

EMERGING MARKETS TRADERS ASSOCIATION

Statements of Financial Position

	December 31,	
	1993	1992
Assets		
Cash	\$ 54,551	\$ 174,652
Directors' assessments receivable	277,753	--
Dues receivable, net of allowance for doubtful accounts of \$70,000 in 1993	43,000	11,500
Interest receivable	<u>--</u>	<u>365</u>
Total Assets	<u>\$ 375,304</u>	<u>\$ 186,517</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 287,871	\$ 235,200
Net assets	<u>87,433</u>	<u>(48,683)</u>
Total Liabilities and Net Assets	<u>\$ 375,304</u>	<u>\$ 186,517</u>

The accompanying notes are an integral part of these financial statements.

EMERGING MARKETS TRADERS ASSOCIATION

Statements of Activity

	For the Year Ended December 31,	
	1993	1992
Revenue		
Membership dues, net of provision for uncollectible accounts	\$ 894,500	\$ 677,528
Directors' assessments	277,753	--
Donated services, facilities and supplies	510,196	171,423
Meeting admission fees	8,032	--
Interest	<u>5,171</u>	<u>10,371</u>
Total revenue	<u>1,695,652</u>	<u>859,322</u>
Expenses		
Member services	81,772	33,684
Legal and technical	864,625	794,225
Conferences and meetings	269,718	20,792
Communications	<u>22,081</u>	<u>11,156</u>
Total program expenses	1,238,196	859,857
General administration	191,125	56,296
Membership development	<u>130,215</u>	<u>23,740</u>
Total expenses	<u>1,559,536</u>	<u>939,893</u>
Increase (decrease) in net assets	136,116	(80,571)
Net assets, beginning of year	<u>(48,683)</u>	<u>31,888</u>
Net assets, end of year	<u>\$ 87,433</u>	<u>(\$ 48,683)</u>

The accompanying notes are an integral part of these financial statements.

EMERGING MARKETS TRADERS ASSOCIATION

Statements of Cash Flows

	For the Year Ended December 31,	
	1993	1992
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 136,116	(\$ 80,571)
Increase in directors' assessments receivable	(277,753)	--
Increase in dues receivable	(101,500)	(8,500)
Provision for uncollectible accounts	70,000	--
Decrease in interest receivable	365	148
Increase in accounts payable and accrued expenses	<u>52,671</u>	<u>100,486</u>
(Decrease) increase in cash for the year	(120,101)	11,563
Cash at beginning of year	<u>174,652</u>	<u>163,089</u>
Cash at end of year	<u>\$ 54,551</u>	<u>\$ 174,652</u>

The accompanying notes are an integral part of these financial statements.

EMERGING MARKETS TRADERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1993

1. Organization

The Emerging Markets Traders Association (the "Association") is a nonprofit service organization, formed in 1990, with the principal objective of enhancing the efficiency, transparency and integrity of the trading markets for emerging markets instruments. The Association's primary source of income is membership dues and directors' assessments.

The Association is exempt from federal income tax under the provisions of Section 501(c)(6) of the Internal Revenue Code. It is exempt from state and local taxes under similar provisions of the relevant tax laws of those jurisdictions.

2. Summary of Significant Accounting Policies

The final statements of the Association are prepared on the accrual basis of accounting.

The Association's membership contains two categories:

Primary Members - institutions that directly or through affiliates act as traders, brokers or dealers in emerging markets instruments in the United States or abroad; and

Associate Members - institutions that do not directly trade emerging markets instruments, but have an interest in or affiliation with the emerging markets.

The Association's membership and fiscal years are the same. Dues are billed in the first quarter of the year and are amortized to income throughout the year as earned. Members who do not pay their annual dues within 60 days of billing may be suspended from membership in the Association. The Board of Directors may levy special assessments on Members to defray certain expenses. Such special assessments are to be equal for all Members of the same class. Additionally, the Board may agree to levy assessments on Members of the Board to meet working capital deficiencies.

Excess funds are maintained in an interest-bearing money market account with a bank that is also an Association Member.

Legal fees are related to various projects undertaken by the Association, including the development of market practices and standard documentation.

3. Membership Dues and Directors' Assessments

The individual components of these revenue categories are set forth below:

	Year ended December 31,	
	1993	1992
Membership dues:		
Primary Members	\$ 840,000	\$ 635,528
Associate Members	124,500	42,000
Less, provision for uncollectible accounts	<u>(70,000)</u>	<u>--</u>
	<u>\$ 894,500</u>	<u>\$ 677,528</u>
Directors' assessments:		
Special assessment: Brazil reception	\$ 24,376	--
Special assessment: IMF reception	108,723	--
General assessment	<u>144,654</u>	<u>--</u>
	<u>\$ 277,753</u>	<u>--</u>

4. Donated Services, Facilities and Supplies

Most of the Association's activities were carried out by individuals whose services are contributed by Association Members. Additionally, the office space occupied by the Association and a large portion of related office expenses were contributed by an Association Member. These contributions are included in donated services, facilities and supplies revenue and have been allocated to various expense categories based upon estimates prepared by management. These types of contributions are expected to decrease in the future as the Association assumes greater independent responsibility for its operations, including staffing.

The components of services, facilities and supplies are set forth below:

	Year ended December 31,	
	1993	1992
Services	\$ 428,258	\$ 117,174
Facilities	66,638	28,625
Supplies	<u>15,300</u>	<u>25,624</u>
	<u>\$ 510,196</u>	<u>\$ 171,423</u>