

**Science and Technology Center in Ukraine
Kiev, Ukraine**

*BALANCE SHEET (NOTE 1)
As of December 31, 1997 and 1996*

	As of Dec. 31, 1997	As of Dec. 31, 1996	
ASSETS			
Cash and Cash Equivalents			
Cash	\$ 10,754,884	\$ 6,048,879	Note 2
Total Cash and Cash Equivalents	\$ 10,754,884	\$ 6,048,879	
Receivables			
Contributing Parties - Current	\$ 765,398	\$ 763,990	Note 3
Project Participants	15,198	-	
Interest Receivable	41,425	18,640	
Miscellaneous Receivable	383	-	
Total Receivables	\$ 822,404	\$ 782,630	
Prepaid Expenses	\$ 57,762	\$ 43,725	
TOTAL ASSETS	<u>\$ 11,635,050</u>	<u>\$ 6,875,234</u>	

LIABILITIES			
Current Liabilities			
Administrative Vendors	\$ 77,754	\$ 79,563	
Grants Payables - Projects	832,857	318,348	
Overhead Payable - Projects	251,902	66,916	
Other Project Costs Payable	143	-	
Total Liabilities	\$ 1,162,656	\$ 464,827	
CONTRIBUTIONS			
Restricted Contributions			
Designated Contributed Capital - Admin.	\$ 30,982	\$ 40,981	Note 4
Total Restricted Contributions	\$ 30,982	\$ 40,981	
Unrestricted Contributions			
Designated Contributed Capital - Admin.	\$ 1,038,638	\$ 1,082,700	Note 5
Designated Contributed Capital - Projects	7,877,377	4,661,296	Note 6
Undesignated Contributed Capital - Projects	1,525,397	625,430	Note 7
Total Unrestricted Contributions	\$ 10,441,412	\$ 6,369,426	
TOTAL LIABILITIES & CONTRIBUTIONS	<u>\$ 11,635,050</u>	<u>\$ 6,875,234</u>	

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STATEMENT OF REVENUES AND EXPENSES (NOTE 1)
For the Years Ended December 31, 1997 and 1996

	Year Ended Dec. 31, 1997	Year Ended Dec. 31, 1996	
Revenues			
Project Revenue	\$ 4,987,540	\$ 1,339,245	
Administrative Revenue	654,052	536,977	
Interest Income	375,430	86,309	Note 8
Miscellaneous Receipts	40,100	-	
Total Revenues	<u>\$ 6,057,122</u>	<u>\$ 1,962,531</u>	
Expenses			
Cost of Projects	\$ 4,987,540	\$ 1,339,245	
NATO Conference Expense	40,100	-	
Administrative Operating Expenses			
<i>Non-Recurring Expenses</i>			
Facility Improvements	\$ 29,136	\$ 30,073	
Furniture & Fixtures	65,270	2,084	
Office Equipment	13,793	18,640	
Vehicle Purchase	32,131	49,594	
Computer Hardware & Software	63,909	52,945	
Subtotal Non-Recurring Expenses	<u>\$ 204,239</u>	<u>\$ 153,336</u>	
<i>Recurring Expenses</i>			
Grants	\$ 234,090	\$ 98,736	Note 9
Representation	12,308	3,022	
Staff Education & Training	66,001	17,323	
Travel	79,807	46,539	
Postage and Deliver	18,200	7,150	
General Office Supplies	21,826	24,168	
Repairs & Maint. of Office Equipment	5,868	3,362	
Bank Fees	30,127	22,970	
Vehicle Expense	13,287	7,177	
Printing and Reproduction	19,238	2,307	
Telecommunications Services	59,891	52,466	
Business Meetings & Conferences	19,289	9,191	
Subscriptions & Publications	4,668	4,409	
Local Transportation & Drivers	1,464	20,673	
Public Affairs & Information	6,748	36,723	
Employee Morale & Welfare	15,589	8,872	
Medical Plan	26,008	-	
Building Supplies	7,132	-	
Branch Offices	40,612	-	
Scientific Information Center	10,783	1,680	
Insurance Expense	6,961	-	
Professional Services	3,314	13,390	
Building Lease - Ukraine	85,757	63,096	
Security - Ukraine	24,227	18,513	
Utilities - Ukraine	8,845	6,639	
Other Expenses - Ukraine	-	20	
Realized/Unrealized Exchange Loss	3,203	471	
Cash Short	-	1,052	
Subtotal Recurring Expenses	<u>\$ 825,243</u>	<u>\$ 469,930</u>	
Total Expenses	<u>\$ 6,057,122</u>	<u>\$ 1,962,531</u>	
Excess (Deficiency) Revenue over Expenses	<u>\$ 0</u>	<u>\$ 0</u>	Note 10

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STATEMENT OF CASH FLOWS (NOTE 1)
For the Years Ended December 31, 1997 and 1996

December 31, 1997

	United					Total
	Canada	Sweden	Ukraine	Partners	States	
Cash Flows From Operations						
Receipts From Parties	\$ 779,391	\$ 689	\$ 127,094	\$ 33,500	\$ 8,773,470	\$ 9,756,244
Payments to Projects	(521,165)	(347,971)	-	(6,000)	(3,427,962)	(4,343,198)
Payments to Administrative Expenses	(180,473)	(146,878)	(132,131)	-	(586,167)	(1,045,649)
Prepaid Expenses	(2,444)	(1,832)	2,475	-	(12,236)	(14,037)
Interest Received	39,925	41,671	-	-	271,049	352,645
Cash Generated From Operations	\$ 115,234	\$ (454,321)	\$ (2,562)	\$ 29,500	\$ 5,018,154	\$ 4,706,005
Cash/Cash Equivalents at Beginning of Period	727,656	1,192,427	2,562	-	4,126,234	6,048,879
Cash/Cash Equivalents at End of Period	\$ 842,890	\$ 738,106	\$ -	\$ 29,500	\$ 9,144,388	\$ 10,754,884

December 31, 1996

	United					Total
	Canada	Sweden	Ukraine	Partners	States	
Cash Flows From Operations						
Receipts From Parties	\$ 919,599	\$ 1,304,763	\$ 96,509	\$ -	\$ 5,008,286	\$ 7,329,157
Payments to Projects	(140,429)	(69,552)	-	-	(744,001)	(953,982)
Payments to Administrative Expenses	(137,887)	(122,636)	(91,007)	-	(363,444)	(714,974)
Payments to Financial Consultant	-	-	-	-	(73,259)	(73,259)
Prepaid Expenses	(336)	(247)	(14,735)	-	(1,659)	(16,977)
Interest Received	10,210	14,836	-	-	44,162	69,208
Cash Generated From Operations	\$ 651,157	\$ 1,127,164	\$ (9,233)	\$ -	\$ 3,870,085	\$ 5,639,173
Cash/Cash Equivalents at Beginning of Period	76,499	65,263	11,795	-	256,149	409,706
Cash/Cash Equivalents at End of Period	\$ 727,656	\$ 1,192,427	\$ 2,562	\$ -	\$ 4,126,234	\$ 6,048,879