
***International Science and
Technology Center***

*Financial Statements for the
Years Ended December 31, 2001 and 2000,
and Independent Auditors' Report*

INDEPENDENT AUDITORS' REPORT

To the Board of Governors of
International Science and Technology Center:

We have audited the accompanying balance sheets of International Science and Technology Center as of December 31, 2001 and 2000, and the related statements of revenues and expenditures and cash flows for the years then ended. These financial statements are the responsibility of the management of International Science and Technology Center. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as noted in the following paragraph, we conducted our audits 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 management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

International Science and Technology Center requires all funded institutions to provide written representation that they do not receive funding from multiple sources. Funding received from multiple sources may result in certain misclassifications of project costs. We were, however, unable to confirm that the funded institutions do not receive funding from multiple sources due to restricted access to institute records. There were no alternative audit procedures that we could adopt to confirm the above.

Fixed assets, including computer software costs, acquired which have useful lives extending beyond the current year were expensed during the current and prior years. International Accounting Standards require fixed assets to be capitalized and depreciated over their expected useful lives. Capitalization of fixed assets used for projects and the related depreciation would have a significant effect on the accompanying financial statements if applied.

In our opinion, except for adjustments that might be necessary as a result of the matters noted in the preceding paragraphs, the financial statements give a true and fair view of the financial position of International Science and Technology Center as of December 31, 2001 and 2000, and of the results of its operations and its cash flows for the years then ended in accordance with International Accounting Standards.

April 5, 2002

International Science and Technology Center

Balance Sheets December 31, 2001 and 2000

ASSET <u>S</u>	Thousands of U.S. Dollars	
	<u>2001</u>	<u>2000</u>
CURRENT ASSETS:		
Cash and cash equivalents (Note 3)	\$ 148,909	\$ 137,784
Receivables:		
Amounts due from funding parties (Note 4)	26,430	10,328
Unliquidated project advances	755	410
Other receivables (Note 5)	96	110
Accrued income receivable	129	713
Other assets	<u>86</u>	<u>86</u>
Total current assets	176,405	149,431
NON-CURRENT RECEIVABLES FROM FUNDING PARTIES (Note 4)	<u>3,921</u>	<u>7,617</u>
TOTAL	<u>\$ 180,326</u>	<u>\$ 157,048</u>
<u>LIABILITIES AND CAPITAL CONTRIBUTIONS</u>		
CURRENT LIABILITIES:		
Accounts payable:		
Projects	\$ 1,986	\$ 1,951
Administration and project vendors	1,273	411
Grants payable	6,443	5,417
Other payable	<u>111</u>	<u>45</u>
Total current liabilities	<u>9,813</u>	<u>7,824</u>
CAPITAL CONTRIBUTIONS (Note 6):		
Designated capital contributions ("DCC")—Projects	87,106	64,569
Designated capital contributions ("DCC")—Operating:		
Administrative budget	3,885	3,187
Supplemental budget	10,415	10,142
Undesignated capital contributions ("UCC")	<u>69,107</u>	<u>71,326</u>
Total capital contributions	<u>170,513</u>	<u>149,224</u>
TOTAL	<u>\$ 180,326</u>	<u>\$ 157,048</u>

See notes to financial statements.

International Science and Technology Center

Statements of Revenues and Expenditures Years Ended December 31, 2001 and 2000

	Thousands of U.S. Dollars	
	<u>2001</u>	<u>2000</u>
REVENUES:		
Project revenues	\$ 52,690	\$ 43,923
Operating revenues:		
Administrative budget	3,300	2,808
Supplemental budget	7,190	4,482
Investment income	<u>6,581</u>	<u>5,840</u>
Total revenues	<u>69,761</u>	<u>57,053</u>
EXPENDITURES:		
Project expenditures (Note 7):		
On-going projects	51,769	43,007
Completed projects	921	916
Operating expenditures (Note 8):		
Administrative budget	3,294	2,783
Supplemental budget	7,190	4,482
Other expenditures (Note 9)	<u>85</u>	<u>5,585</u>
Total expenditures	<u>63,259</u>	<u>56,773</u>
REVENUES IN EXCESS OF EXPENDITURES (Note 10)	<u>\$ 6,502</u>	<u>\$ 280</u>

See notes to financial statements.

International Science and Technology Center

Statements of Cash Flows

Years Ended December 31, 2001 and 2000

	Thousands of U.S. Dollars	
	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM OPERATIONS:		
Cash inflows:		
Cash received from funding parties (Note 11)	\$ 65,484	\$ 95,201
Investment income	7,165	5,462
Other	<u>49</u>	<u>23</u>
Total cash inflows	<u>72,698</u>	<u>100,686</u>
Cash outflows:		
Project expenditures	(51,262)	(42,839)
Transfer of funds		(535)
Administrative budget	(3,341)	(2,915)
Supplemental budget	(6,887)	(4,692)
Net foreign exchange loss	<u>(83)</u>	<u>(852)</u>
Total cash outflows	<u>(61,573)</u>	<u>(51,833)</u>
NET CASH INFLOWS FROM OPERATIONS	11,125	48,853
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR (Note 3)	<u>137,784</u>	<u>88,931</u>
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 3)	<u>\$ 148,909</u>	<u>\$ 137,784</u>

See notes to financial statements.

International Science and Technology Center

Notes to Financial Statements

Years Ended December 31, 2001 and 2000

1. ORGANIZATION AND BUSINESS

International Science and Technology Center (hereinafter "ISTC") was established in 1992 pursuant to an agreement signed in Moscow, Russian Federation.

The objectives of ISTC are set forth in Article II of the agreement. ISTC develops, approves, finances and monitors science and technology projects for peace purposes, which are to be carried out primarily at institutions and facilities located in the Russian Federation and other states of the Commonwealth of Independent States ("CIS") and Georgia.

Based on Article IX of the agreement, the Government of the Russian Federation provides ISTC with free office space and other facilities, along with maintenance, utilities and security for the facility. The value of such items provided is not recorded in the accompanying financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are prepared in accordance with International Accounting Standards ("IAS") except as described below.

The amounts shown in these financial statements are presented in U.S. dollars.

IAS 16 requires fixed assets to be capitalized and depreciated over its useful lives and IAS 38 requires computer software costs be capitalized and amortized over its useful lives. Due to the nature of ISTC's operations, management believes the adoption of IAS 16 and 38 would improperly match the revenues contributed by the funding parties with the related expenditures. Accordingly, fixed assets acquired for use by ISTC and participating institutes are charged to statement of revenue and expenditures upon acquisition.

- a. Project Activity*—ISTC authorizes and funds scientific projects which are carried out at institutes within CIS and Georgia. Projects are financed by the funding parties either individually or jointly. All project agreements include a maximum amount of funding to be provided by the funding parties.

The project activity is accounted for in the financial statements as follows:

Project

Projects are recognized upon the later occurrence of either the signing date of the project agreement between ISTC, the recipient institutes and the partners or the project commencement date. Upon recognition of a project, the total amount of the funding is credited to the relevant funding parties' designated capital accounts in proportion to the level of funding agreed by each party. To the extent that the signed projects are not funded by advance payments from the respective funding parties, a receivable is recorded in the accounting records.

Project expenditures

Project expenditures consist of three primary components: grants to scientists, equipment and other sundry project expenses.

Projects that have not completed the project closing procedures are presented as on-going projects in the statements of revenues and expenditures.

Project revenues

Project revenues recognized during the year in the statements of revenues and expenditures are amounts equal to the total value of project expenditures incurred during the year and transferred from the funding parties' designated capital contributions—projects accounts.

- b. *Operating Revenues and Expenditure***—Operating revenues—administrative budget recognized in the statements of revenues and expenditures during the year are amounts approved by the funding parties for operating expenses—administrative budget for the year and transferred from the funding parties designated capital contributions—operating—administrative accounts.

Revenues in excess of expenditures of operating—administrative budget are reallocated to the funding parties' undesignated capital contributions accounts in the same proportion as the administrative revenues contributions.

For operating—supplemental budget, revenues recognized in the year in the statements of revenues and expenditures are amounts equal to expenditures incurred under the operating—supplemental budget during the year.

Operating expenses are charged to the statements of revenues and expenditures when incurred and are matched against the operating revenues for the year.

- c. *Investment Income***—Investment income is comprised of interest and dividends generated during the year.

Investment income generated is initially credited to the statements of revenues and expenditures and allocated to undesignated capital contributions accounts of each funding parties based on the average cash balance of the funding parties.

- d. *Fixed Assets***—Fixed assets are acquired for the Secretariat's own use or for the projects and are comprised of the following:

Secretariat

The costs of the Secretariat's equipment, information technology related to purchases and facility improvements are charged to administrative expenditures when acquired.

Project equipment

Since ISTC does not expect to derive any foreseeable economic benefits from the ownership of project equipment, expenditures incurred for equipment under each project is recorded as an expense in the statements of revenues and expenditures together with other project expenditure incurred during the year.

- e. Foreign Currency Transactions*—Foreign currency transactions are converted into U.S. dollars at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the rate of exchange prevailing at the balance sheet date. Foreign currency translation gains and losses are charged to the statement of revenues and expenditures with the exception of translation gains and losses arising from project funding related transactions involving the European Union. Foreign currency translation gains and losses arising from these transactions, denominated in Euros, are charged directly to European Union's capital contribution accounts and are not included in the statement of revenues and expenditures.
- f. Taxation*—Under the terms of the agreement establishing ISTC with the Russian Federation Government, ISTC is exempt from income taxes, custom duties and Value Added Taxes ("VAT").

However, ISTC has been paying VAT on its purchases.

Collectibility of VAT incurred on purchases continue to be uncertain. Accordingly, an allowance for doubtful receivables has been recorded for the VAT that has been recorded as receivables. In the current year, bad debt expense of \$65 thousand (\$60 thousand in 2000) is included as part of the operating expenditures—administrative budget and not separately disclosed.

The VAT incurred on project expenditures has been charged to the statements of revenues and expenditures as part of the projects costs and a related receivable has not been established.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and highly liquid short-term investment. The balance is made up of the following amounts:

	Thousands of U.S. Dollars	
	<u>2001</u>	<u>2000</u>
Cash	\$ 48,461	\$ 69,376
Short-term investments	<u>100,448</u>	<u>68,408</u>
Total	<u>\$ 148,909</u>	<u>\$ 137,784</u>

4. AMOUNTS DUE FROM FUNDING PARTIES

Amounts due from funding parties at December 31 were as follows:

	Thousands of U.S. Dollars	
	<u>2001</u>	<u>2000</u>
Due within one year:		
European Union	\$ 20,593	\$ 7,341
Japan	433	451
United States	1,346	114
Other funding parties	<u>4,058</u>	<u>2,422</u>
Total	<u>\$ 26,430</u>	<u>\$ 10,328</u>
Due after one year:		
European Union	\$ 2,548	\$ 1,271
Japan		332
United States	262	
Other funding parties	<u>1,111</u>	<u>6,014</u>
Total	<u>\$ 3,921</u>	<u>\$ 7,617</u>

5. OTHER RECEIVABLES

Other receivables include the following as at December 31:

	Thousands of U.S. Dollars	
	<u>2001</u>	<u>2000</u>
Recoverable taxes	\$ 396	\$ 331
Staff advances	17	12
Other receivables	<u>90</u>	<u>109</u>
Total	<u>503</u>	<u>452</u>
Less allowance for doubtful receivables	<u>(407)</u>	<u>(342)</u>
Net other receivables	<u>\$ 96</u>	<u>\$ 110</u>

6. MOVEMENTS IN CAPITAL

Movements in capital accounts during fiscal years 2001 and 2000 were as follows:

a. Designated Capital Contributions ("DCC")—Projects

	Thousands of U.S. Dollars							Total
	EU	U.S.	Japan	Norway	Sweden	South Korea	Other Parties	
DCC—January 1, 2000	\$ 22,546	\$ 16,242	\$ 3,567	\$ 867	\$ 712	\$ 174	\$ 4,162	\$ 48,270
Transfers to statement of revenues and expenditures	(15,460)	(17,361)	(3,656)	(631)	(550)	(213)	(6,052)	(43,923)
New projects signed during 2000	10,102	30,121	4,300	403		553	14,943	60,422
Funding received in excess of costs transferred to UCC	(22)	(15)	(11)					(48)
Renegotiated funding commitments	<u>(152)</u>							<u>(152)</u>
DCC—December 31, 2000	17,014	28,987	4,200	639	162	514	13,053	64,569
Transfers to statement of revenues and expenditures	(11,274)	(28,653)	(3,931)	(391)	(124)	(357)	(7,960)	(52,690)
New projects signed during 2001	18,263	50,180	6,621			590	5,808	81,462
Funding received in excess of costs transferred to UCC	(32)	(15)	(4)		(4)		(2)	(57)
Cash received in excess of commitment transferred to UCC	(57)							(57)
Foreign exchange difference	(1,657)							(1,657)
Transfer of prior year foreign exchange difference from UCC	<u>(4,464)</u>							<u>(4,464)</u>
DCC—December 31, 2001	<u>\$ 17,793</u>	<u>\$ 50,499</u>	<u>\$ 6,886</u>	<u>\$ 248</u>	<u>\$ 34</u>	<u>\$ 747</u>	<u>\$ 10,899</u>	<u>\$ 87,106</u>

Designated capital contributions represent amounts committed on signed projects net of project expenditures incurred to date.

Funding commitments to participating institutes for EU related projects were reduced for certain projects during the year based on negotiations with the institutes. The reduction amount has been transferred to UCC to be used for potential shortages in funding resulting from the devaluation of the Euro against U.S. dollars.

Foreign exchange difference represents reduction in EU funded projects resulting from the devaluation of the Euro. Foreign exchange differences charged to the statement of revenue and expenditures in the prior year related to projects were included in UCC. The amount was reclassified from UCC to DCC projects in the current year as management decided to reduce the funding commitment amount of EU funded projects. In the prior year, the method to account for the fund shortages in the projects resulting from the devaluation of the Euro was not determined. Accordingly, the funding shortage was accounted for by reducing the UCC amount.

b. Designated Capital Contributions ("DCC")—Operating

	Thousands of U.S. Dollars						Total
	<u>EU</u>	<u>U.S.</u>	<u>Japan</u>	<u>Norway</u>	<u>South Korea</u>	<u>Other Parties</u>	
Administrative budget—January 1, 2000	\$ 718	\$ 718	\$ 718	\$ 270	\$ 269	\$ 114	\$ 2,807
Additional contribution (net of adjustments)	5	5	5			121	136
Transfer to revenues	(723)	(723)	(723)	(270)	(269)	(100)	(2,808)
Revenues in excess of expenditures for the year (see Note 10)	7	7	7	2	2		25
Transfer to UCC for revenues in excess of expenditures	(7)	(7)	(7)	(2)	(2)		(25)
New budget approved	<u>814</u>	<u>814</u>	<u>814</u>	<u>305</u>	<u>305</u>		<u>3,052</u>
Administrative budget—December 31, 2000	814	814	814	305	305	135	3,187
Additional contribution (net of adjustments)	21	56	6	3	3	151	240
Transfer to revenues	(835)	(870)	(820)	(308)	(308)	(159)	(3,300)
Revenues in excess of expenditures for the year (see Note 10)	2	2	2				6
Transfer to UCC for revenues in excess of expenditures	(2)	(2)	(2)				(6)
New budget approved	<u>885</u>	<u>1,393</u>	<u>870</u>	<u>305</u>	<u>305</u>		<u>3,758</u>
Administrative budget—December 31, 2001	<u>\$ 885</u>	<u>\$ 1,393</u>	<u>\$ 870</u>	<u>\$ 305</u>	<u>\$ 305</u>	<u>\$ 127</u>	<u>\$ 3,885</u>

	Thousands of U.S. Dollars					Total
	<u>EU</u>	<u>U.S.</u>	<u>Japan</u>	<u>South Korea</u>	<u>Other Parties</u>	
Supplemental budget—January 1, 2000	\$ 2,284	\$ 1,531	\$ 1,177	Nil	Nil	\$ 4,992
Additional contribution (net of adjustments)	3,637	8,273	395			12,305
Transfer to DCC projects	(398)	(562)				(960)
Transfer to revenues	(1,758)	(2,449)	(275)			(4,482)
Transfer to UCC for unused funds	(396)					(396)
Transfer to UCC	(500)		(820)			(1,320)
Foreign exchange differences	3					3
Supplemental budget—December 31, 2000	2,872	6,793	477	Nil	Nil	10,142
Additional contribution (net of adjustments)	3,110	5,308	318	\$ 102	\$ 3	8,841
Transfer to DCC projects	(537)	(451)	(11)			(999)
Transfer to operating budget—administrative budget	(15)	(50)				(65)
Transfer to revenues	(1,892)	(5,023)	(248)	(24)	(3)	(7,190)
Transfer to UCC for unused funds	(319)					(319)
Foreign exchange differences	5					5
Supplemental budget—December 31, 2001	<u>\$ 3,224</u>	<u>\$ 6,577</u>	<u>\$ 536</u>	<u>\$ 78</u>	<u>Nil</u>	<u>\$ 10,415</u>

c. Undesignated Capital Contributions ("UCC")

Undesignated capital contributions are the amounts paid or committed by the funding parties which have not yet been designated for the operating budget or project purposes. In addition, in the case of projects funded by the European Union, the protocol signed between ISTC and the European Union allows a certain proportion of project amounts to be invoiced on approval of the projects. The invoices issued during the year on these projects have been recognized in the financial statements by including them in the European Union's undesignated capital contributions account. Subsequently, when these projects are finally signed, an appropriation is made between the designated and undesignated capital contributions account.

Transfer of funds represents funds transferred to other non-ISTC related entities upon receiving instructions from the funding parties to do so.

Revaluation of the Euro denominated account expected to be utilized for EU's future obligations resulted in foreign exchange differences (see Note 9).

	Thousands of U.S. Dollars								
	<u>EU</u>	<u>U.S.</u>	<u>Japan</u>	<u>Norway</u>	<u>Finland</u>	<u>Sweden</u>	<u>South Korea</u>	<u>Other Parties</u>	<u>Total</u>
UCC, January 1, 2000	\$ 2,305	\$ 22,006	\$ 22,191	\$ 693	\$ 128	\$ 320	\$ 952	\$ 1,430	\$ 50,025
Increase of capital:									
Contributions from parties	1,250	56,809	1,398				454	20	59,931
Investment income allocation	401	3,171	1,624	83	23	49	71	418	5,840
Transfer from DCC for revenues in excess of expenditures of operating—administrative budget	7	7	7	2			2		25
Transfer from DCC for unused funds on programs under operating—supplemental budget	396								396
Transfer from DCC projects for approved funding in excess of cost	22	15	11						48
Transfer from DCC operating—supplemental budget—other	500		820						1,320
Decrease of capital:									
Transfer to DCC for signed projects	(377)	(23,682)	(3,061)	(403)			(553)	(1,253)	(29,329)
Transfer to DCC for operating—administrative budget	(6)	(819)	(819)				(305)		(1,949)
Transfer to DCC for operating—supplemental budget	(680)	(7,758)	(423)						(8,861)
Transfer of funds		(362)	(30)					(143)	(535)
Foreign exchange differences	(5,561)								(5,561)
Other	(8)	(8)	(8)						(24)
UCC, December 31, 2000	<u>\$ (1,751)</u>	<u>\$ 49,379</u>	<u>\$ 21,710</u>	<u>\$ 375</u>	<u>\$ 151</u>	<u>\$ 369</u>	<u>\$ 621</u>	<u>\$ 472</u>	<u>\$ 71,326</u>

	Thousands of U.S. Dollars								
	<u>EU</u>	<u>U.S.</u>	<u>Japan</u>	<u>Norway</u>	<u>Finland</u>	<u>Sweden</u>	<u>South Korea</u>	<u>Other Parties</u>	<u>Total</u>
UCC, January 1, 2001	\$ (1,751)	\$ 49,379	\$ 21,710	\$ 375	\$ 151	\$ 369	\$ 621	\$ 472	\$ 71,326
Increase of capital:									
Contributions from parties	1,193	40,300	2,074	112			432	1,187	45,298
Investment income allocation	444	4,480	1,203	43	18	24	57	312	6,581
Transfer from DCC for revenues in excess of expenditures in operating—administrative budget	2	2	2						6
Transfer from DCC for unused funds on programs under operating—supplemental budget	319								319
Transfer from DCC projects for approved funding in excess of cost	32	15	4			4		2	57
Transfer from DCC project for cash receipt in excess of commitment amount	57								57
Transfer of prior year foreign exchange difference to DCC project	4,464								4,464
Decrease of capital:									
Transfer to DCC for signed projects	(763)	(43,109)	(5,671)				(590)	(397)	(50,530)
Transfer to DCC for operating—administrative budget	(7)	(1,399)	(877)	(2)			(307)		(2,592)
Transfer to DCC for operating—supplemental budget	(116)	(4,659)	(318)					(3)	(5,096)
Transfer of funds								(147)	(147)
Write-off of project receivables	(546)								(546)
Foreign exchange differences	(90)								(90)
UCC, December 31, 2001	<u>\$ 3,238</u>	<u>\$ 45,009</u>	<u>\$ 18,127</u>	<u>\$ 528</u>	<u>\$ 169</u>	<u>\$ 397</u>	<u>\$ 213</u>	<u>\$ 1,426</u>	<u>\$ 69,107</u>

7. PROJECT EXPENDITURES

Project expenditures charged to the statements of revenues and expenditures during each year ended December 31 since inception are as follows:

	<u>Thousands of U.S. Dollars</u>
2001	\$ 52,690
2000	43,923
1999	36,039
1998	33,320
1997	31,029
1996	28,459
1995	22,001
1994	<u>1,765</u>
Cumulative project costs incurred as of December 31, 2001	<u>\$ 249,226</u>

Cumulative project expenditures amounting to \$249,226 thousand reflect actual expenditures incurred on on-going projects and completed projects. Such expenditures consisted of the following in 2001 and 2000:

	<u>Thousands of U.S. Dollars</u>	
	<u>2001</u>	<u>2000</u>
Grants to scientists	\$ 32,569	\$ 28,077
Equipment	7,989	5,498
Other project costs	<u>12,132</u>	<u>10,348</u>
Total	<u>\$ 52,690</u>	<u>\$ 43,923</u>

8. OPERATING EXPENDITURES

Operating expenditures incurred during 2001 and 2000 consisted of the following:

	Thousands of U.S. Dollars	
	<u>2001</u>	<u>2000</u>
Administrative budget:		
Personnel	\$ 1,186	\$ 448
Center operations	1,178	1,059
Center facilities and equipment	165	204
Information and branch offices	57	57
Internal programs	<u>708</u>	<u>1,015</u>
Total	<u>\$ 3,294</u>	<u>\$ 2,783</u>
Supplemental budget:		
Training	\$ 1,440	\$ 454
Seminars	828	259
Management information systems	254	41
Expert participation:		
United States	3,010	2,099
European Union	1,538	1,502
Japan	96	127
South Korea	<u>24</u>	<u> </u>
Total	<u>\$ 7,190</u>	<u>\$ 4,482</u>

9. OTHER EXPENDITURES

Other expenditures incurred during 2001 and 2000 consisted of the following:

	Thousands of U.S. Dollars	
	<u>2001</u>	<u>2000</u>
Other expenditures:		
Foreign exchange differences	\$ 85	\$ 5,561
Write-off of project equipment	<u> </u>	<u>24</u>
Total other expenditures	<u>\$ 85</u>	<u>\$ 5,585</u>

Other expenditures represent amounts not specifically contributed through the operating budgets.

10. SEGMENT INFORMATION

The revenues in excess of expenditures during the year have been allocated to the funding parties as follows:

	Thousands of U.S. Dollars							
	Project Revenues	Administrative Budget	Supplemental Budget Revenues	Investment Income	Project Expenditures	Supplemental Budget Expenditures	Other Expenditures	Total
<u>2001</u>								
European Union	\$ 11,274	\$ 2	\$ 1,892	\$ 444	\$ (11,274)	\$ (1,892)	\$ (85)	\$ 361
Finland				18				18
Japan	3,931	2	248	1,203	(3,931)	(248)		1,205
Sweden	124			24	(124)			24
United States	28,653	2	5,023	4,480	(28,653)	(5,023)		4,482
Norway	391			43	(391)			43
South Korea	357		24	57	(357)	(24)		57
Other parties	<u>7,960</u>	<u>—</u>	<u>3</u>	<u>312</u>	<u>(7,960)</u>	<u>(3)</u>	<u>—</u>	<u>312</u>
Total	<u>\$ 52,690</u>	<u>\$ 6</u>	<u>\$ 7,190</u>	<u>\$ 6,581</u>	<u>\$ (52,690)</u>	<u>\$ (7,190)</u>	<u>\$ (85)</u>	<u>\$ 6,502</u>
<u>2000</u>								
European Union	\$ 15,460	\$ 7	\$ 1,758	\$ 401	\$ (15,460)	\$ (1,758)	\$ (5,569)	\$ (5,161)
Finland				23				23
Japan	3,656	7	275	1,624	(3,656)	(275)	(8)	1,623
Sweden	550			49	(550)			49
United States	17,361	7	2,449	3,171	(17,361)	(2,449)	(8)	3,170
Norway	631	2		83	(631)			85
South Korea	213	2		71	(213)			73
Other parties	<u>6,052</u>	<u>—</u>	<u>—</u>	<u>418</u>	<u>(6,052)</u>	<u>—</u>	<u>—</u>	<u>418</u>
Total	<u>\$ 43,923</u>	<u>\$ 25</u>	<u>\$ 4,482</u>	<u>\$ 5,840</u>	<u>\$ (43,923)</u>	<u>\$ (4,482)</u>	<u>\$ (5,585)</u>	<u>\$ 280</u>

All revenues in excess of expenditures arising during the year have been allocated to the funding parties UCC accounts based on the funding levels of the sponsors.

11. CASH RECEIVED FROM FUNDING PARTIES

Cash contributions received during the year from the funding parties have either been recorded against accounts receivable or directly against the parties' capital contributions accounts (see Note 6). Such amounts received during the years ended December 31 were as follows:

	Thousands of U.S. Dollars	
	<u>2001</u>	<u>2000</u>
European Union	\$ 5,127	\$ 20,885
Japan	3,364	2,877
United States	46,076	62,998
Norway	418	305
South Korea	534	723
Other parties	<u>9,965</u>	<u>7,413</u>
Total	<u>\$ 65,484</u>	<u>\$ 95,201</u>

12. FINANCIAL COMMITMENTS

The funding parties had approved but not yet signed 169 projects with a total funding of \$43,960 thousand (including 12,232 thousand Euro denominated pledges) at December 31, 2001, and 239 projects with a total funding of \$62,244 thousand (including 15,031 thousand Euro denominated pledges) at December 31, 2000.

The agreements for projects unsigned as of December 31, 2001, are expected to be signed in 2002.

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