitor Mission to Skopje	18,0	10,7%	6,3	3,3%
<b>Total Large Missions and Projects</b>	<b>102,8</b>	<b>61,4%</b>	<b>136,7</b>	<b>70,6%</b>
<b>Total OSCE</b>	<b>167,5</b>	<b>100%</b>	<b>193,7</b>	<b>100%</b>

**Budget Expenditure**

Staff costs (post table/non-post table staff costs and board and lodging allowance) continue to represent the most significant part of OSCE's annual expenditure.

**Budget Expenditure by Cost Category**

EUR '000	2002		2001	
Staff costs	105,1	62,7%	116	60,1%
Travel Costs	9,2	5,5%	10,7	5,5%
Other Services and Utilities	32,5	19,4%	43,9	22,7%
Language Services	1,9	1,1%	2,4	1,3%
Representation	0,4	0,2%	0,6	0,3%
Investments	11,4	6,8%	12,1	6,3%
Supplies	5,7	3,4%	7,5	3,9%
Training Activities	0,8	0,4%	0,0	0,0%
Project Activities	0,5	0,3%	0,0	0,0%
<b>Total</b>	<b>167,5</b>	<b>100%</b>	<b>193,7</b>	<b>100%</b>

**Staffing**

Total budgeted positions as at 31 December 2002 were 4,299, representing a 6 percent decrease over the previous year (2001: 4,549 budgeted positions). Field Operations account for 91 percent of total budgeted positions. The distribution of positions within the Organization is shown on Annex A.

**Budgeted Positions**

EUR '000	2002		2001	
Professional Staff	1,440	100%	1,653	100%
International contracted	250	17%	269	16%
Seconded	1,080	75%	1,256	76%
National professional	110	8%	128	8%
General Service Staff	2,859	100%	2,896	100%
Institutions	203	7%	180	6%
Local general service	2,656	93%	2,715	94%
<b>Total Staff</b>	<b>4,299</b>		<b>4,549</b>	

As the above highlights, the OSCE Unified Budget reflects only part of the resources funded by the Organization. Three-quarters of the professional positions budgeted for 2002 were seconded positions, funded only partly by the OSCE's Unified Budget (only costs related to board and lodging are included in the Unified Budget). The salaries of staff employed in these positions are funded by participating States.

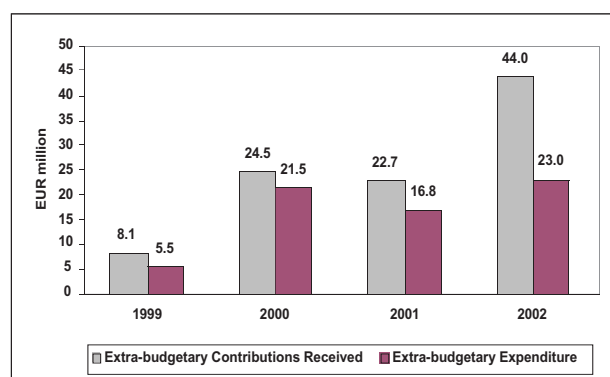
The continued generous contributions of host countries towards building rental costs should also be acknowledged and highlighted. The Austrian Government and the City of Vienna have provided further substantial contributions in kind in the form of tax concessions, security, parking areas as well as the significant renovation works related to the Hofburg premises provided for the use of the OSCE.

**3. Extra-budgetary Contributions**

During the year 2002, extra-budgetary contributions received amounted to EUR 43.6 million (2001: EUR 22.7 million), of which EUR 2.5 million related to 2001 extra-budgetary contributions received in 2002. Extra-budgetary expenditure amounted to EUR 24.0 million (2001: EUR 16.6 million).

To illustrate the fluctuating nature of extra-budgetary contributions and expenditure, an overview is provided below of extra-budgetary contributions received and expenditure from 1999-2002.

#### Extra-budgetary Contributions and Expenditure 1999-2002



Extra-budgetary contributions hit a peak of EUR 44 million in 2002. However, one should be careful not to interpret this increase as a long term trend. This exceptional increase was largely due to an amount of EUR 17 million contributed to the Fund for Activities Related to the Removal and Destruction of Russian Ammunition and Armaments from Moldova. Expenditure against this programme in 2002 amounted to EUR 3 million.

#### 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 2002 and 2001 are shown below (General Fund bank balances include the Revolving, Contingency and IRMA Funds as well as extra-budgetary funds).

##### Cash and Bank balances

EUR '000	2002		2001	
General Fund (Secretariat)	103,524	95%	54,201	87%
Institutions	1,815	2%	2,646	4%
Field Operations				
South-Eastern Europe	2,175	2%	3,442	6%
Eastern Europe	96	0%	250	0%
Caucasus	485	0%	307	0%
Central Asia	113	0%	139	0%
Sub-Total	2,869	3%	4,138	7%
Total Cash	1,092	1%	1,458	2%
<b>TOTAL</b>	<b>109,300</b>	<b>100%</b>	<b>62,443</b>	<b>100%</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. Financial institutions 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 General Fund.

#### 5. Management Issues

2002 was a very significant and busy year for the OSCE with respect to the further development and strengthening of its management and budgetary processes and procedures. The Permanent Council adopted PC.DEC/486, dated 28 June 2002, on improving the budgetary management of the organization, and significant progress has been made in the implementation of this decision, as detailed below.

##### 5.1 Common Regulatory Management Framework

**PC.DEC/486 deliverable:** "Put in place and ensure compliance with the common administrative system and standards for the Organization as a whole in order to ensure the efficient and transparent use of OSCE resources."

The current OSCE regulatory framework has been reviewed and analysed. The reference documents have been catalogued, including the approval level, departmental responsibility, applicability and reference. Following this review, it is proposed that a new, rational regulatory framework be introduced, both in structure and content.

The new common regulatory management framework will have full applicability to the Secretariat, Institutions and Field Operations. A central system of logging and clearing will be introduced to ensure

consistency and compliance with hierarchy and approval levels. The change from the current framework to the new regulatory management framework will be done gradually in the context of implementing IRMA.

### **Implementing the Common Regulatory Management Framework through IRMA**

The Management Agenda was published in September 2001 (Sec.Gal/152/01 of 6 September). The aim of the Agenda is to develop a more effective, efficient and transparent management of the OSCE. This will be achieved by streamlining and updating our management systems and embedding them in a modern IT framework. The systems will establish a single, standardized model of corporate governance. The main vehicle for effecting this change is the IRMA programme.

Seven Vision Papers have been developed to address the key components of the Management Agenda. They present a single, coherent proposal for how the final model of the Agenda will look and address key OSCE structural and process issues by identifying the principles under which the OSCE's system of governance will work as well as addressing the detailed functional and organisational structures within the main resource management areas.

This model is being developed between the Secretariat, Institutions and Missions. This process is ongoing and will continue throughout the life of the IRMA implementation process. Participating States have agreed to fund this development and in July 2002 agreed to establish the IRMA FUND, with a budget of EUR 6.9 million for a three-year period of implementation (PC.DEC/493 of 25 July 2002). Quarterly reports on the implementation of IRMA are provided to the participating States as required by the PC Decision. The implementation of the IRMA programme commenced on 10 March 2003 and is envisioned to be completed sometime during 2004.

### **5.2 Unified Budget Reform**

**PC.DEC/486 deliverable:** *The main element of the decision is to make the Unified Budget the key management tool for planning, implementing and evaluating the work of the Organization, its Institutions and Field Operations and to clarify the respective responsibilities*

The Permanent Council approved the Unified 2003 Budget on 30 December 2002. In line with the spirit of PC.DEC/486, the following improvements were introduced.

- The Budget process was enhanced for the 2003 Programme Outline, such that clear guidance for Budget preparation was provided to Institutions and Field Operations in the form of the iFC Chair's Perception Paper (PC.IFC/63/02 of 1 July 2002).
- Improvement in the process and better co-ordination was achieved in the provision of supplementary information in response to requests for clarifications made by the iFC; e.g. the Compendia of Requested Clarifications (PC.IFC/112/02 of 19 November and PC.IFC/112/02Add.1 of 27 November 2002) and the Discussion Paper on Horizontal Issues (PC.IFC/111/02/Rev.1 of 20 November 2002).
- The first draft of the Financial Instruction on the Unified Budget was prepared in early 2003. It is envisaged that the implementation of this Financial Instruction will greatly improve the process, format and presentation of the OSCE's Unified Budget.

### **5.3 Extra-budgetary Contributions**

**PC.DEC/486 deliverable:** *"The Secretary General will develop a system to process, in a transparent, timely and efficient manner, offers of and requests for extra-budgetary contributions provided to finance projects and activities that are consistent with OSCE objectives but are not funded under the Unified Budget. The system should include consultation on the project with the government of the host country and periodic reporting to the donor and to the Permanent Council on the status of project implementation, including financial reporting. Projects will be carried out with full respect for the laws and regulations of the host country."*

The Financial Instruction 13/2002 on Extra-budgetary Contributions was finalised in December 2002 and issued on 2 January 2003. This Financial Instruction is the result of extensive consultations with Delegations, Institutions and Field Operations, Internal Oversight and the External Auditors. It establishes procedures, closely mirroring the structure of the Unified Budget, for the management of programmes and projects funded from extra-budgetary contributions and ensures that extra-budgetary contributions are accepted, budgeted, expended, monitored, accounted for and reported under proper authority and control.

## Annex A: OSCE 2002 Unified Budget – Budgeted Staff Positions

as at 31 December

	Professional staff			TOTAL PROF. STAFF	General Service		TOTAL G.S. STAFF	GRAND TOTAL
	Contracted	Seconded	National**		Institutions	Local**		
The General Fund *	93	26	-	119	172	-	172	291
Office for Democratic Institutions and Human Rights (ODHR)	32	1	-	33	19	-	19	52
High Commissioner on National Minorities	12	5	-	17	7	-	7	24
Representative on Freedom of the Media	3	4	-	7	2	-	2	9
Funds Related to the Conflict Dealt with by the OSCE Ministerial Conference	-	14	-	14	1	10	11	25
<b>OSCE Missions and Field Operations</b>	<b>10</b>	<b>249</b>	<b>9</b>	<b>268</b>	<b>-</b>	<b>427</b>	<b>427</b>	<b>695</b>
Mission to Croatia	6	84	-	90	-	224	224	314
OSCE Tasks in Bosnia and Herzegovina	7	143	56	206	1	501	502	708
OSCE Mission to Kosovo	82	328	38	448	-	1,115	1,115	1,563
Spilveermission to Skopje	5	226	7	238	-	379	379	617
<b>GRAND TOTAL</b>	<b>250</b>	<b>1,080</b>	<b>110</b>	<b>1,440</b>	<b>203</b>	<b>2,656</b>	<b>2,859</b>	<b>4,299</b>

\* Includes Augmentations, Action Against Terrorism Fund and positions budgeted for the Administrative Centre of the Mission to Estonia (January 2002 to end February 2002) and Latvia (January 2002 to end April 2002).

\*\* Indicative figures only for Local General Service and National Professional positions.

## Chapter II – Budget and Expenditure Report

**BUDGET AND EXPENDITURE REPORT**  
for the Year Ended 31 December 2002

Fund	Approved Budget (Note 1)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Imp. Rate %
<b>Main Programme</b>									
Sub Programme									
EURO 000									
<b>The General Fund</b>									
<b>Secretary General and Central Services</b>									
Executive Management	634	0	634	0	634	622	6	628	99
Press and Public Information	803	(40)	763	0	763	696	47	743	97
Legal Services	216	(42)	175	0	175	161	0	161	92
Internal Oversight	558	10	568	0	568	551	7	558	98
External Co-operation	441	3	443	0	443	435	13	448	101
Seminars	31	(2)	29	0	29	23	0	23	80
Gender Issues	130	(4)	126	0	126	113	13	126	99
Strategic Police Matters	89	48	137	0	137	90	13	103	75
Short Term Missions/Visits of C/D and PR of the C/D	225	23	248	0	248	141	104	245	99
<b>Total</b>	<b>3,127</b>	<b>(4)</b>	<b>3,123</b>	<b>0</b>	<b>3,123</b>	<b>2,833</b>	<b>202</b>	<b>3,035</b>	<b>97</b>
<b>Activities Relating to the Economic and Environmental Aspects of Security</b>									
Co-ordinator of OSCE Economic and Environmental Activities	655	(60)	595	0	595	576	9	585	98
Economic Forum Meeting	222	62	284	0	284	269	1	270	95
<b>Total</b>	<b>877</b>	<b>2</b>	<b>879</b>	<b>0</b>	<b>879</b>	<b>845</b>	<b>10</b>	<b>855</b>	<b>97</b>
<b>Conflict Prevention Activities</b>									
Direction and Management	261	41	302	0	302	294	5	299	99
Mission Programme Section	582	(19)	563	0	563	523	17	540	96
Field Security	119	9	128	0	128	125	2	127	99
Operations Centre	526	(7)	519	0	519	476	37	513	99
Situation/Communication Room	57	(3)	54	0	54	52	0	52	97
<b>Total</b>	<b>1,545</b>	<b>22</b>	<b>1,567</b>	<b>0</b>	<b>1,567</b>	<b>1,470</b>	<b>62</b>	<b>1,532</b>	<b>98</b>
<b>Activities Relating to Military Aspects of Security</b>									
Communications Network	382	47	429	0	429	258	140	399	93
FSC Support Unit	284	24	308	0	308	306	0	307	99
Seminars	48	(6)	43	0	43	27	3	31	73
<b>Total</b>	<b>713</b>	<b>66</b>	<b>779</b>	<b>0</b>	<b>779</b>	<b>592</b>	<b>144</b>	<b>736</b>	<b>94</b>

Fund	Approved Budget (Note 1)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Imp. Rate %
<b>Main Programme</b>									
Sub Programme									
Euro 000									
<b>Human Resources Management</b>									
Direction and Management	287	(4)	283	0	283	219	39	258	91
Recruitment	489	(67)	422	0	422	362	24	386	92
Personnel Management	436	39	475	0	475	454	37	491	103
Training Section	367	(24)	343	0	343	286	24	310	91
<b>Total</b>	<b>1,579</b>	<b>(57)</b>	<b>1,522</b>	<b>0</b>	<b>1,522</b>	<b>1,321</b>	<b>125</b>	<b>1,445</b>	<b>95</b>
<b>Department of Management and Finance/Common Services in Vienna</b>									
Direction and Management	246	(45)	201	0	201	189	1	190	94
General Services	1,714	(136)	1,578	0	1,578	1,398	142	1,540	98
Finance Services	1,184	0	1,184	0	1,184	1,145	16	1,162	98
Information Technology Services	3,171	206	3,377	0	3,377	2,793	584	3,377	100
Mission Support Services	922	(131)	791	0	791	753	9	762	96
Central Records and Information Management	260	(55)	206	0	206	167	19	186	91
<b>Total</b>	<b>7,498</b>	<b>(161)</b>	<b>7,337</b>	<b>0</b>	<b>7,337</b>	<b>6,445</b>	<b>773</b>	<b>7,218</b>	<b>98</b>
<b>Department of Management and Finance/Conference Services in Vienna</b>									
Direction and Management	187	0	187	0	187	186	0	186	99
Meeting Services and Administration	2,137	(52)	1,885	20	1,905	1,625	279	1,904	100
Language Services	2,833	(65)	2,468	(20)	2,448	2,191	31	2,222	91
<b>Total</b>	<b>5,157</b>	<b>(617)</b>	<b>4,540</b>	<b>0</b>	<b>4,540</b>	<b>4,002</b>	<b>310</b>	<b>4,312</b>	<b>95</b>
<b>Department of Management and Finance/Prague Office</b>									
Conference Services in Prague	0	0	0	0	0	0	0	0	n/m
Publication, Documentation and Other Services	405	(6)	369	0	369	355	3	358	97
<b>Total</b>	<b>405</b>	<b>(36)</b>	<b>369</b>	<b>0</b>	<b>369</b>	<b>355</b>	<b>3</b>	<b>358</b>	<b>97</b>
<b>Funding for the Administrative Closure of the Missions to Estonia and Latvia</b>									
Estonia (Closing Procedure)	47	(5)	42	0	42	39	0	39	93
Latvia (Closing Procedure)	197	(95)	162	0	162	160	0	160	99
<b>Total</b>	<b>244</b>	<b>(40)</b>	<b>204</b>	<b>0</b>	<b>204</b>	<b>199</b>	<b>0</b>	<b>199</b>	<b>98</b>
<b>Total for the General Fund</b>	<b>21,145</b>	<b>(826)</b>	<b>20,319</b>	<b>0</b>	<b>20,319</b>	<b>18,061</b>	<b>1,628</b>	<b>19,689</b>	<b>97</b>



Fund	Main Programme	Sub Programme	EURO 000	Approved Budget (Note 1)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Imp. Rate %
<b>Action Against Terrorism Fund</b>												
	<b>Action Against Terrorism Unit (OSG)</b>			69	(32)	37	0	37	22	1	22	59
	<b>Action Against Terrorism Unit/Military Aspects of Security</b>			0	0	0	0	0	0	0	0	n/m
	<b>Action Against Terrorism Unit/ODIHR</b>			351	(51)	300	0	300	299	0	300	100
	<b>Total for the Action Against Terrorism Fund</b>			420	(83)	337	0	337	321	1	322	95
<b>Office for Democratic Institutions and Human Rights</b>												
<b>Human Dimension Activities</b>												
	Elections			2,591	1,534	4,125	0	4,125	4,117	5	4,122	100
	Democratization			1,497	(25)	1,472	0	1,472	1,458	14	1,472	100
	Human Rights Monitoring			500	(60)	470	0	470	469	0	469	100
	Public Affairs			200	25	225	0	225	225	0	225	100
	Implementation Meeting			397	(66)	361	0	361	360	0	360	100
	Roma and Sinti Issues			207	18	225	0	225	224	1	225	100
	<b>Total</b>			<b>5,392</b>	<b>1,486</b>	<b>6,879</b>	<b>0</b>	<b>6,879</b>	<b>6,851</b>	<b>21</b>	<b>6,872</b>	<b>100</b>
<b>Common Services</b>												
	Executive Management			398	67	465	0	465	465	0	465	100
	General Administration			794	31	825	0	825	767	57	824	100
	Finance			377	(12)	365	0	365	361	4	365	100
	<b>Total</b>			<b>1,569</b>	<b>86</b>	<b>1,655</b>	<b>0</b>	<b>1,655</b>	<b>1,592</b>	<b>61</b>	<b>1,653</b>	<b>100</b>
	<b>Total for ODIHR</b>			<b>6,962</b>	<b>1,572</b>	<b>8,534</b>	<b>0</b>	<b>8,534</b>	<b>8,444</b>	<b>82</b>	<b>8,525</b>	<b>100</b>
<b>High Commissioner on National Minorities (HCNM)</b>												
<b>Activities of the High Commissioner</b>												
	Direction and Management			1,021	14	1,035	0	1,035	1,034	0	1,034	100
	On-site consultations			432	0	432	0	432	413	3	416	96
	Projects			103	1	104	0	104	102	0	102	99
	<b>Total</b>			<b>1,555</b>	<b>15</b>	<b>1,570</b>	<b>0</b>	<b>1,570</b>	<b>1,550</b>	<b>3</b>	<b>1,553</b>	<b>99</b>

Fund Main Programme Sub Programme EURO 000	Approved Budget (Note 1)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Imp. Rate %
<b>Common Services</b>									
General Administration	658	(115)	543	0	543	500	5	505	93
Finance	6	0	6	0	6	4	0	4	68
<b>Total</b>	<b>664</b>	<b>(115)</b>	<b>549</b>	<b>0</b>	<b>549</b>	<b>504</b>	<b>5</b>	<b>509</b>	<b>93</b>
<b>Total HCNM</b>	<b>2,219</b>	<b>(100)</b>	<b>2,119</b>	<b>0</b>	<b>2,119</b>	<b>2,053</b>	<b>8</b>	<b>2,061</b>	<b>97</b>
<b>Representative on Freedom of the Media</b>									
Management	766	(60)	706	0	706	613	33	646	91
<b>Total for Representative on Freedom of the Media</b>	<b>766</b>	<b>(60)</b>	<b>706</b>	<b>0</b>	<b>706</b>	<b>613</b>	<b>33</b>	<b>646</b>	<b>91</b>
<b>Funds Relating to the Conflict Deal with by the Minsk Conference</b>									
High Level Planning Group	175	(0)	167	0	167	155	1	156	93
The Minsk Process	939	(440)	499	0	499	396	45	442	88
Personal Representative of the CIO	1,023	(74)	949	0	949	838	25	863	91
<b>Total Funds Relating to the Conflict Deal with by the OSCE Minsk Conference</b>	<b>2,137</b>	<b>(522)</b>	<b>1,615</b>	<b>0</b>	<b>1,615</b>	<b>1,389</b>	<b>71</b>	<b>1,460</b>	<b>90</b>
<b>OSCE Missions and Field Operations</b>									
Centre in Almaty	682	(51)	630	0	630	580	14	594	94
Centre in Ashgabad	608	(20)	488	0	488	460	14	474	97
Centre in Bishkek	947	(55)	792	0	792	745	12	757	96
Centre in Tashkent	731	(48)	582	0	582	552	14	566	97
Mission to Tajikistan / Centre in Dushanbe	2,288	(206)	2,082	0	2,082	1,827	201	2,028	97
Representative to the Estonian Commission on Military Pensioners	132	(21)	111	0	111	98	2	100	90
Representative to the Latvian-Russian JC on Military Pensioners	0	9	9	0	9	8	0	8	90
Advisory and Monitoring Group to Belarus	994	(116)	679	0	679	638	20	658	97
Project Co-ordinator in Ukraine	688	(65)	623	0	623	561	23	585	94
Mission to Moldova	828	(66)	761	0	761	719	41	761	100
Office in Yerevan	617	(4)	603	0	603	590	7	598	99
Office in Baku	795	(26)	769	0	769	710	15	725	94
Mission to Georgia	12,026	(719)	11,307	0	11,307	9,292	1,659	10,951	97
Assistance Group to Chechnya	1,947	(175)	1,772	0	1,772	1,244	296	1,540	87
Presence in Albania	4,556	(554)	4,002	0	4,002	3,638	266	3,904	98

Fund	Main Programme	Approved Budget (Note 1)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Imp. Rate %
EURO 000										
<b>Mission to the Federal Republic of Yugoslavia</b>										
	Office of Head of Mission	643	(66)	577	0	577	526	1	528	91
	Administration and Finance Department	2,544	(264)	2,280	0	2,280	1,979	221	2,200	96
	Law Enforcement Department	2,818	(345)	2,473	0	2,473	2,173	67	2,239	91
	Rule of Law/Human Rights Department	456	(79)	378	0	378	327	5	332	88
	Media Department	362	94	456	0	456	387	2	388	85
	Democratization Department	1,014	(64)	950	0	950	813	88	901	95
	Economics and Environmental Department	290	(47)	243	0	243	218	0	218	90
	Office in Podgorica	949	(96)	853	0	853	822	31	853	100
	Head of Mission Facility	50	0	50	0	50	47	0	47	95
	<b>Total for the Mission to the Federal Republic of Yugoslavia</b>	<b>9,126</b>	<b>(865)</b>	<b>8,261</b>	<b>0</b>	<b>8,261</b>	<b>7,292</b>	<b>416</b>	<b>7,708</b>	<b>93</b>
<b>Mission to Croatia</b>										
	Central Services	3,862	(103)	3,759	0	3,759	3,185	401	3,586	95
	Democratization	2,232	(28)	2,204	0	2,204	2,170	19	2,190	99
	Human Development	2,219	(1)	2,218	0	2,218	2,200	8	2,208	100
	Political Affairs	495	(8)	488	0	488	487	0	487	100
	Return and Integration	2,181	(21)	2,160	0	2,160	2,143	9	2,152	100
	<b>Total</b>	<b>10,990</b>	<b>(160)</b>	<b>10,830</b>	<b>0</b>	<b>10,830</b>	<b>10,186</b>	<b>437</b>	<b>10,623</b>	<b>98</b>
	Secretariat Augmentation	407	(76)	331	0	331	289	21	310	94
	<b>Total for the Mission in Croatia</b>	<b>11,397</b>	<b>(236)</b>	<b>11,161</b>	<b>0</b>	<b>11,161</b>	<b>10,475</b>	<b>459</b>	<b>10,933</b>	<b>98</b>
	<b>Total OSCE Missions and Field Operations</b>	<b>48,359</b>	<b>(3,728)</b>	<b>44,631</b>	<b>0</b>	<b>44,631</b>	<b>39,429</b>	<b>3,460</b>	<b>42,889</b>	<b>96</b>
<b>Large OSCE Missions and Projects</b>										
<b>OSCE Tasks in Bosnia and Herzegovina</b>										
	Central Office	5,608	(50)	5,558	0	5,558	5,183	270	5,452	98
	Training	200	0	200	0	200	188	8	196	98
	Democratization	1,660	(176)	1,483	0	1,483	1,451	4	1,455	98
	Elections/Implementation	535	10	545	0	545	460	69	530	97
	Human Rights	930	35	965	0	965	958	1	959	99
	Press and Public Information	441	(25)	416	0	416	393	9	401	96
	Security Cooperation	798	(75)	723	0	723	699	0	699	97
	Regional Centres	8,109	152	8,260	0	8,260	8,073	33	8,107	98
	<b>Total</b>	<b>18,281</b>	<b>(130)</b>	<b>18,151</b>	<b>0</b>	<b>18,151</b>	<b>17,405</b>	<b>394</b>	<b>17,799</b>	<b>98</b>

Fund	Main Programme	Approved Budget (Note 1)	PC Authorized Transfers	Revised Budget	Transfers as per Fin. Reg. 3.02 (b)	Revised Budget after Transfers	Disbursements	ULO	Expenditure	Imp. Rate %
	Sub Programme									
	Euro 000									
	Regional Stabilization/Am s Control									
	Article II & IV	462	0	462	0	462	380	22	402	87
	Verification Co-ordinator	135	0	135	0	135	100	4	105	78
	Total	597	0	597	0	597	480	26	506	85
	Secretariat Augmentation	1,291	(17)	1,275	0	1,275	1,199	22	1,220	96
	<b>Total OSCE Tasks in Bosnia and Herzegovina</b>	<b>20,169</b>	<b>(147)</b>	<b>20,022</b>	<b>0</b>	<b>20,022</b>	<b>19,084</b>	<b>442</b>	<b>19,526</b>	<b>98</b>
	<b>OSCE Mission in Kosovo</b>									
	Head Office	2,264	(120)	2,144	0	2,144	2,126	18	2,144	100
	Department for Administration and Support	24,214	(614)	23,600	(63)	23,437	17,571	2,462	20,033	85
	Department for Democratization	4,202	(67)	3,935	0	3,935	3,707	182	3,889	99
	Department of Human Rights and Rule of Law	4,857	(1,028)	3,829	1	3,829	3,820	10	3,829	100
	ombudsman Institution	690	(138)	552	0	552	452	99	551	100
	Department for Elections	3,400	7,792	11,192	154	11,346	10,955	391	11,346	100
	Department for Media Affairs	1,417	(94)	1,322	8	1,331	1,319	12	1,331	100
	Police Education and Development	8,204	(790)	8,114	0	8,114	7,547	328	7,874	97
	<b>Total</b>	<b>50,646</b>	<b>4,042</b>	<b>54,688</b>	<b>0</b>	<b>54,688</b>	<b>47,495</b>	<b>3,501</b>	<b>50,997</b>	<b>93</b>
	Secretariat Augmentation	3,243	(61)	3,282	0	3,282	3,036	193	3,229	98
	ODHR Augmentation	260	(15)	245	0	245	228	0	228	93
	<b>Total OSCE Mission in Kosovo</b>	<b>54,250</b>	<b>3,966</b>	<b>58,216</b>	<b>0</b>	<b>58,216</b>	<b>50,760</b>	<b>3,694</b>	<b>54,454</b>	<b>94</b>
	<b>OSCE Spillover Monitor Mission to Skopje</b>									
	HRM and Central Services	1,081	(258)	823	0	823	800	20	821	100
	Administration and Finance	5,098	334	5,433	0	5,433	4,162	1,141	5,303	98
	Good Governance Programme	1,234	(53)	881	0	881	565	10	575	65
	Confidence Building Monitoring Services	5,836	532	6,369	0	6,369	6,339	29	6,368	100
	Police Development Services	7,703	(2,874)	4,829	0	4,829	4,471	316	4,787	99
	<b>Total</b>	<b>20,953</b>	<b>(2,619)</b>	<b>18,335</b>	<b>0</b>	<b>18,335</b>	<b>16,338</b>	<b>1,515</b>	<b>17,853</b>	<b>97</b>
	Secretariat Augmentation	121	(5)	116	0	116	96	1	96	83
	<b>Total Spillover Monitor Mission to Skopje</b>	<b>21,074</b>	<b>(2,624)</b>	<b>18,450</b>	<b>0</b>	<b>18,450</b>	<b>16,434</b>	<b>1,516</b>	<b>17,950</b>	<b>97</b>
	<b>Total Large OSCE Missions and Projects</b>	<b>95,492</b>	<b>1,196</b>	<b>96,688</b>	<b>0</b>	<b>96,688</b>	<b>86,277</b>	<b>5,652</b>	<b>91,929</b>	<b>95</b>
	<b>GRAND TOTAL:</b>	<b>177,500</b>	<b>(2,551)</b>	<b>174,949</b>	<b>0</b>	<b>174,949</b>	<b>156,587</b>	<b>10,935</b>	<b>167,522</b>	<b>96</b>

## Chapter III - Financial Statements

**STATEMENT 1: Consolidated Statement of Income,  
Expenditure and Changes in Fund Balance**  
for the year Ended 31 December 2002

EUR '000		Total OSCE (Unified Budget and Extra Budgetary)	
	Note	2002	2001
Assessed Contributions	2/5	174,949	197,797
Extrabudgetary Contributions	3	43,654	22,740
Miscellaneous Income	2/5	4,752	4,021
Currency Exchange Adjustments	2/4	(174)	(651)
Savings on prior year ULO's	9	2,718	0
Other Adjustments	10	(716)	283
<b>Total Income</b>	2/5	<b>225,183</b>	<b>224,190</b>
<b>Total Expenditure</b>	2/6	<b>191,539</b>	<b>211,081</b>
<b>Excess of Income over Expenditure</b>		<b>33,643</b>	<b>13,109</b>
Provisions		0	1,682
<b>Net Excess of Income over Expenditure</b>		<b>33,643</b>	<b>11,426</b>
Transfers to the IRMA fund		6,885	0
Less credits to participating States/Transfers	2/7	(10,223)	(3,500)
Fund Balance 1 January		56,258	48,331
<b>Fund Balance at Period End</b>	2/8	<b>86,563</b>	<b>56,258</b>

**STATEMENT 2: Consolidated Statement of Assets, Liabilities and Fund Balances**  
for the year Ended 31 December 2002

EUR '000		Total OSCE (Unified Budget and Extra Budgetary)	
	Note	2002	2001
<b>Assets</b>			
Cash Budgetary	2/3	72,370	43,093
Cash Extra-budgetary	2/3	36,929	19,350
Assessed Contributions Receivable	4	14,960	18,844
Less Provision for Assessed Contributions	0	(1,767)	
Accounts Receivable	5	3,997	5,307
Prepaid Expenses and Advances	6	1,294	1,458
<b>Total Assets</b>		<b>129,551</b>	<b>86,286</b>
<b>Liabilities</b>			
Accounts Payable	8	6,946	6,905
Reserve for unliquidated obligations	9	11,987	15,431
Funds held for third parties	11	2,716	1,480
Contributions Received in Advance	12	16,182	1,060
<b>Total Liabilities</b>		<b>37,831</b>	<b>24,878</b>
<b>Reserves and fund balances</b>			
Unallocated surplus	2/7	267	260
Revolving Fund	2/2	2,710	2,710
Contingency Fund	2/2	2,180	2,180
Fund Balance	2/8	86,563	56,258
<b>Total Reserves and Fund Balance</b>		<b>91,719</b>	<b>61,408</b>
<b>Total Liabilities Reserves and Fund Balance</b>		<b>129,551</b>	<b>86,286</b>
<b>Note: Contingent Liabilities – see Note 14 on page 47</b>		<b>7,204</b>	

**STATEMENT 3: Consolidated Statement of Cash Flow**  
for the year Ended 31 December 2002

EUR '000	Total OSCE (Unified Budget and Extra Budgetary)
	<b>2002</b>
<b>Net Excess (Shortfall) of Income over Expenditure</b>	<b>33,643</b>
Distribution of Cash Surplus	(10,223)
(Increase) decrease in assessed contributions receivable	3,884
(Increase) decrease in accounts receivable	1,310
(Increase) decrease in prepaid expenditure and advances	164
Increase (decrease) in contributions received in advance	15,122
Increase (decrease) in reserve for unliquidated obligations	(3,444)
Increase (decrease) in accounts payable	41
Increase (decrease) in provision for assessed contributions	(1,767)
<b>Net Cash Flow from Operating Activities</b>	<b>38,730</b>
(Increase) Decrease in Unallocated Surplus	6
Increase (decrease) in funds held for third parties	1,235
Transfers to / from other funds	(6,885)
<b>Net Cash Flow from Financing Activities</b>	<b>8,126</b>
<b>Net Increase (Decrease) in Cash</b>	<b>46,856</b>

**STATEMENT 4: Summary of all OSCE Statement of Income, Expenditure and Changes in Fund Balance**  
for the year Ended 31 December 2002

	Note	Total Institutions, Missions and Field Operations		Total Large Missions		Total Unified Budget		IRMA		Total Extra-Budgetary Funds		Total Unified Budget and Extra-Budgetary	
		2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Assessed Contributions	2/5	67,101	58,024	107,849	139,773	174,949	197,797	0	0	0	0	174,949	197,797
Extrabudgetary Contributions	3	0	0	0	0	0	0	0	0	43,654	22,740	43,654	22,740
Miscellaneous Income	2/5	4,158	3,460	595	582	4,752	4,042	0	0	0	(21)	4,752	4,021
Currency Exchange Adjustments	2/4	(170)	(668)	(5)	17	(174)	(651)	0	0	0	0	(174)	(651)
Savings on prior year UO's	9	270	99	2,373	(68)	2,643	31	0	0	75	(31)	2,718	0
Other Adjustments	10	0	17	19	110	19	127	0	0	(735)	156	(716)	283
<b>Total Income</b>	2/5	<b>71,358</b>	<b>60,932</b>	<b>110,831</b>	<b>140,414</b>	<b>182,189</b>	<b>201,346</b>	<b>0</b>	<b>0</b>	<b>42,994</b>	<b>22,844</b>	<b>225,183</b>	<b>224,190</b>
<b>Total Expenditure</b>	2/6	<b>64,660</b>	<b>56,984</b>	<b>102,862</b>	<b>137,517</b>	<b>167,522</b>	<b>194,501</b>	<b>0</b>	<b>0</b>	<b>24,017</b>	<b>16,581</b>	<b>191,539</b>	<b>211,081</b>
<b>Excess of Income over Expenditure</b>		<b>6,698</b>	<b>3,949</b>	<b>7,969</b>	<b>2,897</b>	<b>14,667</b>	<b>6,846</b>	<b>0</b>	<b>0</b>	<b>18,976</b>	<b>6,263</b>	<b>33,643</b>	<b>13,109</b>
Provisions		0	1,647	0	36	0	1,682	0	0	0	0	0	1,682
<b>Net Excess of Income over Expenditure</b>		<b>6,698</b>	<b>2,302</b>	<b>7,969</b>	<b>2,861</b>	<b>14,667</b>	<b>5,163</b>	<b>0</b>	<b>0</b>	<b>18,976</b>	<b>6,263</b>	<b>33,643</b>	<b>11,426</b>
Transfers to the IRMA fund		0	0	0	0	0	0	6,885	0	0	0	6,885	0
Less credits to participating States/Transfers		(628)	(3,422)	(9,595)	(78)	(10,223)	(3,500)	0	0	0	0	(10,223)	(3,500)
Fund Balance 1 January		11,778	12,899	28,200	25,416	39,978	38,315	0	0	16,280	10,017	56,258	48,331
<b>Fund Balance at Period End</b>	2/8	<b>17,848</b>	<b>11,778</b>	<b>26,574</b>	<b>28,200</b>	<b>44,422</b>	<b>39,978</b>	<b>6,885</b>	<b>0</b>	<b>35,256</b>	<b>16,280</b>	<b>86,563</b>	<b>56,258</b>

EUR '000



**STATEMENT 5: Summary of all OSCE Statement of Assets, Liabilities and Fund Balance**  
for the year Ended 31 December 2002

		Total Institutions, Missions and Field Operations		Total Large Missions		Total Unified Budget		IRMA		Total Extra- Budgetary Funds		Total Unified Budget and Extra Budgetary	
	Note	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Cash Budgetary	2/3	69,787	39,494	2,584	3,600	72,370	43,093	0	0	0	0	72,370	43,093
Cash Extra-budgetary	2/3	36,929	19,350	0	0	36,929	19,350	0	0	0	0	36,929	19,350
Assessed Contributions Receivable	4	9,972	11,003	4,866	7,841	14,838	18,844	123	0	0	0	14,960	18,844
Less Provision for Assessed Contributions		0	(1,466)	0	(601)	0	(1,767)	0	0	0	0	0	(1,767)
Accounts Receivable	5	3,474	4,154	356	580	3,830	4,734	0	0	166	573	3,997	5,307
Prepaid Expenses and Advances	6	763	829	446	542	1,208	1,370	0	0	85	88	1,294	1,458
Due From Other Funds		7,128	2,755	51,858	31,794	58,986	34,549	6,762	0	38,313	18,214	104,061	52,763
<b>Total Assets</b>		<b>128,053</b>	<b>76,118</b>	<b>60,110</b>	<b>44,056</b>	<b>188,163</b>	<b>120,174</b>	<b>6,885</b>	<b>0</b>	<b>38,565</b>	<b>18,875</b>	<b>233,612</b>	<b>139,049</b>
Accounts Payable	8	3,954	2,730	2,231	3,878	6,184	6,608	0	0	762	297	6,946	6,905
Reserve for unliquidated obligations	9	4,824	4,202	6,111	11,065	10,935	15,267	0	0	1,053	165	11,987	15,431
Funds held for third parties	11	2,627	1,055	88	425	2,716	1,480	0	0	0	0	2,716	1,480
Contributions Received in Advance	12	16,182	1,060	0	0	16,182	1,060	0	0	0	0	16,182	1,060
Due To Other Funds		77,461	50,142	25,106	488	102,567	50,629	0	0	1,494	2,134	104,061	52,763
<b>Total Liabilities</b>		<b>105,048</b>	<b>59,189</b>	<b>33,536</b>	<b>15,857</b>	<b>138,584</b>	<b>75,045</b>	<b>0</b>	<b>0</b>	<b>3,309</b>	<b>2,595</b>	<b>141,892</b>	<b>77,641</b>
Unallocated surplus	2/7	267	260	0	0	267	260	0	0	0	0	267	260
Revolving Fund	2/2	2,710	2,710	0	0	2,710	2,710	0	0	0	0	2,710	2,710
Contingency Fund	2/2	2,180	2,180	0	0	2,180	2,180	0	0	0	0	2,180	2,180
<b>Fund Balance</b>	2/8	<b>17,848</b>	<b>11,778</b>	<b>26,574</b>	<b>28,200</b>	<b>44,422</b>	<b>39,978</b>	<b>6,885</b>	<b>0</b>	<b>35,256</b>	<b>16,280</b>	<b>86,563</b>	<b>56,258</b>
<b>Total Reserves and Fund Balance</b>		<b>23,005</b>	<b>16,929</b>	<b>26,574</b>	<b>28,200</b>	<b>49,579</b>	<b>45,128</b>	<b>6,885</b>	<b>0</b>	<b>35,256</b>	<b>16,280</b>	<b>91,719</b>	<b>61,408</b>
<b>Total Liabilities and Fund Balance</b>		<b>128,053</b>	<b>76,118</b>	<b>60,110</b>	<b>44,056</b>	<b>188,163</b>	<b>120,174</b>	<b>6,885</b>	<b>0</b>	<b>38,565</b>	<b>18,875</b>	<b>233,612</b>	<b>139,049</b>

EUR '000

**STATEMENT 6: Summary of all OSCE Statement of Cash Flow**  
for the year Ended 31 December 2002

EUR '000	Total Institutions, Missions and Field Operations	Total Large Missions	Total Unified Budget	IRMA	Total Extra- Budgetary Funds	Total Unified Budget and Extra Budgetary
	2002	2002	2002	2002	2002	2002
<b>Net Excess (Shortfall) of Income over Expenditure</b>	<b>6,698</b>	<b>7,969</b>	<b>14,667</b>	<b>0</b>	<b>18,976</b>	<b>33,643</b>
Distribution of Cash Surplus	(628)	Ø,595)	(10,223)	0	0	(10,223)
(Increase) decrease in assessed contributions receivable	1,031	2,975	4,006	(123)	0	3,884
(Increase) decrease in accounts receivable	679	224	903	0	406	1,310
(Increase) decrease in prepa id expenditure and advances	66	96	162	0	2	164
Increase (decrease) in contributions received in advance	15,122	0	15,122	0	0	15,122
Increase (decrease) in reserve for unliquidated obligations	622	(4,954)	(4,332)	0	888	(3,444)
Increase (decrease) in accounts payable	1,224	(1,648)	(424)	0	465	41
Increase (decrease) in provision for assessed contributions	(1,466)	(301)	(1,767)	0	0	(1,767)
<b>Net Cash Flow from Operating Activities</b>	<b>23,347</b>	<b>(5,233)</b>	<b>18,114</b>	<b>(123)</b>	<b>20,738</b>	<b>38,730</b>
(Increase) Decrease in Unallocated Surplus	6	0	6	0	0	6
(Increase) decrease in inter-fund balances receivable	(4,373)	(20,064)	(24,437)	6,762)	(20,099)	(51,298)
Increase (decrease) in inter-fund balances payable	27,319	24,618	51,937	0	639)	51,298
Increase (decrease) in funds held for third parties	1,572	(337)	1,235	0	0	1,235
Transfers to / from other funds	0	0	0	6,885)	0	(6,885)
<b>Net Cash Flow from Financing Activities</b>	<b>24,525</b>	<b>4,217</b>	<b>28,742</b>	<b>123</b>	<b>(20,738)</b>	<b>8,126</b>
<b>Net Increase (Decrease) in Cash</b>	<b>47,872</b>	<b>(1,016)</b>	<b>46,856</b>	<b>0</b>	<b>0</b>	<b>46,856</b>

**STATEMENT 7: Summary of all OSCE Statement of Cash Surplus\***  
for the year Ended 31 December 2002

EUR '000	Total Institutions, Field Operations	Total Large Missions	Total Unified Budget
	2002	2002	2002
<b>Net Excess of Income over Expenditure</b>	<b>6,698</b>	<b>7,969</b>	<b>14,667</b>
Add contributions receivable 1 January	9,537	7,540	17,077
Less contributions receivable at Period End	(9,972)	(4,866)	(14,838)
<b>Cash Surplus for the Year</b>	<b>6,263</b>	<b>10,643</b>	<b>16,906</b>
Cash Surplus 1 January	2,242	20,659	22,901
Less Credits to participating States/Transfers	(628)	(9,595)	(10,223)
<b>Cash Surplus at Period End</b>	<b>7,877</b>	<b>21,707</b>	<b>29,584</b>
Add contributions receivable at Period End	9,972	4,866	14,838
<b>Fund Balance at Period End</b>	<b>17,848</b>	<b>26,574</b>	<b>44,422</b>

\* See note 2/7

**STATEMENT 8: Institutions, Missions and Field Operations Statement of Income, Expenditure and Changes in Fund Balance**  
for the year Ended 31 December 2002

	Note	The General Fund		Action Against Terrorism Fund		Office for Democratic Institutions and Human Rights		High Commissioner on National Minorities		Representative on Freedom of the Media		Funds Relating to the conflict with the Minsk conference		Missions and Field Operations		Total Institutions, Missions and Field Operations	
		2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Assessed Contributions	2/5	20,319	17,964	337	0	8,534	6,566	2,119	1,919	706	599	1,615	2,139	33,471	28,836	67,101	58,024
Miscellaneous Income	2/5	3,894	3,250	0	0	9	20	6	9	0	0	12	10	236	171	4,158	3,460
Currency Exchange Adjustments	2/4	(63)	(57)	0	0	(23)	(70)	(5)	(10)	0	0	(11)	(8)	(68)	(28)	(170)	(668)
Savings on prior year UOLs	9	44	39	0	0	20	0	0	5	4	6	1	1	200	48	270	99
Other Adjustments	10	0	16	0	0	0	0	0	0	0	0	0	0	0	1	0	17
<b>Total Income</b>	2/5	<b>24,193</b>	<b>20,713</b>	<b>337</b>	<b>0</b>	<b>8,540</b>	<b>6,516</b>	<b>2,120</b>	<b>1,923</b>	<b>711</b>	<b>605</b>	<b>1,618</b>	<b>2,148</b>	<b>33,839</b>	<b>29,028</b>	<b>71,358</b>	<b>60,932</b>
<b>Total Expenditure</b>	2/6	<b>19,689</b>	<b>18,172</b>	<b>322</b>	<b>0</b>	<b>8,525</b>	<b>6,538</b>	<b>2,061</b>	<b>1,916</b>	<b>646</b>	<b>576</b>	<b>1,460</b>	<b>1,985</b>	<b>31,956</b>	<b>27,796</b>	<b>64,660</b>	<b>56,984</b>
<b>Excess of Income over Expenditure</b>		<b>4,504</b>	<b>2,541</b>	<b>15</b>	<b>0</b>	<b>15</b>	<b>(22)</b>	<b>59</b>	<b>7</b>	<b>65</b>	<b>29</b>	<b>158</b>	<b>162</b>	<b>1,883</b>	<b>1,231</b>	<b>6,698</b>	<b>3,949</b>
Provisions		0	1,426	0	0	0	36	0	11	0	3	0	12	0	159	0	1,647
<b>Net Excess of Income over Expenditure</b>		<b>4,504</b>	<b>1,115</b>	<b>15</b>	<b>0</b>	<b>15</b>	<b>(58)</b>	<b>59</b>	<b>(8)</b>	<b>65</b>	<b>26</b>	<b>158</b>	<b>151</b>	<b>1,883</b>	<b>1,073</b>	<b>6,698</b>	<b>2,302</b>
Less credits to participating States/transfers	2/7	(628)	(1,772)	0	0	0	(317)	0	(216)	0	(83)	0	(404)	0	(680)	(628)	(8422)
Fund Balance 1 January		5,380	6,037	0	0	1,264	1,639	314	533	108	115	510	763	4,203	3,810	11,778	12,899
<b>Fund Balance at Period End</b>		<b>9,256</b>	<b>5,380</b>	<b>15</b>	<b>0</b>	<b>1,279</b>	<b>1,264</b>	<b>373</b>	<b>314</b>	<b>172</b>	<b>108</b>	<b>667</b>	<b>510</b>	<b>6,086</b>	<b>4,203</b>	<b>17,848</b>	<b>11,778</b>

EUR '000

**STATEMENT 9: Institutions, Missions and Field Operations Statement of Assets, Liabilities and Fund Balances**  
for the year Ended 31 December 2002

	Note	The General Fund		Action Against Terrorism Fund		Office for Democratic Institutions and Human Rights		High Commissioner on National Minorities		Representative on Freedom of the Media		Funds Relating to the conflict dealt with by the Minsk conference		Missions and Field Operations		Total Institutions, Missions and Field Operations	
		2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Cash Budgetary	2/3	67,434	35,737	0	0	604	1,398	406	448	0	0	49	53	1,293	1,857	69,787	39,494
Cash Extra-budgetary	2/3	36,929	19,350	0	0	0	0	0	0	0	0	0	0	0	0	36,929	19,350
Assessed Contributions																	
Receivable	4	3,481	3,867	24	0	1,309	1,303	331	344	98	93	332	420	4,396	4,975	9,972	11,003
Less Provision for Assessed Contributions																	
Accounts Receivable	5	3,276	3,741	0	0	113	275	23	37	0	(10)	0	(76)	0	(538)	0	(466)
Prepaid Expenses and Advances	6	274	406	0	0	212	230	8	0	0	0	0	24	269	169	763	829
Due From Other Funds		2,448	958	0	0	22	22	0	0	107	75	767	560	3,783	1,140	7,128	2,755
<b>Total Assets</b>		<b>113,842</b>	<b>63,459</b>	<b>24</b>	<b>0</b>	<b>2,259</b>	<b>3,034</b>	<b>769</b>	<b>781</b>	<b>205</b>	<b>158</b>	<b>1,149</b>	<b>982</b>	<b>9,805</b>	<b>7,703</b>	<b>128,053</b>	<b>76,118</b>
Accounts Payable	8	3,060	1,965	0	0	258	472	32	29	0	0	2	1	602	263	3,954	2,730
Reserve for unliquidated obligations	9	1,628	1,747	1	0	82	66	8	12	33	51	71	62	3,002	2,264	4,824	4,202
Funds held for third parties	11	2,485	1,011	0	0	106	24	1	15	0	0	0	0	35	5	2,627	1,055
Contributions Received																	
in Advance	12	15,773	651	0	0	0	0	0	0	0	0	409	409	0	0	16,182	1,060
Due To Other Funds		76,484	47,555	8	0	534	1,209	355	410	0	0	0	0	80	968	77,461	50,142
<b>Total Liabilities</b>		<b>99,429</b>	<b>52,929</b>	<b>9</b>	<b>0</b>	<b>980</b>	<b>1,770</b>	<b>396</b>	<b>466</b>	<b>33</b>	<b>51</b>	<b>482</b>	<b>473</b>	<b>3,719</b>	<b>3,500</b>	<b>105,048</b>	<b>59,189</b>
Unallocated surplus	2/7	267	260	0	0	0	0	0	0	0	0	0	0	0	0	267	260
Revolving Fund	2/7	2,710	2,710	0	0	0	0	0	0	0	0	0	0	0	0	2,710	2,710
Contingency Fund	2/2	2,180	2,180	0	0	0	0	0	0	0	0	0	0	0	0	2,180	2,180
Fund Balance		9,256	5,380	15	0	1,279	1,264	373	314	172	108	667	510	6,086	4,203	17,848	11,778
<b>Total Reserves and Fund Balance</b>		<b>14,413</b>	<b>10,531</b>	<b>15</b>	<b>0</b>	<b>1,279</b>	<b>1,264</b>	<b>373</b>	<b>314</b>	<b>172</b>	<b>108</b>	<b>667</b>	<b>510</b>	<b>6,086</b>	<b>4,203</b>	<b>23,005</b>	<b>16,929</b>
<b>Total Liabilities Reserves and Fund Balance</b>		<b>113,842</b>	<b>63,459</b>	<b>24</b>	<b>0</b>	<b>2,259</b>	<b>3,034</b>	<b>769</b>	<b>781</b>	<b>205</b>	<b>158</b>	<b>1,149</b>	<b>982</b>	<b>9,805</b>	<b>7,703</b>	<b>128,053</b>	<b>76,118</b>

EUR '000

**STATEMENT 10: Institutions, Missions and Field Operations Statement of Cash Flow**  
for the year Ended 31 December 2002

	2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	
	The General Fund	Action Against Terrorism Fund	Office for Democratic Institutions and Human Rights	High Commissioner on National Minorities	Representative on Freedom of the Media	Funds Relating to the conflict by the Minsk conference	Missions and Field Operations	Total Institutions, Missions and Field Operations			
<b>Net Excess (Shortfall) of Income over Expenditure</b>	<b>4,504</b>	<b>15</b>	<b>15</b>	<b>59</b>	<b>65</b>	<b>158</b>	<b>1,883</b>	<b>6,698</b>			
Distribution of Cash Surplus	(628)	0	0	0	0	0	0	(628)			
(Increase) decrease in assessed contributions receivable	386	(24)	(6)	13	(4)	88	579	1,031			
(Increase) decrease in accounts receivable	465	0	163	13	0	0	38	679			
(Increase) decrease in prepaid expenditure and advances	131	0	19	(7)	0	24	(100)	66			
Increase (decrease) in contributions received in advance	15,122	0	0	0	0	0	0	15,122			
Increase (decrease) in reserve for unliquidated obligations	(119)	1	16	(4)	(18)	9	738	622			
Increase (decrease) in accounts payable	1,095	0	(213)	3	0	0	338	1,224			
Increase (decrease) in provision for assessed contributions	(599)	0	(194)	(49)	(10)	(76)	(538)	(1,466)			
<b>Net Cash Flow from Operating Activities</b>	<b>20,357</b>	<b>(8)</b>	<b>(201)</b>	<b>27</b>	<b>32</b>	<b>203</b>	<b>2,937</b>	<b>23,347</b>			
<b>(Increase) Decrease in Unallocated Surplus</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>			
(Increase) decrease in inter-fund balances receivable	(1,490)	0	0	0	(32)	(207)	(2,644)	(3,773)			
Increase (decrease) in inter-fund balances payable	28,929	8	(675)	55)	0	0	(888)	27,319			
Increase (decrease) in funds held for third parties	1,474	0	82	(14)	0	0	31	1,572			
Transfers to / from other funds	0	0	0	0	0	0	0	0			
<b>Net Cash Flow from Financing Activities</b>	<b>28,919</b>	<b>8</b>	<b>(593)</b>	<b>(69)</b>	<b>(32)</b>	<b>(207)</b>	<b>(3,501)</b>	<b>24,525</b>			
<b>Net Increase (Decrease) in Cash</b>	<b>49,276</b>	<b>0</b>	<b>(794)</b>	<b>(42)</b>	<b>0</b>	<b>(4)</b>	<b>(564)</b>	<b>47,872</b>			

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**STATEMENT 11: Institutions, Missions and Field Operations Statement of Cash Surplus\***  
for the year Ended 31 December 2002

	The General Fund	Action Against Terrorism Fund	Office for Democratic Institutions and Human Rights	High Commissioner on National Minorities	Representative on Freedom of the Media	Funds Relating to the conflict dealt with by the Minsk conference	Missions and Field Operations	Total Institutions, Missions and Field Operations
	2002	2002	2002	2002	2002	2002	2002	2002
<b>Net Excess of Income over Expenditure</b>	4,504	15	15	59	65	158	1,883	6,698
Add contributions receivable 1 January	3,268	0	1,110	295	83	345	4,437	9,537
Less contributions receivable at Period End	(3,481)	(24)	(1,309)	(331)	(98)	(332)	(4,396)	(9,972)
<b>Cash Surplus for the Year</b>	<b>4,291</b>	<b>(9)</b>	<b>(184)</b>	<b>22</b>	<b>50</b>	<b>170</b>	<b>1,924</b>	<b>6,263</b>
Cash Surplus 1 January	2,112	0	154	19	25	165	(233)	2,242
Less Credits to participating States/transfers	(628)	0	0	0	0	0	0	(628)
<b>Cash Surplus at Period End</b>	<b>5,775</b>	<b>(9)</b>	<b>(30)</b>	<b>41</b>	<b>75</b>	<b>335</b>	<b>1,690</b>	<b>7,877</b>
Add contributions receivable at Period End	3,481	24	1,309	331	98	332	4,396	9,972
<b>Fund Balance at Period End</b>	<b>9,256</b>	<b>15</b>	<b>1,279</b>	<b>373</b>	<b>172</b>	<b>667</b>	<b>6,086</b>	<b>17,848</b>

\* See note 2/1

**STATEMENT 12: Missions and Field Operations Part 1 Statement of Income, Expenditure and Changes in Fund Balance**  
for the year Ended 31 December 2002

	Note	Advisory and Monitoring Group to Belarus		Assistance Group to Chechnya		OSCE Centre in Tashkent		Centre in Almaty		Centre in Ashgabad		Centre in Bishkek	
		2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
		EUR '000											
Assessed Contributions	2/5	679	994	1,772	1,571	582	664	630	531	488	531	792	702
Miscellaneous Income	2/5	29	21	34	13	0	11	0	0	0	0	0	0
Currency Exchange Adjustments	2/4	3	1	(11)	(10)	10	7	(5)	5	(2)	0	(15)	(6)
Savings on prior years	9	0	0	0	1	(1)	1	0	0	0	0	7	3
Other Adjustments	10	0	0	0	0	0	0	0	0	0	2	0	0
<b>Total Income</b>	2/5	<b>711</b>	<b>1,017</b>	<b>1,795</b>	<b>1,575</b>	<b>591</b>	<b>683</b>	<b>625</b>	<b>537</b>	<b>486</b>	<b>533</b>	<b>784</b>	<b>702</b>
<b>Total Expenditure</b>	2/6	<b>658</b>	<b>969</b>	<b>1,540</b>	<b>1,458</b>	<b>566</b>	<b>589</b>	<b>594</b>	<b>500</b>	<b>474</b>	<b>511</b>	<b>757</b>	<b>696</b>
<b>Excess of Income over Expenditure</b>		<b>53</b>	<b>48</b>	<b>255</b>	<b>116</b>	<b>25</b>	<b>93</b>	<b>31</b>	<b>37</b>	<b>12</b>	<b>22</b>	<b>26</b>	<b>5</b>
Provisions		0	5	0	9	0	4	0	3	0	3	0	4
<b>Net Excess of Income over Expenditure</b>		<b>53</b>	<b>43</b>	<b>255</b>	<b>108</b>	<b>25</b>	<b>90</b>	<b>31</b>	<b>34</b>	<b>12</b>	<b>19</b>	<b>26</b>	<b>2</b>
Less credits to participating States	2/7	0	(29)	0	(287)	0	51	0	(40)	0	(19)	0	(37)
Fund Balance 1 January		197	183	364	543	181	40	77	84	75	76	94	130
<b>Fund Balance at Period End</b>		<b>250</b>	<b>197</b>	<b>619</b>	<b>364</b>	<b>206</b>	<b>181</b>	<b>108</b>	<b>77</b>	<b>87</b>	<b>75</b>	<b>120</b>	<b>94</b>



**STATEMENT 13: Missions and Field Operations Part 1 Statement of Assets, Liabilities and Fund Balances**  
for the year Ended 31 December 2002

	Note	Advisory and Monitoring Group to Belarus		Assistance Group to Chechnya		OSCE Centre in Tashkent		Centre in Almaty		Centre in Ashgabad		Centre in Bishkek	
		2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Cash Budgetary	2/3	4	57	51	54	46	60	24	59	14	35	65	32
Assessed Contributions Receivable	4	130	166	281	300	85	91	71	61	67	71	101	95
Less Provision for Assessed Contributions		0	(19)	0	(50)	0	(9)	0	(5)	0	(7)	0	(9)
Accounts Receivable	5	0	52	0	0	4	0	0	0	0	1	0	1
Prepaid Expenses and Advances	6	0	0	0	0	1	4	3	1	0	0	16	46
Due From Other Funds		139	0	582	238	85	42	32	0	20	0	0	0
<b>Total Assets</b>		<b>274</b>	<b>256</b>	<b>914</b>	<b>542</b>	<b>220</b>	<b>188</b>	<b>129</b>	<b>117</b>	<b>102</b>	<b>100</b>	<b>182</b>	<b>165</b>
Accounts Payable	8	0	7	0	0	0	0	0	0	0	0	0	1
Reserve for unliquidated obligations	9	20	14	296	178	14	7	14	4	14	8	12	35
Funds held for third parties	11	3	0	0	0	0	0	7	0	0	0	0	0
Due To Other Funds		0	38	0	0	0	0	0	35	0	17	49	36
<b>Total Liabilities</b>		<b>24</b>	<b>59</b>	<b>296</b>	<b>178</b>	<b>14</b>	<b>7</b>	<b>21</b>	<b>39</b>	<b>14</b>	<b>25</b>	<b>62</b>	<b>71</b>
Fund Balance		250	197	619	364	206	181	108	77	87	75	120	94
<b>Total Reserves and Fund Balance</b>		<b>250</b>	<b>197</b>	<b>619</b>	<b>364</b>	<b>206</b>	<b>181</b>	<b>108</b>	<b>77</b>	<b>87</b>	<b>75</b>	<b>120</b>	<b>94</b>
<b>Total Liabilities and Fund Balance</b>		<b>274</b>	<b>256</b>	<b>914</b>	<b>542</b>	<b>220</b>	<b>188</b>	<b>129</b>	<b>117</b>	<b>102</b>	<b>100</b>	<b>182</b>	<b>165</b>

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**STATEMENT 14: Missions and Field Operations Part 2 Statement of Income, Expenditure and Changes in Fund Balance**  
for the year Ended 31 December 2002

	Note	Mission to Georgia		Mission to Moldova		Mission to Tajikistan / Centre in Dushanbe		Office in Baku		Office in Yerevan		Presence in Albania	
		2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Assessed Contributions	2/5	11,307	9,151	761	715	2,082	1,903	769	722	603	558	4,002	4,153
Miscellaneous Income	2/5	1	28	0	2	4	11	0	0	0	2	131	58
Currency Exchange Adjustments	2/4	(34)	16	(4)	(7)	(22)	(10)	(7)	(2)	(6)	2	22	4
Savings on prior year ULO's	9	114	17	0	5	6	7	1	0	0	0	23	4
Other Adjustments	10	0	0	0	0	0	(1)	0	0	0	0	0	0
<b>Total Income</b>	2/5	<b>11,388</b>	<b>9,211</b>	<b>758</b>	<b>715</b>	<b>2,070</b>	<b>1,910</b>	<b>763</b>	<b>720</b>	<b>597</b>	<b>562</b>	<b>4,177</b>	<b>4,219</b>
<b>Total Expenditure</b>	2/6	<b>10,951</b>	<b>8,880</b>	<b>761</b>	<b>709</b>	<b>2,028</b>	<b>1,892</b>	<b>725</b>	<b>691</b>	<b>598</b>	<b>524</b>	<b>3,904</b>	<b>4,139</b>
<b>Excess of Income over Expenditure</b>		<b>437</b>	<b>332</b>	<b>(3)</b>	<b>5</b>	<b>42</b>	<b>18</b>	<b>38</b>	<b>29</b>	<b>(1)</b>	<b>37</b>	<b>273</b>	<b>80</b>
Provisions		0	50	0	4	0	10	0	4	0	3	0	23
<b>Net Excess of Income over Expenditure</b>		<b>437</b>	<b>282</b>	<b>(3)</b>	<b>1</b>	<b>42</b>	<b>7</b>	<b>38</b>	<b>25</b>	<b>(1)</b>	<b>34</b>	<b>273</b>	<b>57</b>
Less credits to participating States	2/7	0	483	0	(76)	0	(98)	0	33	0	(234)	0	(225)
Fund Balance 1 January		1,160	396	133	208	257	348	75	17	106	306	626	793
<b>Fund Balance at Period End</b>		<b>1,598</b>	<b>1,160</b>	<b>131</b>	<b>133</b>	<b>299</b>	<b>257</b>	<b>113</b>	<b>75</b>	<b>105</b>	<b>106</b>	<b>898</b>	<b>626</b>

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**STATEMENT 15: Missions and Field Operations Part 2 Statement of Assets, Liabilities and Fund Balances**  
for the year Ended 31 December 2002

	Note	Mission to Georgia		Mission to Moldova		Mission to Tajikistan / Centre in Dushanbe		Office in Baku		Office in Yerevan		Presence in Albania	
		2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Cash Budgetary	2/3	496	307	26	5	65	92	23	12	19	12	71	200
Assessed Contributions Receivable	4	1,359	1,535	131	144	302	313	88	81	79	77	607	650
Less Provisions for Assessed Contributions		0	(132)	0	(24)	0	(41)	0	(6)	0	(8)	0	(78)
Accounts Receivable	5	1	10	1	11	0	1	0	3	2	5	51	1
Prepaid Expenses and Advances	6	164	29	3	43	11	23	0	5	16	0	11	0
Due From Other Funds		1,579	547	69	0	123	29	16	0	0	32	474	98
<b>Total Assets</b>		<b>3,599</b>	<b>2,298</b>	<b>229</b>	<b>180</b>	<b>500</b>	<b>418</b>	<b>127</b>	<b>95</b>	<b>117</b>	<b>118</b>	<b>1,214</b>	<b>872</b>
Accounts Payable	8	343	194	57	9	0	0	0	0	0	1	24	52
Reserve for unliquidated obligations	9	1,659	941	41	17	201	161	15	7	7	9	266	195
Funds held for third parties	11	0	2	0	0	0	0	0	0	0	3	25	0
Due To Other Funds		0	0	0	21	0	0	0	13	4	0	0	0
<b>Total Liabilities</b>		<b>2,002</b>	<b>1,137</b>	<b>99</b>	<b>47</b>	<b>201</b>	<b>161</b>	<b>15</b>	<b>20</b>	<b>11</b>	<b>12</b>	<b>316</b>	<b>246</b>
Fund Balance		1,598	1,160	131	133	299	257	113	75	105	106	898	626
<b>Total Fund Balance</b>		<b>1,598</b>	<b>1,160</b>	<b>131</b>	<b>133</b>	<b>299</b>	<b>257</b>	<b>113</b>	<b>75</b>	<b>105</b>	<b>106</b>	<b>898</b>	<b>626</b>
<b>Total Liabilities and Fund Balance</b>		<b>3,599</b>	<b>2,298</b>	<b>229</b>	<b>180</b>	<b>500</b>	<b>418</b>	<b>127</b>	<b>95</b>	<b>117</b>	<b>118</b>	<b>1,214</b>	<b>872</b>

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**STATEMENT 16: Missions and Field Operations Part 3 Statement of Income, Expenditure and Changes in Fund Balance**  
for the year ended 31 December 2002

	Project Co-ordinator in Ukraine		Representative to the Estonian Commission on Military Pensioners		Representative to the Latvian-Russian JC on Military Pensioners		Mission to the Federal Republic of Yugoslavia		Closed Field Operations Funds		Total OSCE Missions and Field Operations	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Assessed Contributions												
Miscellaneous Income	1	0	0	0	0	0	18	5	17	21	236	171
Currency Exchange Adjustments	(9)	(8)	0	0	0	0	8	(17)	6	(8)	(68)	(28)
Savings on prior year UO's	4	3	0	0	0	0	64	0	(18)	5	200	48
Other Adjustments	0	0	0	0	0	0	0	0	0	0	0	1
<b>Total Income</b>	<b>618</b>	<b>672</b>	<b>110</b>	<b>99</b>	<b>9</b>	<b>0</b>	<b>8,351</b>	<b>4,593</b>	<b>6</b>	<b>1,281</b>	<b>33,839</b>	<b>29,028</b>
<b>Total Expenditure</b>	<b>585</b>	<b>611</b>	<b>100</b>	<b>90</b>	<b>8</b>	<b>0</b>	<b>7,708</b>	<b>4,357</b>	<b>0</b>	<b>1,178</b>	<b>31,956</b>	<b>27,796</b>
<b>Excess of Income over Expenditure</b>	<b>33</b>	<b>61</b>	<b>11</b>	<b>10</b>	<b>1</b>	<b>0</b>	<b>643</b>	<b>235</b>	<b>6</b>	<b>103</b>	<b>1,883</b>	<b>1,231</b>
Provisions	0	4	0	1	0	0	0	25	0	7	0	159
<b>Net Excess of Income over Expenditure</b>	<b>33</b>	<b>57</b>	<b>11</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>643</b>	<b>210</b>	<b>6</b>	<b>96</b>	<b>1,883</b>	<b>1,073</b>
Less credits to participating States/transfers	0	(85)	0	(16)	0	0	0	0	0	(40)	0	(680)
Fund Balance 1 January	164	152	31	37	0	0	210	0	454	498	4,203	3,810
<b>Fund Balance at Period End</b>	<b>197</b>	<b>164</b>	<b>41</b>	<b>31</b>	<b>1</b>	<b>0</b>	<b>853</b>	<b>210</b>	<b>460</b>	<b>454</b>	<b>6,086</b>	<b>4,203</b>

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**STATEMENT 17: Missions and Field Operations Part 3 Statement of Assets, Liabilities and Fund Balances**  
for the year Ended 31 December 2002

	Project Co-ordinator in Ukraine		Representative to the Estonian Commission on Military Pensioners		Representative to the Latvian-Russian JC on Military Pensioners		Mission to the Federal Republic of Yugoslavia		Closed Field Operations Funds		Total OSCE Missions and Field Operations	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Cash Budgetary												
Assessed Contributions Receivable	73	123	10	0	0	0	306	697	0	111	1,293	1,857
Less Provision for Assessed Contributions	114	131	20	22	1	0	760	851	201	384	4,396	4,975
Accounts Receivable	0	(21)	0	(4)	0	0	0	(25)	0	(100)	0	(538)
Prepaid Expenses and Advances	1	2	0	0	0	0	2	14	0	0	63	101
Due From Other Funds	6	0	2	0	0	0	35	17	0	0	269	169
	26	0	11	12	0	0	342	0	286	140	3,783	1,140
<b>Total Assets</b>	<b>220</b>	<b>236</b>	<b>43</b>	<b>31</b>	<b>1</b>	<b>0</b>	<b>1,446</b>	<b>1,553</b>	<b>487</b>	<b>535</b>	<b>9,805</b>	<b>7,703</b>
Accounts Payable	0	0	0	0	0	0	177	0	0	0	602	263
Reserve for unliquidated obligations	23	11	2	1	0	0	416	662	0	15	3,002	2,264
Funds held for third parties	0	0	0	0	0	0	0	0	0	0	35	5
Due To Other Funds	0	61	0	0	0	0	0	681	27	66	80	968
<b>Total Liabilities</b>	<b>23</b>	<b>72</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>593</b>	<b>1,343</b>	<b>27</b>	<b>81</b>	<b>3,719</b>	<b>3,500</b>
Fund Balance	197	164	41	31	1	0	853	210	460	454	6,086	4,203
<b>Total Fund Balance</b>	<b>197</b>	<b>164</b>	<b>41</b>	<b>31</b>	<b>1</b>	<b>0</b>	<b>853</b>	<b>210</b>	<b>460</b>	<b>454</b>	<b>6,086</b>	<b>4,203</b>
<b>Total Liabilities and Fund Balance</b>	<b>220</b>	<b>236</b>	<b>43</b>	<b>31</b>	<b>1</b>	<b>0</b>	<b>1,446</b>	<b>1,553</b>	<b>487</b>	<b>535</b>	<b>9,805</b>	<b>7,703</b>

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**STATEMENT 18: Large Missions Statement of Income, Expenditure and Changes in Fund Balance**  
for the year Ended 31 December 2002

	Note	Mission to Croatia		Tasks in Bosnia and Herzegovina		Mission in Kosovo		Spillover Monitor Mission to Skopje		Total Large Missions	
		2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Assessed Contributions	2/5	11,161	12,742	20,022	25,944	58,216	94,587	18,450	6,500	107,849	139,773
Miscellaneous Income	2/5	20	14	34	134	532	428	8	6	595	582
Currency Exchange Adjustments	2/4	27	(75)	0	0	(50)	44	18	48	(5)	17
Savings on prior year adjustments	9	8	20	15	(11)	2,222	(77)	128	1	2,373	(68)
Other Adjustments	10	0	0	0	106	19	4	0	0	19	110
<b>Total Income</b>	2/5	<b>11,216</b>	<b>12,701</b>	<b>20,072</b>	<b>26,172</b>	<b>60,939</b>	<b>94,986</b>	<b>18,604</b>	<b>6,555</b>	<b>110,831</b>	<b>140,414</b>
<b>Total Expenditure</b>	2/6	<b>10,933</b>	<b>12,469</b>	<b>19,526</b>	<b>25,868</b>	<b>54,454</b>	<b>92,837</b>	<b>17,950</b>	<b>6,342</b>	<b>102,862</b>	<b>137,517</b>
<b>Excess of Income over Expenditure</b>		<b>283</b>	<b>232</b>	<b>546</b>	<b>304</b>	<b>6,486</b>	<b>2,149</b>	<b>654</b>	<b>212</b>	<b>7,969</b>	<b>2,897</b>
Provisions		0	0	0	0	0	0	0	36	0	36
<b>Net Excess of Income over Expenditure</b>		<b>283</b>	<b>232</b>	<b>546</b>	<b>304</b>	<b>6,486</b>	<b>2,149</b>	<b>654</b>	<b>176</b>	<b>7,969</b>	<b>2,861</b>
Less credits to participating States/Transfers	2/7	(2,136)	0	1,027	0	(8,486)	0	0	(78)	(9,595)	(78)
Fund Balance 1 January		4,258	4,026	4,541	4,237	19,085	16,936	315	217	28,200	25,416
<b>Fund Balance at Period End</b>		<b>2,405</b>	<b>4,258</b>	<b>6,115</b>	<b>4,541</b>	<b>17,085</b>	<b>19,085</b>	<b>969</b>	<b>315</b>	<b>26,574</b>	<b>28,200</b>

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**STATEMENT 19: Large Missions Statement of Assets, Liabilities and Fund Balances**  
for the year Ended 31 December 2002

	Note	Mission to Croatia		Tasks in Bosnia and Herzegovina		Mission in Kosovo		Spillover Monitor Mission to Skopje		Total Large Missions	
		2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Cash Budgetary	2/3	96	476	1,039	719	1,053	1,313	397	1,091	2,584	3,600
Assessed Contributions Receivable	4	535	616	1,381	1,741	2,230	3,745	720	1,738	4,866	7,841
Less Provision for Assessed Contributions		0	(66)	0	(208)	0	0	0	(56)	0	(301)
Accounts Receivable	5	0	0	41	66	111	116	204	398	356	580
Prepaid Expenses and Advances	6	78	2	24	17	233	328	110	195	446	542
Due From Other Funds		10,887	3,425	4,696	3,883	35,186	24,486	1,090	0	51,858	31,794
<b>Total Assets</b>		<b>11,596</b>	<b>4,483</b>	<b>7,180</b>	<b>6,218</b>	<b>38,813</b>	<b>29,989</b>	<b>2,521</b>	<b>3,366</b>	<b>60,110</b>	<b>44,056</b>
Accounts Payable	8	67	56	598	569	1,593	2,706	(27)	548	2,231	3,878
Reserve for unliquidated obligations	9	459	170	442	1,089	3,694	8,152	1,516	1,654	6,111	11,065
Funds held for third parties	11	0	0	26	18	0	45	62	362	88	425
Due To Other Funds		8,665	0	0	0	16,441	0	0	488	25,106	488
<b>Total Liabilities</b>		<b>9,191</b>	<b>225</b>	<b>1,066</b>	<b>1,677</b>	<b>21,728</b>	<b>10,904</b>	<b>1,551</b>	<b>3,051</b>	<b>33,536</b>	<b>15,857</b>
Fund Balance		2,405	4,258	6,115	4,541	17,085	19,085	969	315	26,574	28,200
<b>Total Fund Balance</b>		<b>2,405</b>	<b>4,258</b>	<b>6,115</b>	<b>4,541</b>	<b>17,085</b>	<b>19,085</b>	<b>969</b>	<b>315</b>	<b>26,574</b>	<b>28,200</b>
<b>Total Liabilities and Fund Balance</b>		<b>11,596</b>	<b>4,483</b>	<b>7,180</b>	<b>6,218</b>	<b>38,813</b>	<b>29,989</b>	<b>2,521</b>	<b>3,366</b>	<b>60,110</b>	<b>44,056</b>

EUR '000

**STATEMENT 20: Large Missions Statement of Cash Flow**  
for the year Ended 31 December 2002

	2002	2002	2002	2002	2002	2002
	Mission to Croatia	Tasks in Bosnia and Herzegovina	Mission in Kosovo	Spillover Monitor Mission to Skopje	Total Large Missions	2002
<b>Net Excess (Shortfall) of Income over Expenditure</b>	<b>283</b>	<b>546</b>	<b>6,486</b>	<b>654</b>	<b>7,969</b>	
Distribution of Cash Surplus	(2,136)	1,027	(8,486)	0	(9,595)	
(Increase) decrease in assessed contributions receivable	81	361	1,515	1,019	2,975	
(Increase) decrease in accounts receivable	0	25	5	194	224	
(Increase) decrease in prepaid expenditure and advances	(76)	(8)	95	85	96	
Increase (decrease) in contributions received in advance	0	0	0	0	0	
Increase (decrease) in reserve for unliquidated obligations	289	(647)	(4,458)	(138)	(4,954)	
Increase (decrease) in accounts payable	11	28	(1,113)	(575)	(1,648)	
Increase (decrease) in provision for assessed contributions	(86)	(208)	0	(56)	(801)	
<b>Net Cash Flow from Operating Activities</b>	<b>(1,584)</b>	<b>1,124</b>	<b>(5,956)</b>	<b>1,183</b>	<b>(5,233)</b>	
(Increase) Decrease in Unallocated Surplus	0	0	0	0	0	
(Increase) decrease in inter-fund balances receivable	(7,461)	(813)	(10,700)	(1,090)	(20,064)	
Increase (decrease) in inter-fund balances payable	8,665	0	16,441	(488)	24,618	
Increase (decrease) in funds held for third parties	0	8	(45)	(299)	(337)	
Transfers to / from other funds	0	0	0	0	0	
<b>Net Cash Flow from Financing Activities</b>	<b>1,204</b>	<b>(805)</b>	<b>5,696</b>	<b>(1,877)</b>	<b>4,217</b>	
<b>Net Increase (Decrease) in Cash</b>	<b>(380)</b>	<b>319</b>	<b>(260)</b>	<b>(695)</b>	<b>(1,016)</b>	

EUR '000



**STATEMENT 21: Large Missions Statement of Cash Surplus\***  
for the year Ended 31 December 2002

	Mission to Croatia	Tasks in Bosnia and Herzegovina	Mission in Kosovo	Spillover Monitor Mission to Skopje	Total Large Missions
	<b>2002</b>	<b>2002</b>	<b>2002</b>	<b>2002</b>	<b>2002</b>
<b>Net Excess of Income over Expenditure</b>					
Add contributions receivable 1 January	283	546	6,486	654	7,969
Less contributions receivable at Period End	580	1,533	3,745	1,682	7,540
	(535)	(1,381)	(2,230)	(720)	(4,866)
<b>Cash Surplus for the Year</b>	<b>328</b>	<b>698</b>	<b>8,000</b>	<b>1,616</b>	<b>10,643</b>
Cash Surplus 1 January	3,678	3,008	15,340	(1,367)	20,659
Less Credits to participating States/transfers	(2,136)	1,027	(8,486)	0	(9,595)
<b>Cash Surplus at Period End</b>	<b>1,870</b>	<b>4,733</b>	<b>14,855</b>	<b>249</b>	<b>21,707</b>
Add contributions receivable at Period End	535	1,381	2,230	720	4,866
<b>Fund Balance at Period End</b>	<b>2,405</b>	<b>6,115</b>	<b>17,085</b>	<b>969</b>	<b>26,574</b>

\* See note 2/7

**STATEMENT 22: Extra-budgetary Part 1 Statement of Income, Expenditure and Changes in Fund Balance**  
for the year Ended 31 December 2002

	Note	Funds 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	
		2002	2001	2002	2001	2002	2001	2002	2001
Extrabudgetary Contributions	3	5,656	3,202	40	81	481	219	16,938	4,705
Miscellaneous Income	2/5	0	0	0	(2.1)	0	0	0	0
Savings on prior year ULO's	9	0	0	0	(2)	0	0	0	0
Other Adjustments	1.0	(209)	(18)	8	(4)	(11)	5	0	0
<b>Total Income</b>	2/5	<b>5,447</b>	<b>3,185</b>	<b>48</b>	<b>54</b>	<b>470</b>	<b>224</b>	<b>16,938</b>	<b>4,705</b>
<b>Total Expenditure</b>	2/6	<b>4,515</b>	<b>3,248</b>	<b>65</b>	<b>304</b>	<b>245</b>	<b>159</b>	<b>3,609</b>	<b>1,071</b>
<b>Excess of Income over Expenditure</b>		<b>932</b>	<b>(64)</b>	<b>(17)</b>	<b>(249)</b>	<b>225</b>	<b>65</b>	<b>13,329</b>	<b>3,634</b>
PROVISIONS		0	0	0	0	0	0	0	0
<b>Net Excess of Income over Expenditure</b>		<b>932</b>	<b>(64)</b>	<b>(17)</b>	<b>(249)</b>	<b>225</b>	<b>65</b>	<b>13,329</b>	<b>3,634</b>
Less credits to participating States		0	0	0	0	0	0	0	0
Fund Balance 1 January		2,064	2,128	136	385	330	265	4,184	550
<b>Fund Balance at Period End</b>		<b>2,996</b>	<b>2,064</b>	<b>119</b>	<b>136</b>	<b>555</b>	<b>330</b>	<b>17,513</b>	<b>4,184</b>

EUR '000

**STATEMENT 23: Extra-budgetary Part 1 Statement of Assets, Liabilities and Fund Balances**  
for the year Ended 31 December 2002

	Note	Funds 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	
		2002	2001	2002	2001	2002	2001	2002	2001
Accounts Receivable	5	164	570	0	0	0	0	0	0
Prepaid Expenses and Advances	6	85	85	0	0	0	0	0	0
Due From Other Funds		3,202	1,795	120	197	585	330	17,712	4,185
<b>Total Assets</b>		<b>3,452</b>	<b>2,451</b>	<b>120</b>	<b>197</b>	<b>585</b>	<b>330</b>	<b>17,712</b>	<b>4,185</b>
Accounts Payable	8	13	13	0	0	0	0	0	0
Reserve for Unliquidated Obligations	9	84	12	1	0	1	0	199	0
Due To Other Funds		359	361	0	61	29	1	0	1
<b>Total Liabilities</b>		<b>456</b>	<b>386</b>	<b>1</b>	<b>61</b>	<b>30</b>	<b>1</b>	<b>199</b>	<b>1</b>
Fund Balance		2,996	2,064	119	136	555	330	17,513	4,184
<b>Total Fund Balance</b>		<b>2,996</b>	<b>2,064</b>	<b>119</b>	<b>136</b>	<b>555</b>	<b>330</b>	<b>17,513</b>	<b>4,184</b>
<b>Total Liabilities and Fund Balance</b>		<b>3,452</b>	<b>2,451</b>	<b>120</b>	<b>197</b>	<b>585</b>	<b>330</b>	<b>17,712</b>	<b>4,185</b>

EUR '000

**STATEMENT 24: Extra-budgetary Part 2 Statement of Income, Expenditure and Changes in Fund Balance**  
for the year Ended 31 December 2002

	Note	Fund Relating to the Stability Pact for South Eastern Europe		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	
		2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Extrabudgetary Contributions	3	193	1,021	679	22	78	72	19,588	13,418	43,654	22,740
Miscellaneous Income	2/5	0	0	0	0	0	0	0	0	0	(21)
Savings on prior year UJLO's	9	1	0	0	0	2	0	72	(29)	75	(31)
Other Adjustments		(1)	(48)	0	0	0	0	(522)	221	(735)	156
<b>Total Income</b>	2/5	<b>193</b>	<b>973</b>	<b>679</b>	<b>22</b>	<b>80</b>	<b>72</b>	<b>19,139</b>	<b>13,610</b>	<b>42,994</b>	<b>22,844</b>
<b>Total Expenditure</b>	2/6	<b>874</b>	<b>710</b>	<b>354</b>	<b>12</b>	<b>11</b>	<b>116</b>	<b>14,344</b>	<b>10,960</b>	<b>24,017</b>	<b>16,581</b>
<b>Excess of Income over Expenditure</b>		<b>(681)</b>	<b>262</b>	<b>326</b>	<b>10</b>	<b>68</b>	<b>(44)</b>	<b>4,794</b>	<b>2,649</b>	<b>18,976</b>	<b>6,263</b>
Provisions		0	0	0	0	0	0	0	0	0	0
<b>Net Excess of Income over Expenditure</b>		<b>(681)</b>	<b>262</b>	<b>326</b>	<b>10</b>	<b>68</b>	<b>(44)</b>	<b>4,794</b>	<b>2,649</b>	<b>18,976</b>	<b>6,263</b>
Less credits to participating States		0	0	0	0	0	0	0	0	0	0
Fund Balance 1 January		1,139	877	421	411	(44)	0	8,050	5,401	16,280	10,017
<b>Fund Balance at Period End</b>		<b>459</b>	<b>1,139</b>	<b>746</b>	<b>421</b>	<b>24</b>	<b>(44)</b>	<b>12,844</b>	<b>8,050</b>	<b>35,256</b>	<b>16,280</b>

EUR '000

**STATEMENT 25: Extra-budgetary Part 2 Statement of Assets, Liabilities and Fund Balances**  
for the year Ended 31 December 2002

	Note	Fund Relating to the Stability Pact for South Eastern Europe		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	
		2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Accounts Receivable	5	0	0	0	0	0	0	2	3	166	573
Prepaid Expenses and Advances	6	0	0	0	0	0	0	0	2	85	88
Due From Other Funds		459	1,154	1,099	432	24	33	15,113	10,087	38,313	18,214
<b>Total Assets</b>		<b>459</b>	<b>1,154</b>	<b>1,099</b>	<b>432</b>	<b>24</b>	<b>33</b>	<b>15,115</b>	<b>10,093</b>	<b>38,565</b>	<b>18,875</b>
Accounts Payable	8	0	0	0	0	0	0	749	284	762	297
Reserve for unliquidated obligations	9	0	1	0	0	0	33	767	118	1,053	165
Due To Other Funds		0	13	352	12	0	44	755	1,640	1,494	2,134
<b>Total Liabilities</b>		<b>0</b>	<b>14</b>	<b>352</b>	<b>12</b>	<b>0</b>	<b>78</b>	<b>2,270</b>	<b>2,042</b>	<b>3,309</b>	<b>2,595</b>
Fund Balance		459	1,139	746	421	24	(4)	12,844	8,050	35,256	16,280
<b>Total Fund Balance</b>		<b>459</b>	<b>1,139</b>	<b>746</b>	<b>421</b>	<b>24</b>	<b>(44)</b>	<b>12,844</b>	<b>8,050</b>	<b>35,256</b>	<b>16,280</b>
<b>Total Liabilities and Fund Balance</b>		<b>459</b>	<b>1,154</b>	<b>1,099</b>	<b>432</b>	<b>24</b>	<b>33</b>	<b>15,115</b>	<b>10,093</b>	<b>38,565</b>	<b>18,875</b>

EUR '000



## 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 environment 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 the 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 and with 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/469 dated 11 April 2002 and subsequent budget revisions and extra-budgetary Funds. 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).

- The General Fund
- Action Against Terrorism Fund
- Office for Democratic Institutions and Human Rights (ODIHR)
- High Commissioner on National Minorities (HCNM)
- Representative on Freedom of the Media (FoM)
- Funds Relating to the Conflict dealt with by the OSCE Minsk Conference
- Centre in Almaty
- Centre in Ashgabad
- Centre in Bishkek
- Centre in Tashkent
- Mission to Tajikistan/Centre in Dushanbe
- Representative to the Estonian Commission on Military Pensioners
- Representative to the Latvian-Russian JC on Military Pensioners
- Advisory and Monitoring Group to Belarus<sup>3</sup>
- Project Co-ordinator in Ukraine
- Mission to Moldova
- Office in Yerevan
- Office in Baku
- Mission to Georgia
- Assistance Group to Chechnya<sup>4</sup>

<sup>3</sup> The mandate of the Advisory and Monitoring Group to Belarus expired on 31 December 2002.

<sup>4</sup> The mandate of the Assistance Group to Chechnya expired on 31 December 2002 and only a closure budget is approved for 2003.

- Presence in Albania
  - Mission to the Federal Republic of Yugoslavia
- 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.

#### 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).

- Mission to Croatia\*
- Tasks in Bosnia and Herzegovina
- Mission in Kosovo
- Spillover Monitor Mission to Skopje

#### 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 2002 Financial Year.

The Statement of Cash Flows for the Revolving and Contingency Funds for the year ending 31 December 2002, expressed in thousands of Euro, is as follows:

EUR '000	Revolving Fund	Contingency Fund
Balance 1 January 2002	2,710	2,180
Cash Outflow	-	-
Cash Inflow	-	-
Balance 31 December 2002	2,710	2,180

#### d) Integrated Resource Management

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 proposed IRMA system. The Fund will cover a project implementation period of three years with the balance carried forward from one year to the next.

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

\* In accordance with PC.DEC/468 of 11 April 2002, it was decided that, as an exceptional measure, the OSCE Mission to Croatia will be funded in 2002 through the application of the Scale of Contributions, as established by PC.DEC/408/Corr.1 of 5 April 2001.

### 3) Cash

Cash is managed centrally to ensure the safekeeping of funds and to reduce exchange rate and interest rate exposure (Financial Instructions 7/2001 on Bank Accounts and 10/2001 on Cash). Cash, bank balances and short-term investments as at 31 December 2002 amounted to EUR 109.3 million. EUR 72.4 million of this amount is in respect of budgetary funds (including Revolving, Contingency and IRMA Funds) and EUR 36.9 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 General Fund to all Extra-budgetary Funds amounted to EUR 36.8 million. A detailed schedule of Bank and Cash Balances is reflected in Annex 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 Annex 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 174 thousand in 2002. This was mainly due to the depreciation of the US Dollar against the Euro.

### 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 2002 amounted to EUR 174.9 million, which is equal to the final revised budget. Miscellaneous income, which mainly includes bank interest and insurance claims amounted to EUR 4.8 million in 2002.

### 6) Expenditure

Expenditure is accounted for on an accrual and modified accrual basis (Financial Instruction 2/2000). 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 167.5 million and extra-budgetary expenditure amounted to EUR 24.0 million for a total of EUR 191.5 million in 2002.

### 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 267 thousand as at 31 December 2002, 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	174,949
+ Miscellaneous Income	4,752
+/- Foreign Exchange gain / (loss)	(174)
+ Savings on prior year Unliquidated Obligations	2,643
+ Other Adjustments	19
= Total Income	182,189
- Total Expenditure	167,522
= Excess of Income over Expenditure	14,776
- Provisions	2,756
= Excess of Income over Expenditure	14,667
+ Assessed Contributions receivable on 1 January 2002	17,077
- Assessed Contributions receivable on 31 December 2002*	(14,838)
= <b>Cash Surplus for the year 2002</b>	<b>16,906</b>
+ Cash Surplus 1 January 2002	22,901
- Distribution of cash surplus/transfers	(10,223)
= Cash Surplus as at 31 December 2002	29,584
+ Assessed Contribution receivable on 31 December 2002*	14,838
= <b>Fund Balance as at 31 December 2002</b>	<b>44,422</b>

\* Total assessed contributions receivable EUR 14,960 thousand less EUR 123 thousand from the Federal Republic of Yugoslavia appropriated to the IRMA Fund (PC.DEC/502 dated 14 November 2002).

Therefore the declared cash surplus for 2002 amounts to EUR 16,906 thousand. This is comprised of the excess of income over expenditure of EUR 14,667 thousand and the reduction in Assessed Contributions Receivable of EUR 2,239 thousand (EUR 17,077 less EUR 14,838).

### 8) Fund Balance

The total Fund Balance at 31 December 2002 contains five elements, the cash surplus payable to participating States in 2003 and 2004, the reserve for assessed contributions receivable, the IRMA Fund and balances relating to Extra-budgetary projects funded by donors, as follows:

EUR '000	
Cash surplus payable 2003	12,678
Cash surplus payable 2004	16,906
Reserve for Assessed contributions receivable	14,838
IRMA Fund	6,885
Total Extra-budgetary Fund Balance	35,256
Total Fund Balance	86,563

### 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 2002 the estimated value of in kind contributions is approximately EUR 88 million.

## Note 3 - Extra-budgetary Contributions

Extra-budgetary contributions are recorded on a cash basis. Extra-budgetary contributions pledged in 2002 amounted to EUR 45.5 million, of which EUR 41.1 million was received in 2002 and EUR 4.4 million was outstanding as at 31 December 2002. Extra-budgetary contributions received in 2002 in respect of pledges made in 2001 amounted to EUR 2.5 million. Total extra-budgetary contributions received in 2002 amounted to EUR 43.6 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 24.0 million for the year ended 31 December 2002.

#### Note 4 - Assessed Contributions

##### 1) Assessed Contributions Receivable

Assessed Contributions Receivable as at 31 December 2002 amounted to EUR 10.0 million under the Revised Standard Scale of Contributions and EUR 4.8 million under the Scale for Large OSCE Missions and Projects, for a total of EUR 14.8 million. An aged schedule of contributions receivable as at 31 December 2002 is reflected in Annex 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 informal Financial Committee 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 8.7 million as at 31 December 2002, detailed as follows:

EUR '000				
	2000 and			
Participating State	prior	2001	2002	Balance
Armenia	513	147	122	782
Azerbaijan	6	147	122	275
Bosnia-Herzegovina	388	150	149	687
Georgia	552	147	136	835
Kazakhstan	1,141	437	383	1,961
Kyrgyzstan	533	147	122	802
Moldova	437	150	135	722
Tajikistan	208	147	122	477
Turkmenistan	423	147	122	692
Uzbekistan	617	437	383	1,437
<b>Total</b>	<b>4,818</b>	<b>2,056</b>	<b>1,796</b>	<b>8,670</b>

It should be noted that, subsequent to the balance sheet date in the first quarter of 2003, Bosnia-Herzegovina fully cleared its outstanding balance and contributions were received amounting to EUR 651 thousand from Kazakhstan and EUR 5 thousand from Tajikistan.

#### Note 5 - Accounts Receivable

Accounts receivable amounted to EUR 4.0 million as at 31 December 2002. 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 1.3 million as at 31 December 2002. This amount is comprised primarily of advances to suppliers and advances to staff for travel.

#### Note 7 - Material Assets

The purchase cost of material assets, such as equipment, motor vehicles, furniture and IT equipment is charged to expenditure upon purchase and therefore, is not reflected as an asset in the balance sheet. Income from the disposal of surplus material assets is normally recorded as miscellaneous income and simultaneously the cost and depreciation are removed from the material asset records. The OSCE maintains separate inventory records in the Finance and Materials Management System (FMMS), including the historical acquisition cost, accumulated depreciation and net book value of material assets that fit the following criteria:

- material assets for which the cost exceeds EUR 250 and a useful life of longer than one year;
- attractive material assets, such as cellular telephones, dictaphones and other portable items for which the cost is below EUR 250 and useful life is longer than one year;
- intellectual property in the form of computer software.

The historical acquisition cost of material assets as at 31 December 2002 is EUR 65.6 million, the accumulated depreciation is EUR 48.2 million and the net book value is EUR 17.4 million. The movement in material assets during the year is summarised in the following table.

EUR '000	Total	Total
	2002	2001
Historical acquisition costs		
Balance at 1 January	61,336	52,333
Additions	10,149	13,959
Disposals	(5,796)	(4,710)
Cost Adjustments	(113)	(245)
<b>Balance at 31 December</b>	<b>65,576</b>	<b>61,335</b>

##### Accumulated depreciation

Balance at 1 January	(38,783)	(26,787)
Depreciation charge for year	(13,702)	(14,917)
Disposals	4,285	2,921
<b>Balance at 31 December</b>	<b>(48,200)</b>	<b>(38,783)</b>

<b>Net book value as at 31 December</b>	<b>17,374</b>	<b>22,552</b>
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Historical acquisition cost comprises its purchase price, including import duties and any non-refundable purchase taxes, and any directly attributable costs of bringing the material asset to working condition for its intended use, including initial delivery and handling costs, installation fees, etc. Useful life is the period of time over which an asset is expected to provide service potential to the Organisation.

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
Building materials, construction components	3 to 15
Communications	3 to 15
Furniture, furnishings	8 to 10
Household equipment	4 to 7
IT hardware	2 to 5
Materials storage and warehouse equipment	5 to 8
Medical equipment	5
Office equipment	3 to 8
Outdoor and survival equipment	3 to 5
OSCE-specific items	3 to 5
Security and safety equipment	3 to 8
Tools and general machinery	3 to 8
Vehicles	5

The policy on material assets is under review and major reforms are planned in the process of IRMA implementation.

### Note 8 - Accounts Payable

Accounts Payable amounted to EUR 6.9 million as at 31 December 2002. 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 2002 amounted to EUR 12.0 million. Savings on prior year unliquidated obligations at 31 December 2002 amounted to 2.7 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	2001 Reserve for ULOs	Expenditure in 2002 against 2001 Reserve	(Savings)/ Over expenditure on 2001 ULOs
General Fund	1,747	1,703	(44)
ODIHR	66	46	(20)
HCNM	12	12	0
RFOM	51	46	(4)
High Level Planning Group	8	8	0
The Minsk Process	41	41	0
P. R. of the CiO	13	12	(1)
Advisory and Monitoring Group to Belarus	14	14	0
Assistance Group to Chechnya	178	178	0
Centre in Tashkent	7	8	1
Centre in Almaty	4	4	0
Centre in Ashgabad	8	8	0
Centre in Bishkek	35	28	(7)
Mission to Estonia	8	26	*18
Mission to Georgia	941	828	(114)
Mission to Latvia	6	6	0
Mission to Moldova	17	17	0
Mission to Tajikistan/Centre in Dushanbe	161	154	(6)
Office in Baku	7	7	(1)
Office in Yerevan	9	9	0
Presence in Albania	195	172	(23)
Project Coordinator in Ukraine	11	7	(4)
Spillover Monitor Mission to Skopje	1,654	1,526	(128)
Mission to Croatia	170	162	(8)
Mission in Kosovo	8,152	5,930	** (2,222)
Tasks in BiH	1,089	1,074	(15)
Mission to the Federal Republic of Yugoslavia	662	598	(64)
All Extra-budgetary Funds	165	90	(75)
<b>Grand Total</b>	<b>15,431</b>	<b>12,714</b>	<b>(2,718)</b>

\* Note: 2001 Unliquidated Obligations for the Mission to Estonia were over-spent by EUR 18 thousand.

\*\* Note: The savings on prior year Unliquidated Obligations for the Mission in Kosovo was mainly due to an overestimation of fuel costs (EUR 542 thousand), telecommunication costs (EUR 382 thousand), transportation costs (EUR 181 thousand), renting utilities (EUR 45 thousand), contractual services (EUR 509 thousand), printing costs (EUR 51 thousand) and IT costs (EUR 62 thousand).

### Note 10 - Other Adjustments

Other adjustments, which are mainly the refund of unused extra-budgetary contributions to donors, amounted to EUR 716 thousand in 2002.

### Note 11 - Funds Held for Third Parties

Funds held for third parties amounted to EUR 2.7 million as at 31 December 2002. 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 16.2 million as at 31 December 2002. This is mainly due to a large reduction in the year-end budget revision of EUR 12.4 million (PC.DEC/434 dated 30 January 2003) and the residual 2002 cash surplus of 3.5 million, both of which were credited to the participating States in accordance with the Financial Regulations.

### Note 13 - Cash and Other Losses

Cash and other losses for the year ended 31 December 2002 amounted to a total of EUR 8,086. This was comprised of cash losses of EUR 2,953 and other losses of EUR 5,133.

Location	Description	EUR
<b>Cash Losses</b>		
Yerevan	Shortage of cash in safe	508
P. R. of CiO	Wallet stolen containing OSCE funds	964
Vienna	Cash stolen and advance not settled	47
Kosovo	Missing money from cash box	357
Kosovo	Money missing from cash advance	590
Vienna	Theft of purse while purchasing supplies	100
ODHIR	Theft of purse with cash advance	387
<b>Total cash losses</b>		<b>2,953</b>
<b>Other Losses</b>		
Vienna	Disputed item re reimbursement of Business Class travel	31
Vienna	Items in dispute uncollectible	4,029
Kosovo	Cancelled ticket credited less than full refund	22
Vienna	Under reimbursement of ticket costs	177
Kosovo	Cancelled ticket credited less than ticket cost	218
Kosovo	Cancelled ticket credited less than ticket cost	218
Vienna	Cancelled ticket credited less than ticket cost	306
Vienna	Cancelled ticket credited less than ticket cost	132
<b>Total other losses</b>		<b>5,133</b>
<b>GRAND TOTAL</b>		<b>8,086</b>



### Loss and Theft Report for 2002 - Material Assets

Mission EUR	Loss	Theft	Grand Total*
Secretariat	322		322
Centre in Ashgabad	363		363
Advisory and Monitoring Group in Belarus	364		364
Office in Baku		373	373
Centre in Almaty		680	680
Assistance Group to Chechnya		1,235	1,235
Mission to Georgia	1,323	146	1,469
Mission to Estonia	1,579		1,579
Mission to Croatia	122	3,986	4,108
Presence in Albania	5,297		5,297
Spillover Monitor Mission to Skopje	3,537	10,318	13,855
Mission to Latvia	98	13,770	13,869
Mission to the Federal Republic of Yugoslavia		16,365	16,365
Mission in Bosnia and Herzegovina	19,893	18,523	38,416
Mission in Kosovo	26,610	61,479	88,090
<b>Grand Total</b>	<b>59,508</b>	<b>126,876</b>	<b>186,384</b>

\* Note: Covers the period 1 March to 31 December 2002 only.  
The figures reflected are at historical acquisition cost.

### Note 14 - Provisions and Contingent Liabilities

The following contingent liabilities are noted as at 31 December 2002 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 7.08 million. The OSCE has taken steps to protect the Organization against undue claims by co-ordinating with the United Nations.

- Center in Bishkek

A contingent liability is noted for a potential claim for income tax on local staff salaries in Bishkek in the amount of EUR 106 thousand. The Chairmanship has been informed by the Kyrgyz Delegation to the OSCE that this potential claim shall not be pursued and that this exchange of identical letters ought to be disregarded. The Kyrgyz Delegation to the OSCE has been asked to confirm this in a more formal communiqué.

- Secretariat

A contingent liability is noted for potential interest on the under-calculation of contributions to the Wiener Gebietskrankenkasse (WGKK) in the amount of EUR 17.5 thousand.

### Note 15 - Ex-Gratia Payments

During 2002, ex-gratia payments, amounting to EUR 19,079 were approved by the Secretary General.

### Note 16 - Separation Benefits

Separation payments that would have been due to staff if they had separated on 31 December 2002 amounted to approximately EUR 12.9 million. This figure is made up of termination indemnity, accrued annual leave, notice period, repatriation grant, travel and removal costs.

### Note 17 - Provident Fund

The OSCE Provident Fund is managed by Generali Worldwide Insurance Company Ltd., Guernsey, Channel Islands. The closing balance of the Provident Fund as at 31 December 2002 was EUR 21.3 million.

### Provident Fund Summary Statement for the Year Ended 31 December 2002

Currency	Deposit	Deposit	USD IEF Unit	USD Int.	EUR IEF Unit	EUR Int.	TOTAL
	Admin. Fund	Admin. Fund	holding	Equity Fund	holding	Equity Fund	
	USD '000	EUR '000	'000	USD '000	'000	EUR '000	EUR '000
<b>Opening Balance 1 Jan 2002</b>	4,214	11,352	35		29		
<b>Contributions</b>	1,988	6,406	15	281	12	233	
<b>Withdrawals</b>	(1,175)	(3,386)	(11)	(230)	(7)	(161)	
<b>Switches In</b>	11	35	0	0	0	0	
<b>Switches Out</b>	(16)	(28)	(0)	(1.2)	(0)	(0)	
<b>Interest</b>	238	508	n/a	n/a	n/a	n/a	
<b>Total Administration Fees</b>	(19)	(98)	(0)	(0.44)	(0)	(0)	
<b>TOTALS</b>	<b>5,241</b>	<b>14,789</b>	<b>39</b>		<b>34</b>		
<b>Market Value</b>				688		561	
<b>Exchange Rate</b>	1.009			1.009			
<b>Balance in EUR '000</b>	<b>5,289</b>	<b>14,789</b>		<b>694</b>		<b>561</b>	<b>21,333</b>

Note: IEF USD Price at 31.12.2002 17.501  
IEF EUR Price at 31.12.2002 16.678

## Annex I - Bank and Cash Balances as at 31 December 2002

EUR '000				
Financial Institution	Currency	Interest rate	Balance	
Bank Austria, Vienna Comm. Network	EUR	2.00%	85	
Bank Austria, Vienna Current	USD	0.50%	140	
Bank Austria, Vienna Current	EUR	2.00%	11,462	
Bank Austria, Vienna Fixed Deposit	EUR	2.99%	50,000	
Bank Austria, Vienna Fixed Deposit	EUR	2.99%	4,890	
Bank Austria, Moscow	USD	0.50%	17	
<b>Sub Total: Secretariat Budgetary Balances</b>			<b>66,594</b>	
Creditanstalt-Bankverein, Vienna	EUR	2.00%	750	
ABN-AMRO Bank Kazakhstan	USD	-	16	
ABN-AMRO Bank Kazakhstan	KZT	-	7	
Alpha Bank A.D., Skopje	EUR	-	71	
Alpha Bank A.D., Skopje	MKD	-	6	
American Bank of Albania, Tirana	USD	-	0	
American Bank of Albania, Tirana	EUR	-	10	
American Bank of Albania, Tirana	ALL	-	35	
American Bank of Kosovo, Pristina	EUR	-	393	
Bank of Georgia, Tbilisi	EUR	-	96	
Bank of Georgia, Tbilisi	USD	-	316	
Bank of Georgia, Tbilisi	GEL	-	38	
BPK Bank, Pristina	EUR	-	82	
Ceskoslovenska Obchodni Banka	EUR	0.50%	19	
Ceskoslovenska Obchodni Banka	CZK	0.35%	55	
Commercial Bank, Belgrade	YUM	-	62	
Commercial Bank, Belgrade	USD	-	69	
Commercial Bank, Belgrade	EUR	-	147	
Commercial Bank, Belgrade	EUR	-	11	
Credit Lyonnais, Ukraine	USD	-	54	
Credit Lyonnais, Ukraine	UAH	-	11	
Demir Kyrgyz International Bank	USD	-	35	
Demir Kyrgyz International Bank	EUR	-	0	
Hansapank, Tallin	USD	0.20%	1	
Hansapank, Tallin	EUR	0.20%	5	
Hansapank, Tallin	EK	0.20%	4	
HSBC Midland America Bank jsc	USD	-	13	
HSBC Midland America Bank jsc	AMD	-	1	
ING Bank, The Hague	USD	-	110	
ING Bank, The Hague	EUR	1.68%	292	
Komercijalna Banka A.D. Skopje	USD	0.79%	24	
Komercijalna Banka A.D. Skopje	MKD	-	75	
Komercijalna Banka A.D. Skopje	EUR	1.57%	219	
Komercijalna Banka A.D. Skopje OM IK	USD	0.79%	0	
Komercijalna Banka A.D. Skopje OM IK	MKD	-	1	
Komercijalna Banka A.D. Skopje OM IK	EUR	1.57%	1	
Miro Enterprise Bank, Kosovo	EUR	-	34	
National Bank of Foreign Econ. Act., Tashkent	UZS	-	0	
National Bank of Foreign Econ. Act., Tashkent	USD	1.50%	43	
Prubank, Minsk	USD	-	4	
Powszechny Bank Kredytowy S.A.-Warsaw	EUR	0.50%	0	
Raiffeisen Bank DD Sarajevo	EUR	-	67	
Raiffeisen Bank DD Sarajevo	EUR	-	600	
Raiffeisen Bank DD Sarajevo	EUR	-	59	
Raiffeisen Bank DD Sarajevo	EUR	-	75	
Raiffeisen Bank DD Sarajevo	BAM	-	48	
Raiffeisen Bank DD Sarajevo	BAM	-	5	
Raiffeisen Bank DD Sarajevo	BAM	-	3	
Raiffeisen Bank DD Sarajevo	BAM	-	3	
Raiffeisen Bank, Warsaw	PLN	1.50%	81	
Raiffeisen Bank, Warsaw	USD	0.50%	80	
Raiffeisen Bank, Warsaw	EUR	1.80%	422	
Splitska Banka DD, Split	EUR	-	2	
Splitska Banka DD, Split	HRK	-	2	
International Bank of Azerbaijan	USD	-	19	
International Bank of Azerbaijan	AZM	-	1	
Turkmen Turkish Commercial Bank	USD	-	10	
Turkmen Turkish Commercial Bank	TMM	-	0	
Univerbank, Moldova	USD	-	6	
Univerbank, Moldova	MDL	-	1	
Univerbank, Moldova	EUR	-	12	
Zagrebacka Bank DD, Zagreb	EUR	0.67%	25	
Zagrebacka Bank DD, Zagreb	HRK	0.50%	9	
Zagrebacka Bank DD, Zagreb	USD	0.36%	44	
<b>Total Budgetary Bank Accounts</b>			<b>71,278</b>	
<b>Total Budgetary Petty Cash</b>			<b>1,092</b>	
<b>Total Budgetary Bank and Cash</b>			<b>72,370</b>	
Bank Austria, Vienna (Extra Budgetary)	EUR	2.00%	5,727	
Bank Austria, Vienna (Extra Budgetary) Deposit	EUR	2.99%	21,000	
Bank Austria, Vienna (Extra Budgetary)	USD	0.50%	112	
Bank Austria, Vienna (Extra Budgetary) Deposit	USD	1.32%	10,090	
<b>Total Extra Budgetary Bank Accounts</b>			<b>36,929</b>	
<b>Grand Total</b>			<b>109,299</b>	

## Annex II - Short-term Investments and Interest Rates for 2002

From	To	Amount EUR '000	Interest Rate % p.A.
17-Dec-01	2-Jan-02	40,890	3.36
2-Jan-02	14-Jan-02	36,890	3.21
14-Jan-02	21-Jan-02	41,890	3.24
21-Jan-02	28-Jan-02	38,890	3.22
28-Jan-02	4-Feb-02	53,890	3.22
4-Feb-02	11-Feb-02	53,890	3.23
11-Feb-02	18-Feb-02	66,890	3.21
18-Feb-02	25-Feb-02	69,890	3.20
25-Feb-02	4-Mar-02	67,890	3.21
4-Mar-02	11-Mar-02	77,890	3.21
11-Mar-02	18-Mar-02	97,890	3.19
18-Mar-02	25-Mar-02	93,890	3.16
25-Mar-02	2-Apr-02	89,890	3.31
2-Apr-02	8-Apr-02	88,890	3.22
8-Apr-02	15-Apr-02	87,890	3.21
15-Apr-02	22-Apr-02	85,890	3.19
22-Apr-02	29-Apr-02	81,890	3.21
29-Apr-02	6-May-02	91,890	3.22
6-May-02	13-May-02	92,890	3.21
13-May-02	21-May-02	99,890	3.21
21-May-02	27-May-02	120,890	3.19
27-May-02	3-Jun-02	137,890	3.24
3-Jun-02	10-Jun-02	137,890	3.25
10-Jun-02	17-Jun-02	137,890	3.23
17-Jun-02	24-Jun-02	139,890	3.21
24-Jun-02	1-Jul-02	143,890	3.28
1-Jul-02	8-Jul-02	143,890	3.25
8-Jul-02	15-Jul-02	140,890	3.23
15-Jul-02	22-Jul-02	137,890	3.26
22-Jul-02	29-Jul-02	133,890	3.25
29-Jul-02	5-Aug-02	129,890	3.27
5-Aug-02	12-Aug-02	128,890	3.25
12-Aug-02	19-Aug-02	128,890	3.24
19-Aug-02	26-Aug-02	126,890	3.28
26-Aug-02	2-Sep-02	119,890	3.30
2-Sep-02	9-Sep-02	127,890	3.28
9-Sep-02	16-Sep-02	122,890	3.27
16-Sep-02	23-Sep-02	125,890	3.27
23-Sep-02	30-Sep-02	119,890	3.29
30-Sep-02	7-Oct-02	116,890	3.30
7-Oct-02	14-Oct-02	112,890	3.27
14-Oct-02	21-Oct-02	106,890	3.28
21-Oct-02	28-Oct-02	114,890	3.28
28-Oct-02	4-Nov-02	109,890	3.30
4-Nov-02	11-Nov-02	104,890	3.27
11-Nov-02	18-Nov-02	106,890	3.27
18-Nov-02	25-Nov-02	103,890	3.27
25-Nov-02	2-Dec-02	100,890	3.30
2-Dec-02	9-Dec-02	97,890	3.33
9-Dec-02	16-Dec-02	95,890	2.83
16-Dec-02	23-Dec-02	83,890	2.87
23-Dec-02	30-Dec-02	85,890	3.04
30-Dec-02	7-Jan-03	75,890	2.99

From	To	Extra Budgetary USD '000	Interest Rate % p.A.
30-Oct-02	6-Nov-02	10,500	1.68
6-Nov-02	13-Nov-02	10,500	1.52
13-Nov-02	20-Nov-02	10,500	1.25
20-Nov-02	27-Nov-02	10,000	1.25
27-Nov-02	4-Dec-02	10,000	1.27
4-Dec-02	11-Dec-02	10,000	1.27
11-Dec-02	18-Dec-02	9,500	1.19
18-Dec-02	23-Dec-02	9,000	1.21

## Annex III - Assessed Contributions Receivable as at 31<sup>st</sup> December 2002

EUR '000 Participating State	2000 and prior	2001	2002	Balance
Albania	0	16	149	165
Andorra	0	0	0	0
Armenia	513	147	122	782
Austria	0	0	0	0
Azerbaijan	6	147	122	275
Belarus	0	337	465	802
Belgium	0	0	0	0
Bosnia-Herzegovina	388	150	149	687
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
Finland	0	0	0	0
France	0	0	0	0
Georgia	552	147	136	835
Germany	0	0	0	0
Greece	0	0	456	456
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	1,141	437	383	1,961
Kyrgyzstan	533	147	122	802
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	437	150	136	722
Monaco	0	0	0	0
Netherlands	0	0	0	0
Norway	0	0	0	0
Poland	0	0	1,731	1,731
Portugal	0	0	0	0
Romania	0	0	0	0
Russian Federation	0	0	0	0
San Marino	0	10	105	114
Federal Republic of Yugoslavia*	0	0	304	304
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	208	147	122	477
the former Yugoslav Republic of Macedonia	0	0	148	148
Turkey	0	0	1,379	1,379
Turkmenistan	424	147	122	692
Ukraine	0	0	1,190	1,190
United Kingdom	0	0	0	0
United States	0	0	0	0
Uzbekistan	617	437	383	1,436
<b>Total</b>	<b>4,819</b>	<b>2,416</b>	<b>7,725</b>	<b>14,960</b>
<b>Less Assessed Contributions receivable for IRMA Fund</b>			<b>123</b>	<b>123</b>
<b>Grand Total Unified Budget</b>	<b>4,819</b>	<b>2,416</b>	<b>7,602</b>	<b>14,838</b>

\* Note: Name changed to Serbia and Montenegro in February 2003