

2004 FINANCIAL REPORT

SCIENCE AND TECHNOLOGY CENTER IN UKRAINE - STCU
STATEMENT OF ADMINISTRATIVE OPERATING BUDGET (AOB) as of December 31, 2004

	Annual Budget	Booked Expenditures	Obligated Expenses	Remaining Budget	Percentage (Over)/Under
Administrative Operating Expenses					
Non-Recurring Expenses					
FACILITY IMPROVEMENTS	10 000	9 735,93	0,00	\$264,07	2,64%
FURNITURE & FIXTURES	10 000	2 232,38	0,00	\$7 767,62	77,68%
TELECOMMUNICATIONS EQUIPMENT	5 000	493,95	0,00	\$4 506,05	90,12%
OFFICE EQUIPMENT	10 000	1 211,57	0,00	\$8 788,43	87,88%
COMPUTER HARDWARE	47 456	46 224,52	0,00	\$1 231,48	2,59%
COMPUTER SOFTWARE	75 000	79 080,21	0,00	(\$4 080,21)	-5,44%
Subtotal Non-Recurring Expenses	157 456	138 978,56	0,00	\$18 477,44	
(1) Contingency - Non-Recurring	0	0,00	0,00	\$0,00	0,00%
Recurring Expenses					
(2) LOCAL GRANT PAYMENTS	664 416	609 841,08	40 000,00	\$14 574,92	2,19%
(2) REPRESENTATION	15 000	13 402,93	0,00	\$1 597,07	10,65%
STAFF EDUCATION & TRAINING	45 000	32 098,23	0,00	\$12 901,77	28,67%
INTERNATIONAL TRAVEL	37 000	31 901,18	0,00	\$5 098,82	13,78%
(3) TRAVEL WITHIN THE CIS	120 000	114 277,95	0,00	\$5 722,05	4,77%
LOCAL TRAVEL	18 625	17 783,48	0,00	\$841,52	4,52%
POSTAGE AND DELIVERY	10 000	6 827,88	0,00	\$3 172,12	31,72%
CUSTOMS FACILITATION	500	-327,98	0,00	\$827,98	165,60%
GENERAL OFFICE SUPPLIES	23 000	19 750,55	0,00	\$3 249,45	14,13%
OFFICE EQUIPMENT REPAIR/MAINT	7 000	4 339,58	0,00	\$2 660,42	38,01%
(5) VEHICLE OPERATIONS	9 000	17 175,59	0,00	(\$8 175,59)	-90,84%
PRINTING AND REPRODUCTION	40 000	20 244,55	0,00	\$19 755,45	49,39%
TELECOMMUNICATIONS SERVICES	35 000	37 512,23	0,00	(\$2 512,23)	-7,18%
BUSINESS MEETINGS	6 000	4 081,83	0,00	\$1 918,17	31,97%
SUBSCRIPTIONS AND PUBLICATIONS	5 000	3 023,44	0,00	\$1 976,56	39,53%
PUBLIC AFFAIRS	20 000	21 937,45	0,00	(\$1 937,45)	-9,69%
EMPLOYEE MORALE & WELFARE	20 000	20 898,52	0,00	(\$898,52)	-4,49%
MEDICAL PLAN	71 850	65 792,31	0,00	\$6 057,69	8,43%
(5) BUILDING SUPPLIES	7 000	9 753,08	0,00	(\$2 753,08)	-39,33%
BRANCH OFFICES	70 805	57 444,45	0,00	\$13 360,55	18,87%
INSURANCE EXPENSE	9 000	8 776,10	0,00	\$223,90	2,49%
(4) BANK FEES - OFFSHORE	70 000	73 812,24	0,00	(\$3 812,24)	-5,45%
BANK FEES - ONSHORE	53 000	48 829,29	0,00	\$4 170,71	7,87%
BUSINESS GROUP OPERATIONS	90 000	80 339,10	0,00	\$9 660,90	10,73%
(5) LEGAL SERVICES	5 000	10 888,62	0,00	(\$5 888,62)	-117,77%
ACCOUNTING AND AUDITING	81 562	81 562,00	0,00	\$0,00	0,00%
(5) OTHER PROFESSIONAL SERVICES	25 000	33 804,93	0,00	(\$8 804,93)	-35,22%
Subtotal Recurring Expenses	1 558 758	1 445 771	40 000,00	72 987	
Contingency - Recurring	10 000	0,00	0,00	\$10 000,00	100,00%
Total Administrative Expenses	1 726 214	1 584 749,17	40 000,00	\$101 464,83	5,88%

VAT Returned: January - October 2004	\$38 431,82
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- (1) Proposed to reduce contingency - non-recurring budget by \$25K and move to Bank Fees - Offshore
(2) Proposed to reduce budget by \$10K and move to Travel w/in CIS
(3) Proposed to receive \$20K from Local Grant Payments (\$10K) and Representation (\$10K)
(4) Proposed to receive \$25K from contingency - non-recurring budget
(5) Request Permission to overspend by 10%

**SCIENCE AND TECHNOLOGY CENTER IN UKRAINE - STCU
STATEMENT OF SUPPLEMENTAL BUDGET ACTIVITY
as of December 31, 2004**

Activity	Sub-Activity	Supplemental Expense	Budget	Booked Expenditures	Obligated Expenses	Remaining Budget
01	TECHNIC., COLLABOR., CONT. TRAV. SUPP.		\$ 260,000 + € 130,000	\$ 212,461.05 + € 44,977.77	\$ 0 + € 0	\$ 47,538.95 + € 125,502.23
	- U.S. DESIGNATED TRAVELERS		\$ 260,000.00	\$ 212,461.05	\$ -	\$ 47,538.95
	- E.U. DESIGNATED TRAVELERS		€ 130,000.00	€ 4,497.77	€ -	€ 125,502.23
02	INFORMATION TECHNOLOGY SUPPORT (USA)		\$ 350,000.00	\$ 162,457.77	\$ -	\$ 187,542.23
	- U.S.DATABASE PROJECT		\$ 20,000.00	\$ 20,415.38	\$ -	\$ (415.38)
	- STCU SERVER UPGRADE		\$ 10,000.00	\$ 9,808.61	\$ -	\$ 191.39
	- Internet Initiative in Uzb., Geo., and Ukr Pilot		\$ 101,490.00	\$ 132,233.78	\$ -	\$ (30,743.78)
	- UNIDENTIFIED		\$ 218,510.00	\$ -	\$ -	\$ 218,510.00
03	COMMUNICATIONS SUPPORT (USA)		\$ 750,000.00	\$ 7,698.80	\$ -	\$ 742,301.20
	- Government of Ukraine's Registration Communication		\$ 7,500.00	\$ 5,143.67	\$ -	\$ 2,356.33
	- CASRI		\$ -	\$ 2,555.13	\$ -	\$ (2,555.13)
	- UNIDENTIFIED		\$ 742,500.00	\$ -	\$ -	\$ 742,500.00
04	BUSINESS TRAINING/SUSTAIN. SUPP.		\$ 555,170.00	\$ 86,285.50	\$ -	\$ 468,884.50
	- SHARED		\$ 150,000.00	\$ 54,272.28	\$ -	\$ 95,727.72
	- US DESIGNATED		\$ 400,000.00	\$ 32,013.22	\$ -	\$ 367,986.78
	04.02.01 3 Pilot Trainings (IPR Prot. Present. Bus. Plan)		\$ 38,419.20	\$ 32,013.22	\$ -	\$ 6,405.98
	04.02.02 Pilot Internship Project		\$ 25,000.00	\$ -	\$ -	\$ 25,000.00
	04.02.03 Unidentified		\$ 336,580.80	\$ -	\$ -	\$ 336,580.80
	- EU DESIGNATED		\$ 5,170.00	\$ -	\$ -	\$ 5,170.00
05	PATENT SUPPORT		\$ 268,592.00	\$ 71,413.54	\$ -	\$ 197,178.46
	- SHARED		\$ 150,000.00	\$ 71,413.54	\$ -	\$ 78,586.46
	- US DESIGNATED		\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
	- EU DESIGNATED		\$ 18,592.00	\$ -	\$ -	\$ 18,592.00
06	TRAVEL AND MOBILITY SUPPORT		\$ 1,214,695.92	\$ 724,523.30	\$ -	\$ 490,172.62
	- TRAVEL GRANT FUND (SHARED)		\$ 260,000.00	\$ 237,282.86	\$ -	\$ 22,717.14
	- U.S. DESIGNATED TRAVELERS		\$ 378,000.00	\$ 259,963.70	\$ -	\$ 118,036.30
	- E.U. DESIGNATED TRAVELERS		\$ 111,676.00	\$ 15,393.64	\$ -	\$ 96,282.36
	- PARTNER DESIGNATED TRAVELERS		\$ 361,325.00	\$ 198,691.39	\$ -	\$ 162,633.61
	06.04.01 U.S. Department of Agriculture		\$ 165,000.00	\$ 121,378.21	\$ -	\$ 43,621.79
	06.04.02 U.S. National Cancer Institute		\$ 171,325.00	\$ 50,874.85	\$ -	\$ 120,450.15
	06.04.03 U.S. Department of Energy/IPP Program		\$ 25,000.00	\$ 20,928.33	\$ -	\$ 4,071.67
	06.04.04 U.S. Environmental Protection Agency		\$ 5,100.00	\$ 5,100.00	\$ -	\$ (5,100.00)
	- SW DESIGNATED TRAVELERS		\$ 103,694.92	\$ 4,655.59	\$ -	\$ 99,039.33
	- CA DESIGNATED TRAVELERS		\$ -	\$ 8,536.12	\$ -	\$ (8,536.12)
07	EXPERT CONTACT (PROGRAM RELATED)		\$ 50,000.00	\$ 81.90	\$ -	\$ 49,918.10
	- U.S. DESIGNATED TRAVELERS		\$ 50,000.00	\$ 81.90	\$ -	\$ 49,918.10
08	EXPERT REVIEW AND ADVISORS		€ 60,000.00	€ 52,035.99	€ -	€ 7,964.01
	- E.U. DESIGNATED REVIEWERS		€ 60,000.00	€ 52,035.99	€ -	€ 7,964.01
09	SEMINARS/WORKSHOPS SUPPORT		\$ 291,084.00	\$ 146,869.57	\$ -	\$ 144,214.43
	- SHARED		\$ 194,000.00	\$ 145,031.85	\$ -	\$ 48,968.15
	- E.U. DESIGNATED SEMINARS/WORKSHOPS		\$ 47,084.00	\$ -	\$ -	\$ 47,084.00
	- U.S. DESIGNATED SEMINARS/WORKSHOPS		\$ 50,000.00	\$ 1,837.72	\$ -	\$ 48,162.28
10	SERVICE CONTRACTS		\$ 246,734.00 + € 121,942.00	\$ 259,273.027 + € 113,276.39	\$ 0 + € 0	\$ -125,390.27 + € 86,657.61
	- U.S. DESIGNATED CONTRACTS		\$ 246,734.00	\$ 259,273.027	\$ -	\$ (125,390.27)
	- E.U. DESIGNATED CONTRACTS		€ 1,219,420.00	€ 1,132,762.39	€ -	€ 86,657.61
	Total Supplemental Expenses		\$ 6,206,881.92	\$ 4,004,521.70	\$ -	\$ 2,202,360.22
			€ 1,409,420.00	€ 1,189,296.15	€ -	€ 220,123.85



NINETEENTH MEETING
of the STCU
GOVERNING BOARD

Summary of 2004 STCU AOB & SB Results



Summary of 2004 AOB

- Total AOB \$101.4K (5.9%) Underspent
 - Recurring Costs \$82.9K Underspent
 - Non-Recurring Costs \$18.5K Underspent

Recurring Costs

- Local Grant Payments on budget (2.2% underspent)
 - \$10K moved from LGP to Travel w/in CIS
 - Regionalization not implemented
- Medical & Dental Plans \$6K Underspent
 - Attributed mainly to unused dental coverage
- Travel w/in CIS \$5.7K Underspent
 - \$10K from LGP & \$10K from Representation moved to this line to increase to a total of \$120K from \$100K

Recurring Costs (cont.)

- Representation \$1.6K Underspent
 - \$10K moved from Rep. to Travel w/in CIS
- Vehicle Operations \$8.2K Overspent
 - Older car will be replaced in '05
 - Greater than 10% overspent
- Telecom. Services \$2.5K Overspent
 - Regionalization not implemented

Recurring Costs (cont.)

- **Building Supplies \$2.8K Overspent**
 - Greater than 10% overspent
- **Bank Fees Offshore \$3.8K Overspent**
 - \$25K moved from Contingency-Non-Recurring to cover increased costs due to Uzbek banking situation
- **Legal Services \$5.9K Overspent**
 - Unforeseen activities related to Gals-K
 - Greater than 10% overspent

Recurring Costs (cont.)

- Other Professional Serv. \$8.8K Overspent
 - Temporary services utilized to input all proposal and project data into new technical database
 - Greater than 10% overspent
- STCU Premises (21 Kameniariv)
 - Government of Ukraine represented by Ministry of Science and Education paid approx. \$160K on behalf of STCU for 2004 rent and utilities

Shared Supplemental Budgets

- SB Activity 05.01 - Patent Support \$12.8K budget spent
- SB Activity 06.01 - Travel Grant Fund \$96.3K budget spent
- SB Activity 09.01 - Seminars/Workshop Support \$85.2K spent (Workshop in Tashkent, IPR Workshop, etc.)

US Supplemental Budgets

- SB Activity 01.01 - Technical, Collaborator, and Contractor Travel Support \$32.5K budget spent in 2004 for technical audit support and GBM support
- SB Activity 02.03 - Internet Initiative \$51.5K spent for 2 Uzbek and 1 Azeri internet “cafe”
- SB Activity 06.02 – U.S. Designated Travel \$55.3K budget spent in 2004 for Uzbek, Ukrainian, Georgian, & Azeri scientists travel

PA Supplemental Budgets

- SB Activity 06.04.01 – USDA Travel \$20.9K spent on scientists to visit collaborators for project agreement preparation
- SB Activity 06.04.02 – NCI \$15.8K spent to send Cancer research scientists to conferences in U.S.
- SB Activity 06.04.03 – DOE \$5.5K spent for GBM support and conference attendance