

Report of the auditor to the General Assembly of the Center for the Study of Democracy

Scope

We have audited the accompanying balance sheet the related statements of income and expenditure account and cash flows for the year then ended of the Center for the study of democracy as of 31 December 1999.

Respective responsibilities of directors and auditors

The organization's management is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Center for the study of democracy as at 31 December 1999, and the excess of income over expenditure in accordance with International Accounting Standards.

18 February 2000

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Center for the Study of Democracy

STATEMENT OF NET CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 1999

Financial statements

<i>In BGN</i>	Note	1999	1998
Revenue from grants, contributions and projects	2	1,493,530	1,222,918
Expenses on grants, contributions and projects	3	(1,116,569)	(1,153,263)
General and administrative expenses		(27,982)	(34,269)
Gross excess of revenue over expenditure		348,979	35,386
Foreign exchange gains – net	4	116,633	86,199
Interest income		31,011	52,589
Other financial expenses		(6,083)	(7,065)
Other income		289	
Extraordinary income - net	5	(914)	32,941
Provisions		(20,873)	
Net excess of revenue over expenditure		469,042	200,050
Gain on net monetary position		–	(7,975)
Excess of revenue over expenditure for the year		469,042	192,075
Accumulated excess of revenue over expenditure brought forward		<u>1,349,861</u>	<u>1,157,786</u>
Unrestricted fund balances at 31 December 1999		<u>1,818,903</u>	<u>1,349,861</u>

The accompanying notes on pages 68 to 72 form an integral part of these financial statements.