

Form

990**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

2006**Open to Public Inspection**Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

| | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A For the 2006 calendar year, or tax year beginning OCT 1 , 2006, and ending SEP 30 , 20 07 | | | | |
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:15%; vertical-align: top;"> Please use IRS label or print or type See Specific Instructions. </td> <td style="width:65%;"> C Name of organization BULGARIAN-AMERICAN ENTERPRISE FUND Number and street (or P O box if mail is not delivered to street address) Room/suite 333 W.WACKER DRIVE 460 City or town, state or country, and ZIP + 4 CHICAGO, IL 60606 </td> <td style="width:20%;"> D Employer identification number 36 3792460 E Telephone number (312) 629-2500 F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶ </td> </tr> </table> | Please use IRS label or print or type See Specific Instructions. | C Name of organization BULGARIAN-AMERICAN ENTERPRISE FUND Number and street (or P O box if mail is not delivered to street address) Room/suite 333 W.WACKER DRIVE 460 City or town, state or country, and ZIP + 4 CHICAGO, IL 60606 | D Employer identification number 36 3792460 E Telephone number (312) 629-2500 F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶ |
| Please use IRS label or print or type See Specific Instructions. | C Name of organization BULGARIAN-AMERICAN ENTERPRISE FUND Number and street (or P O box if mail is not delivered to street address) Room/suite 333 W.WACKER DRIVE 460 City or town, state or country, and ZIP + 4 CHICAGO, IL 60606 | D Employer identification number 36 3792460 E Telephone number (312) 629-2500 F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶ | | |
| G Website: ▶ N/A | | | | |
| J Organization type (check only one) ▶ <input checked="" type="checkbox"/> 501(c) (3) ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | | | | |
| K Check here ▶ <input type="checkbox"/> if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return. | | | | |
| L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 89,752,461 | | | | |
| H and I are not applicable to section 527 organizations H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) If "Yes," enter number of affiliates ▶ N/A H(c) Are all affiliates included? N/A <input type="checkbox"/> Yes <input type="checkbox"/> No (If "No," attach a list See instructions) H(d) Is this a separate return filed by an organization covered by a group ruling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No I Group Exemption Number ▶ N/A M Check ▶ <input checked="" type="checkbox"/> if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF) | | | | |

| Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.) | | | |
|----------------------------------------------------------------------------------------------|-----|---------------------------------------------------------------------------------------------------------------------|-----|
| Revenue | 1 | Contributions, gifts, grants, and similar amounts received: | |
| | a | Contributions to donor advised funds | 1a |
| | b | Direct public support (not included on line 1a) | 1b |
| | c | Indirect public support (not included on line 1a) | 1c |
| | d | Government contributions (grants) (not included on line 1a) | 1d |
| | e | Total (add lines 1a through 1d) (cash \$ noncash \$) | 1e |
| | 2 | Program service revenue including government fees and contracts (from Part VII, line 93) | 2 |
| | 3 | Membership dues and assessments | 3 |
| | 4 | Interest on savings and temporary cash investments | 4 |
| | 5 | Dividends and interest from securities | 5 |
| | 6a | Gross rents | 6a |
| | 6b | Less: rental expenses | 6b |
| Expenses | 6c | Net rental income or (loss). Subtract line 6b from line 6a | 6c |
| | 7 | Other investment income (describe) | 7 |
| | 8a | Gross amount from sales of assets other than inventory | 8a |
| | b | Less: cost or other basis and sales expenses | 8b |
| | c | Gain or (loss) (attach schedule) | 8c |
| | d | Net gain or (loss). Combine line 8c, columns (A) and (B) STMT 1 | 8d |
| | 9 | Special events and activities (attach schedule) If any amount is from gaming, check here ▶ <input type="checkbox"/> | |
| | a | Gross revenue (not including \$ of contributions reported on line 1b) | 9a |
| | b | Less: direct expenses other than fundraising expenses | 9b |
| | c | Net income or (loss) from special events. Subtract line 9b from line 9a | 9c |
| | 10a | Gross sales of inventory, less returns and allowances | 10a |
| | b | Less: cost of goods sold | 10b |
| Net Assets | c | Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a | 10c |
| | 11 | Other revenue (from Part VII, line 103) | 11 |
| | 12 | Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11 | 12 |
| | 13 | Program services (from line 44, column (B)) | 13 |
| | 14 | Management and general (from line 44, column (C)) | 14 |
| | 15 | Fundraising (from line 44, column (D)) | 15 |
| | 16 | Payments to affiliates (attach schedule) | 16 |
| | 17 | Total expenses. Add lines 16 and 44, column (A) | 17 |
| | 18 | Excess or (deficit) for the year. Subtract line 17 from line 12 | 18 |
| | 19 | Net assets or fund balances at beginning of year (from line 73, column (A)) | 19 |
| | 20 | Other changes in net assets or fund balances (attach explanation) STMT 2 | 20 |
| | 21 | Net assets or fund balances at end of year. Combine lines 18, 19, and 20 | 21 |

For Privacy Act and Paperwork Reduction Act Notice, see the separate Instructions. Cat No 11282Y

Form 990 (2006)

SCANNED AUG 26 2008

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

| Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I. | | (A) Total | (B) Program services | (C) Management and general | (D) Fundraising |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------------|----------------------------|-----------------|
| 22a | Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/> | 22a | | | |
| 22b | Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/> | 22b | | | |
| 23 | Specific assistance to individuals (attach schedule) | 23 | | | |
| 24 | Benefits paid to or for members (attach schedule) | 24 | | | |
| 25a | Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule) STMT 3a | 25a | 14,398,033. | 13,086,647. | 1,153,623. |
| b | Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule) | 25b | 1,083,772. | 1,029,583. | 54,189. |
| c | Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule) | 25c | | | |
| 26 | Salaries and wages of employees not included on lines 25a, b, and c | 26 | (2,254,340). | (2,284,899). | 30,559. |
| 27 | Pension plan contributions not included on lines 25a, b, and c | 27 | 117,638. | 84,621. | 31,867. |
| 28 | Employee benefits not included on lines 25a - 27 | 28 | 134,134. | 103,623. | 29,528. |
| 29 | Payroll taxes | 29 | 74,649. | 60,026. | 14,052. |
| 30 | Professional fundraising fees | 30 | | | |
| 31 | Accounting fees | 31 | 239,992. | 18,001. | 221,991. |
| 32 | Legal fees | 32 | 419,228. | 275,328. | 143,900. |
| 33 | Supplies | 33 | 8,527. | 8,527. | |
| 34 | Telephone | 34 | 41,708. | 41,708. | |
| 35 | Postage and shipping | 35 | 9,435. | 9,435. | |
| 36 | Occupancy | 36 | 50,051. | 11,996. | 38,055. |
| 37 | Equipment rental and maintenance | 37 | 5,105. | 5,105. | |
| 38 | Printing and publications | 38 | 12,855. | | 12,855. |
| 39 | Travel | 39 | 373,789. | 110,832. | 260,886. |
| 40 | Conferences, conventions, and meetings | 40 | | | |
| 41 | Interest | 41 | 1,343,202. | 1,343,202. | |
| 42 | Depreciation, depletion, etc (attach schedule) | 42 | 10,831. | 10,831. | |
| 43 | Other expenses not covered above (itemize): | | | | |
| a | Other expenses - STMT 3b | 43a | 253,165. | 154,529. | 98,636. |
| b | Other real estate expenses | 43b | 511,240. | 511,240. | |
| c | | 43c | | | |
| d | | 43d | | | |
| e | | 43e | | | |
| f | | 43f | | | |
| g | | 43g | | | |
| 44 | Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15) | 44 | 16,833,014. | 14,580,335. | 2,090,141. |
| | | | | | 162,538. |

Joint Costs. Check ☐ if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A; (ii) the amount allocated to Program services \$ N/A;

(iii) the amount allocated to Management and general \$ N/A; and (iv) the amount allocated to Fundraising \$ N/A

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

| Program Service Expenses | |
|----------------------------|---------------|
| 1. Salaries and benefits | 100.00 |
| 2. Travel | 50.00 |
| 3. Office supplies | 25.00 |
| 4. Telephone | 10.00 |
| 5. Postage | 15.00 |
| 6. Repairs and maintenance | 30.00 |
| 7. Depreciation | 40.00 |
| 8. Insurance | 20.00 |
| 9. Other | 10.00 |
| Total | 290.00 |

Expenses
(Required for 501(c)(3) and
(4) orgs and 4947(a)(1)
trusts, but optional for
others)

| | | |
|----------|------------------------------------------------------------------------------------------------------------|-------------|
| a | STMT 5 | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/> | 14,580,335. |
| b | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/> | |
| c | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/> | |
| d | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/> | |
| e | Other program services (attach schedule) | |
| | (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/> | |
| f | Total of Program Service Expenses (should equal line 44, column (B), Program services) ► | 14,580,335. |

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

| | | (A) Beginning of year | | (B) End of year |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------|--------------------|
| Assets | 45 Cash—non-interest-bearing | 28,461. | 45 | (64,350.) |
| | 46 Savings and temporary cash investments | 43,196,563. | 46 | 85,615,414. |
| | 47a Accounts receivable | 3,770,214. | | |
| | b Less: allowance for doubtful accounts | | 47c | 3,770,214. |
| | 48a Pledges receivable | | 48c | |
| | b Less: allowance for doubtful accounts | | | |
| | 49 Grants receivable | | 49 | |
| | 50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule) | | 50a | |
| | b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule) | | 50b | |
| | 51a Other notes and loans receivable (attach schedule) | 381,847,070. | | |
| | b Less: allowance for doubtful accounts | 5,732,741. | 51c | 376,114,329. |
| | 52 Inventories for sale or use | | 52 | |
| | 53 Prepaid expenses and deferred charges | 48,078. | 53 | 245,335. |
| | 54a Investments—publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV | | 54a | |
| | b Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV | | 54b | |
| 55a Investments—land, buildings, and equipment: basis | | 55c | | |
| b Less: accumulated depreciation (attach schedule) | | 55b | | |
| 56 Investments—other (attach schedule) | | 56 | | |
| 57a Land, buildings, and equipment: basis | 178,906. | | | |
| b Less: accumulated depreciation (attach schedule) | 158,186. | 57c | 20,720. | |
| 58 Other assets, including program-related investments (describe) | 14,647. | 58 | 7,057,090. | |
| 59 Total assets (must equal line 74). Add lines 45 through 58 | 262,036,633. | 59 | 472,758,752. | |
| Liabilities | 60 Accounts payable and accrued expenses | 7,985,835. | 60 | 2,551,872. |
| | 61 Grants payable | | 61 | |
| | 62 Deferred revenue | | 62 | |
| | 63 Loans from officers, directors, trustees, and key employees (attach schedule) | | 63 | |
| | 64a Tax-exempt bond liabilities (attach schedule) | | 64a | |
| | b Mortgages and other notes payable (attach schedule) | 14,172,306. | 64b | 21,053,455. |
| | 65 Other liabilities (describe) | 7,469,158. | 65 | 17,344,623. |
| | 66 Total liabilities. Add lines 60 through 65 | 29,627,299. | 66 | 40,949,950. |
| Net Assets or Fund Balances | Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74 | | | |
| | 67 Unrestricted | 232,409,334. | 67 | 431,808,802. |
| | 68 Temporarily restricted | | 68 | |
| | 69 Permanently restricted | | 69 | |
| | Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74. | | | |
| | 70 Capital stock, trust principal, or current funds | | 70 | |
| | 71 Paid-in or capital surplus, or land, building, and equipment fund | | 71 | |
| | 72 Retained earnings, endowment, accumulated income, or other funds | | 72 | |
| | 73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21) | 232,409,334. | 73 | 431,808,802. |
| | 74 Total liabilities and net assets/fund balances. Add lines 66 and 73 | 262,036,633. | 74 | 472,758,752. |

Part IV-A **Reconciliation of Revenue per Audited Financial Statements With Revenue per Return** (See the instructions.)

| Instructions | | a | 216,232,482. |
|--------------|--------------------------------------------------------------------------|------------------------|--------------|
| a | Total revenue, gains, and other support per audited financial statements | | |
| b | Amounts included on line a but not on Part I, line 12: | | |
| 1 | Net unrealized gains on investments | b1 159,816,511. | |
| 2 | Donated services and use of facilities | b2 | |
| 3 | Recoveries of prior year grants | b3 | |
| 4 | Other (specify): | b4 | |
| | Add lines b1 through b4 | b | 159,816,511. |
| c | Subtract line b from line a | c | 56,415,971. |
| d | Amounts included on Part I, line 12, but not on line a : | | |
| 1 | Investment expenses not included on Part I, line 6b | d1 | |
| 2 | Other (specify): | d2 | |
| | Add lines d1 and d2 | d | |
| e | Total revenue (Part I, line 12). Add lines c and d | e | 56,415,971. |

| Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return | |
|------------------------------------------------------------------------------------------------|-------------------------------------------|
| 1 | Expenses per Audited Financial Statements |
| 2 | Expenses per Return |
| 3 | Reconciliation |
| 4 | Reconciliation |
| 5 | Reconciliation |
| 6 | Reconciliation |
| 7 | Reconciliation |
| 8 | Reconciliation |
| 9 | Reconciliation |
| 10 | Reconciliation |
| 11 | Reconciliation |
| 12 | Reconciliation |
| 13 | Reconciliation |
| 14 | Reconciliation |
| 15 | Reconciliation |
| 16 | Reconciliation |
| 17 | Reconciliation |
| 18 | Reconciliation |
| 19 | Reconciliation |
| 20 | Reconciliation |
| 21 | Reconciliation |
| 22 | Reconciliation |
| 23 | Reconciliation |
| 24 | Reconciliation |
| 25 | Reconciliation |
| 26 | Reconciliation |
| 27 | Reconciliation |
| 28 | Reconciliation |
| 29 | Reconciliation |
| 30 | Reconciliation |
| 31 | Reconciliation |
| 32 | Reconciliation |
| 33 | Reconciliation |
| 34 | Reconciliation |
| 35 | Reconciliation |
| 36 | Reconciliation |
| 37 | Reconciliation |
| 38 | Reconciliation |
| 39 | Reconciliation |
| 40 | Reconciliation |
| 41 | Reconciliation |
| 42 | Reconciliation |
| 43 | Reconciliation |
| 44 | Reconciliation |
| 45 | Reconciliation |
| 46 | Reconciliation |
| 47 | Reconciliation |
| 48 | Reconciliation |
| 49 | Reconciliation |
| 50 | Reconciliation |
| 51 | Reconciliation |
| 52 | Reconciliation |
| 53 | Reconciliation |
| 54 | Reconciliation |
| 55 | Reconciliation |
| 56 | Reconciliation |
| 57 | Reconciliation |
| 58 | Reconciliation |
| 59 | Reconciliation |
| 60 | Reconciliation |
| 61 | Reconciliation |
| 62 | Reconciliation |
| 63 | Reconciliation |
| 64 | Reconciliation |
| 65 | Reconciliation |
| 66 | Reconciliation |
| 67 | Reconciliation |
| 68 | Reconciliation |
| 69 | Reconciliation |
| 70 | Reconciliation |
| 71 | Reconciliation |
| 72 | Reconciliation |
| 73 | Reconciliation |
| 74 | Reconciliation |
| 75 | Reconciliation |
| 76 | Reconciliation |
| 77 | Reconciliation |
| 78 | Reconciliation |
| 79 | Reconciliation |
| 80 | Reconciliation |
| 81 | Reconciliation |
| 82 | Reconciliation |
| 83 | Reconciliation |
| 84 | Reconciliation |
| 85 | Reconciliation |
| 86 | Reconciliation |
| 87 | Reconciliation |
| 88 | Reconciliation |
| 89 | Reconciliation |
| 90 | Reconciliation |
| 91 | Reconciliation |
| 92 | Reconciliation |
| 93 | Reconciliation |
| 94 | Reconciliation |
| 95 | Reconciliation |
| 96 | Reconciliation |
| 97 | Reconciliation |
| 98 | Reconciliation |
| 99 | Reconciliation |
| 100 | Reconciliation |

| Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return | | | a | 16,833,013. |
|------------------------------------------------------------------------------------------------|------------------------------------------------------------|----|---|-------------|
| a | Total expenses and losses per audited financial statements | | | |
| b | Amounts included on line a but not on Part I, line 17: | | | |
| 1 | Donated services and use of facilities | b1 | | |
| 2 | Prior year adjustments reported on Part I, line 20 | b2 | | |
| 3 | Losses reported on Part I, line 20 | b3 | | |
| 4 | Other (specify): | b4 | | |
| | Add lines b1 through b4 | | b | |
| c | Subtract line b from line a | | c | 16,833,013. |
| d | Amounts included on Part I, line 17, but not on line a: | | | |
| 1 | Investment expenses not included on Part I, line 6b | d1 | | |
| 2 | Other (specify): | d2 | | |
| | Add lines d1 and d2 | | d | |
| e | Total expenses (Part I, line 17). Add lines c and d | | e | 16,833,013. |

Part V-A **Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

[illegible]

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

Yes No

75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 10.

b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)

75b ☒ Yes ☐ No

c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." STMT 13

75c ☒ Yes ☐ No

If "Yes," attach a statement that includes the information described in the instructions.

d Does the organization have a written conflict of interest policy?

75d ☒ Yes ☐ No**Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits** (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

| (A) Name and address | (B) Loans and Advances | (C) Compensation (if not paid, enter -0-) | (D) Contributions to employee benefit plans & deferred compensation plans | (E) Expense account and other allowances |
|-----------------------------------------------------------------------|------------------------|-------------------------------------------|---------------------------------------------------------------------------|------------------------------------------|
| Thomas Higgins 333 W. Wacker Dr, suite 460, Chicago, IL 60606, USA | None | 1,083,772. | 4,096. | None |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Part VI Other Information (See the instructions.)

Yes No

76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change STMT 24 and Exhibit # 1

76 ☒ Yes ☐ No

77 Were any changes made in the organizing or governing documents but not reported to the IRS? STMT 24 and Exhibit # 1
If "Yes," attach a conformed copy of the changes.

77 ☐ Yes ☒ No

78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?

78a ☐ Yes ☒ No

b If "Yes," has it filed a tax return on Form 990-T for this year? N/A

78b ☐ Yes ☒ No

79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement

79 ☐ Yes ☒ No

80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?

80a ☒ Yes ☐ No

b If "Yes," enter the name of the organization STMT 14

80b ☐ Yes ☒ No

and check whether it is ☐ exempt or ☒ nonexempt

81a Enter direct and indirect political expenditures (See line 81 instructions.) 81a 0.

81a ☐ Yes ☒ No

b Did the organization file Form 1120-POL for this year?

81b ☐ Yes ☒ No

Part VI Other Information (continued)

| | | Yes | No |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| 82a | Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? | | ✓ |
| b | If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III) | | |
| 82b | N/A | | |
| 83a | Did the organization comply with the public inspection requirements for returns and exemption applications? | ✓ | |
| b | Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions? | ✓ | |
| 83b | | | |
| 84a | Did the organization solicit any contributions or gifts that were not tax deductible? | | ✓ |
| b | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | | |
| 84b | | | |
| 85 | 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? N/A | | |
| b | Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A | | |
| | If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year. | | |
| c | Dues, assessments, and similar amounts from members 85c N/A | | |
| d | Section 162(e) lobbying and political expenditures 85d N/A | | |
| e | Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A | | |
| f | Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A | | |
| g | Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A | | |
| h | If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A | | |
| 85h | | | |
| 86 | 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 86a N/A | | |
| b | Gross receipts, included on line 12, for public use of club facilities 86b N/A | | |
| 87 | 501(c)(12) orgs. Enter: a Gross income from members or shareholders 87a N/A | | |
| b | Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A | | |
| 88a | At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX. | ✓ | |
| b | At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI | | ✓ |
| 88b | | | |
| 89a | 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0; section 4912 ▶ 0; section 4955 ▶ 0. | | |
| b | 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction | | ✓ |
| 89b | | | |
| c | Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0. | | |
| d | Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ 0. | | |
| e | All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? | | ✓ |
| 89e | | | |
| f | All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract? | | ✓ |
| 89f | | | |
| g | For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? N/A | | |
| 89g | | | |
| 90a | List the states with which a copy of this return is filed ▶ IL | | |
| b | Number of employees employed in the pay period that includes March 12, 2006 (See instructions.) 90b 9 | | |
| 91a | The books are in care of ▶ NANCY SCHILLER Telephone no. ▶ (312) 629-2500 Located at ▶ 333 W.WACKER DRIVE, CHICAGO, IL ZIP + 4 ▶ 60606 | | |
| b | At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | Yes | No |
| 91b | If "Yes," enter the name of the foreign country ▶ AUSTRIA AND BULGARIA | ✓ | |
| | See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts | | |

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c ☒ ☐If "Yes," enter the name of the foreign country **BULGARIA**92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here ☐
and enter the amount of tax-exempt interest received or accrued during the tax year **92** N/A**Part VII Analysis of Income-Producing Activities** (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

| | Unrelated business income | | Excluded by section 512, 513, or 514 | | (E) Related or exempt function income |
|--------------------------------------------------------------|---------------------------|---------------|--------------------------------------|---------------|------------------------------------------------|
| | (A) Business code | (B) Amount | (C) Exclusion code | (D) Amount | |
| 93 Program service revenue: | | | | | |
| a INTEREST INCOME FROM LOANS | | | | | 4,389,430. |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| f Medicare/Medicaid payments | | | | | |
| g Fees and contracts from government agencies | | | | | |
| 94 Membership dues and assessments | | | | | |
| 95 Interest on savings and temporary cash investments | | | 14 | 3,082,696. | |
| 96 Dividends and interest from securities | | | 14 | 3,509,083. | |
| 97 Net rental income or (loss) from real estate: | | | | | |
| a debt-financed property | | | | | |
| b not debt-financed property | | | | | 1,817,307. |
| 98 Net rental income or (loss) from personal property | | | | | |
| 99 Other investment income | | | | | |
| 100 Gain or (loss) from sales of assets other than inventory | | | | | 25,111,183. |
| 101 Net income or (loss) from special events | | | | | |
| 102 Gross profit or (loss) from sales of inventory | | | | | |
| 103 Other revenue. a NET EXCHANGE GAINS | | | | | 13,416,255. |
| b REALIZED&UNREALIZED DEPR. ON INV.-STMT 4 | | | | | 2,970,761. |
| c NON-CONTROLLING INTEREST IN SPCs | | | | | 2,119,256. |
| d | | | | | |
| e | | | | | |
| 104 Subtotal (add columns (B), (D), and (E)) | | 0 | | 6,591,779. | 49,824,192. |
| 105 Total (add line 104, columns (B), (D), and (E)) | | | | | 56,415,971. |

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

| Line No. ▼ | Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes) |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | STMT 15 |
| | |
| | |

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

| (A) Name, address, and EIN of corporation, partnership, or disregarded entity | (B) Percentage of ownership interest | (C) Nature of activities | (D) Total income | (E) End-of-year assets |
|-------------------------------------------------------------------------------------|--------------------------------------------|-----------------------------|---------------------|------------------------------|
| STMT 23 | % | | | |
| | % | | | |
| | % | | | |
| | % | | | |

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization **make** any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

| | (A) Name, address, of each controlled entity | (B) Employer Identification Number | (C) Description of transfer | (D) Amount of transfer |
|---------------|----------------------------------------------------|------------------------------------------|-----------------------------------|---------------------------|
| a | | | | |
| b | | | | |
| c | | | | |
| Totals | | | | |


107 Did the reporting organization **receive** any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

| | (A) Name, address, of each controlled entity | (B) Employer Identification Number | (C) Description of transfer | (D) Amount of transfer |
|---------------|----------------------------------------------------|------------------------------------------|-----------------------------------|---------------------------|
| a | | | | |
| b | | | | |
| c | | | | |
| Totals | | | | |

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer:  Date: 8/1/08

Dennis E. Fiehler - Chief Financial Officer

Type or print name and title

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____

Firm's name (or yours if self-employed), address, and ZIP + 4: _____

Check if self-employed: ☐ Preparer's SSN or PTIN (See Gen. Inst. X): _____

EIN: _____



SCHEDULE A
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Organization Exempt Under Section 501(c)(3)**(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),
or 4947(a)(1) Nonexempt Charitable Trust**Supplementary Information—(See separate instructions.)**

OMB No 1545-0047

2006▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

| | |
|-----------------------------------------------------------------------|-------------------------------------------------------|
| Name of the organization BULGARIAN-AMERICAN ENTERPRISE FUND | Employer identification number 36 : 3792460 |
|-----------------------------------------------------------------------|-------------------------------------------------------|

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 of the instructions. List each one. If there are none, enter "None.")

| (a) Name and address of each employee paid more than \$50,000 | (b) Title and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans & deferred compensation | (e) Expense account and other allowances |
|---------------------------------------------------------------|----------------------------------------------------------|------------------|---------------------------------------------------------------------|------------------------------------------|
| Kostadin Petkov 3 Shipka Str., Sofia 1504, Bulgaria | Senior Project Manager | 222,436. | None | None |
| | Full Time | | | |
| Marii Kosev 3 Shipka Str., Sofia 1504, Bulgaria | Investment Officer/Full Time | 171,668. | None | None |
| | | | | |
| | | | | |
| Total number of other employees paid over \$50,000 ▶ | | 0 | | |

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

| (a) Name and address of each independent contractor paid more than \$50,000 | (b) Type of service | (c) Compensation |
|-------------------------------------------------------------------------------------------------|-------------------------------|------------------|
| SERDIKA CAPITAL ADVISORS LLC 333 West Wacker Drive, suite 460, Chicago, IL 60606, USA | Asset management / Consulting | 825,663. |
| KIRKLAND & ELLIS LLP 200 East Randolph Drive, Chicago, IL 60601, USA | Legal | 411,300. |
| DELOITTE AUDIT LLD 103 Al. Stamboliiski blvd., Sofia 1303, Bulgaria | Audit and Tax | 120,762. |
| DELOITTE AUDIT TAX LLP 111 South Wacker Drive, Chicago, IL 60606-4301, USA | Audit and Tax | 120,495. |
| MINTZ GIRGAN & BRIGHTLY 118 West Passaic Str., Rochelle Park, NJ 07662, USA | Insurance | 80,280. |
| Total number of others receiving over \$50,000 for professional services ▶ | | 0 |

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

| (a) Name and address of each independent contractor paid more than \$50,000 | (b) Type of service | (c) Compensation |
|--------------------------------------------------------------------------------|---------------------|------------------|
| NONE | | |
| | | |
| | | |
| | | |
| | | |
| Total number of other contractors receiving over \$50,000 for other services ▶ | | 0 |

Part III Statements About Activities (See page 2 of the instructions.)

Yes No

- 1** During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B)

1

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.

- 2** During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)

a Sale, exchange, or leasing of property? . . . STMT 18, 22

2a

✓

b Lending of money or other extension of credit? . . . STMT 17, 18, 20

2b

✓

c Furnishing of goods, services, or facilities? . . . STMT 19, 20, 21

2c

✓

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? STMT 16, 19, 20

2d

✓

e Transfer of any part of its income or assets? . . . STMT 18

2e

✓

- 3a** Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)

3a

✓

b Did the organization have a section 403(b) annuity plan for its employees?

3b

✓

c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement

3c

✓

d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

3d

✓

- 4a** Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g

4a

✓

b Did the organization make any taxable distributions under section 4966?

4b

✓

c Did the organization make a distribution to a donor, donor advisor, or related person?

4c

✓

d Enter the total number of donor advised funds owned at the end of the tax year ▶ 0.

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ 0.

f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ 0.

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ 0.

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.) SEE STMT IN PART IV-A
- 7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 ☐ A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ►
- 10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 ☐ An organization that normally receives: (1) more than 33⅓% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and (2) no more than 33⅓% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
- ☐ Type I ☐ Type II ☐ Type III-Functionally Integrated ☐ Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

| (a) Name(s) of supported organization(s) | (b) Employer identification number (EIN) | (c) Type of organization (described in lines 5 through 12 above or IRC section) | (d) Is the supported organization listed in the supporting organization's governing documents? | | (e) Amount of support |
|---------------------------------------------|---------------------------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|----|--------------------------|
| | | | Yes | No | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total ► | | | | | |

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.****Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

| Calendar year (or fiscal year beginning in) | (a) 2005 | (b) 2004 | (c) 2003 | (d) 2002 | (e) Total |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|-----------|
| 15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28) . | | | | | |
| 16 Membership fees received | | | | | |
| 17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose . . | Effective December 20, 2007, the BAEF executed a Modification | | | | |
| 18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975 . | of its Grant Agreement with the U.S. Agency for International Development requiring the liquidation of the BAEF and the transfer of its assets to another public charity, the America for Bulgaria Foundation. As part of the liquidation process | | | | |
| 19 Net income from unrelated business activities not included in line 18. | (which is ongoing), the BAEF paid \$1,000,000 to the United | | | | |
| 20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf | States Treasury on August 1, 2008. A copy of the Modification of the Grant Agreement is included with this | | | | |
| 21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge | return as Exhibit # 1. | | | | |
| 22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets | | | | | |
| 23 Total of lines 15 through 22 | | | | | |
| 24 Line 23 minus line 17 | | | | | |
| 25 Enter 1% of line 23 | | | | | |
| 26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶ | | | | | 26a |
| b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶ | | | | | 26b |
| c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ | | | | | 26c |
| d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____ ▶ | | | | | 26d |
| e Public support (line 26c minus line 26d total) ▶ | | | | | 26e |
| f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶ | | | | | 26f % |
| 27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2005) _____ (2004) _____ (2003) _____ (2002) _____ b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2005) _____ (2004) _____ (2003) _____ (2002) _____ c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ▶ | | | | | 27c |
| d Add: Line 27a total _____ and line 27b total _____ ▶ | | | | | 27d |
| e Public support (line 27c total minus line 27d total) ▶ | | | | | 27e |
| f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶ | | | | | 27f |
| g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶ | | | | | 27g % |
| h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶ | | | | | 27h % |
| 28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15. | | | | | |

Part V Private School Questionnaire (See page 9 of the instructions.)

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

| | Yes | No |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| 29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? | | |
| 30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? | | |
| 31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) | | |
| 32 Does the organization maintain the following: | | |
| a Records indicating the racial composition of the student body, faculty, and administrative staff? | | |
| b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? | | |
| c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? | | |
| d Copies of all material used by the organization or on its behalf to solicit contributions? | | |
| If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement) | | |
| 33 Does the organization discriminate by race in any way with respect to: | | |
| a Students' rights or privileges? | | |
| b Admissions policies? | | |
| c Employment of faculty or administrative staff? | | |
| d Scholarships or other financial assistance? | | |
| e Educational policies? | | |
| f Use of facilities? | | |
| g Athletic programs? | | |
| h Other extracurricular activities? | | |
| If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) | | |
| 34a Does the organization receive any financial aid or assistance from a governmental agency? | | |
| b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement. | | |
| 35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation | | |

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768)Check ☐ **a** if the organization belongs to an affiliated group Check ☐ **b** if you checked "a" and "limited control" provisions apply**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred.)

| | | (a) Affiliated group totals | (b) To be completed for all electing organizations |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------|
| 36 | Total lobbying expenditures to influence public opinion (grassroots lobbying) | N/A | |
| 37 | Total lobbying expenditures to influence a legislative body (direct lobbying) | | |
| 38 | Total lobbying expenditures (add lines 36 and 37) | | |
| 39 | Other exempt purpose expenditures | | |
| 40 | Total exempt purpose expenditures (add lines 38 and 39) | | |
| 41 | Lobbying nontaxable amount. Enter the amount from the following table— If the amount on line 40 is— The lobbying nontaxable amount is— Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000 | | |
| 42 | Grassroots nontaxable amount (enter 25% of line 41). | | |
| 43 | Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36. | | |
| 44 | Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38. | | |

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.**4-Year Averaging Period Under Section 501(h)**(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
See the instructions for lines 45 through 50 on page 13 of the instructions.)

| Calendar year (or fiscal year beginning in) ► | Lobbying Expenditures During 4-Year Averaging Period N/A | | | | |
|--------------------------------------------------|----------------------------------------------------------|-------------|-------------|-------------|--------------|
| | (a) 2006 | (b) 2005 | (c) 2004 | (d) 2003 | (e) Total |
| 45 | Lobbying nontaxable amount | | | | 0. |
| 46 | Lobbying ceiling amount (150% of line 45(e)) | | | | 0. |
| 47 | Total lobbying expenditures | | | | 0. |
| 48 | Grassroots nontaxable amount | | | | 0. |
| 49 | Grassroots ceiling amount (150% of line 48(e)) | | | | 0. |
| 50 | Grassroots lobbying expenditures | | | | 0. |

Part VI-B Lobbying Activity by Nonelecting Public Charities

N/A

(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of.

- a** Volunteers
- b** Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c** Media advertisements
- d** Mailings to members, legislators, or the public
- e** Publications, or published or broadcast statements
- f** Grants to other organizations for lobbying purposes
- g** Direct contact with legislators, their staffs, government officials, or a legislative body
- h** Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i** Total lobbying expenditures (Add lines c through h.)

| Yes | No | Amount |
|-----|----|--------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | 0. |

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

| | Yes | No |
|--------|-----|----|
| 51a(i) | | ✓ |
| a(ii) | | ✓ |
| b(i) | | ✓ |
| b(ii) | | ✓ |
| b(iii) | | ✓ |
| b(iv) | | ✓ |
| b(v) | | ✓ |
| b(vi) | | ✓ |
| c | | ✓ |

- | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---|
| (i) Cash | 51a(i) | ✓ |
| (ii) Other assets | a(ii) | ✓ |
| b Other transactions: | | |
| (i) Sales or exchanges of assets with a noncharitable exempt organization | b(i) | ✓ |
| (ii) Purchases of assets from a noncharitable exempt organization | b(ii) | ✓ |
| (iii) Rental of facilities, equipment, or other assets | b(iii) | ✓ |
| (iv) Reimbursement arrangements | b(iv) | ✓ |
| (v) Loans or loan guarantees | b(v) | ✓ |
| (vi) Performance of services or membership or fundraising solicitations | b(vi) | ✓ |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees | c | ✓ |
| d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | |

[illegible]

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule:

[illegible]

BULGARIAN-AMERICAN ENTERPRISE FUND
FISCAL YEAR ENDED 9/30/07
FEIN 38-3792460

STATEMENT 1 - FORM 990 - PART I - LINE 8d - NET GAIN (LOSS) ON ASSET SALE

| DESCRIPTION | DATE ACQUIRED | GROSS AMOUNT OF SALE | COST AND/OR BASIS | NET GAIN (LOSS) |
|-------------------------------------------------|------------------|-------------------------|----------------------|--------------------------|
| Financial Services Investment | Dec-96 | \$51,672,551 | \$28,857,645 | \$22,814,906 |
| Equity Investment in Food Processing Company | Dec-99 | 0 | 18,289 | (\$18,289) |
| Equity Investment in Manufacturing Company | Sep-99 | 1,164,648 | 218,825 | \$945,823 |
| Real Estate Investment | Aug-06 | 4,262,007 | 2,893,264 | 1,368,743 |
| | | <u>\$57,099,206</u> | <u>\$31,988,023</u> | <u>\$25,111,183</u> |
| | | ===== | ===== | ===== |
| | | LINE 8a (B) | LINE 8b (B) | LINE 8c (B) & LINE 8d |

STATEMENT 2 - FORM 990 - PART I - LINE 20 - OTHER CHANGES IN NET ASSETS OR FUND BALANCES

Unrealized Gain on Investments 159,816,511

STATEMENT 3a - FORM 990 - PART II - LINE 25a COMPENSATION OF CURRENT OFFICERS, DIRECTORS, KEY EMPLOYEES, ETC RECONCILIATION

| NAME & ADDRESS | (A) TOTAL | (B) PROGRAM EXPENSE | (C) MANAGEMENT & GENERAL | (D) FUNDRAISING |
|--------------------|---------------------|---------------------------|--------------------------------|--------------------|
| Frank L. Bauer | \$5,778,286 | \$5,200,457 | \$462,263 | \$115,566 |
| Nancy Schiller | 502,178 | 100,436 | 401,742 | |
| Dennis E. Fiehler | 2,109,840 | 1,898,856 | 168,787 | 42,197 |
| Michael Hunsberger | 2,416,608 | 2,295,778 | 120,830 | |
| Stoyan Dinchevski | 1,657,868 | 1,657,868 | | |
| Dimitar Voutchev | 1,412,822 | 1,412,822 | | |
| Mana Shetanova | 520,431 | 520,431 | | |
| | <u>\$14,398,033</u> | <u>\$13,086,648</u> | <u>\$1,153,622</u> | <u>\$157,763</u> |
| | ===== | ===== | ===== | ===== |

STATEMENT 3b - FORM 990 - PART II - LINE 43a - OTHER EXPENSES

| | (A) TOTAL | (B) PROGRAM EXPENSE | (C) MANAGEMENT & GENERAL | (D) FUNDRAISING |
|----------------------------------|------------------|---------------------------|--------------------------------|--------------------|
| Workman's compensation insurance | \$2,001 | | \$2,001 | |
| Recruitment expenses | | | | |
| Professional fees - other | 49,087 | 18,455 | 30,632 | |
| Directors & officers insurance | 66,003 | | 66,003 | |
| Marketing expenses | 61,367 | 61,367 | | |
| Dues & memberships | 8,322 | 8,322 | | |
| Bank charges | 11,257 | 11,257 | | |
| Filing fees | 896 | 896 | | |
| Miscellaneous expense | 11,370 | 11,370 | | |
| Gain on FX disposals | (3,455) | (3,455) | | |
| Consolidating adjustments | 46,317 | 46,317 | | |
| | <u>\$253,165</u> | <u>\$154,529</u> | <u>\$98,636</u> | <u>\$0</u> |
| | ===== | ===== | ===== | ===== |

BULGARIAN-AMERICAN ENTERPRISE FUND
FISCAL YEAR ENDED 9/30/07
FEIN 36-3792460

STATEMENT 4 - FORM 990 - PART VII - LINE 103b - REALIZED & UNREALIZED DEPRECIATION ON INVESTMENTS

| | (A) TOTAL | (B) PROGRAM EXPENSE |
|---------------------------------------------------|------------------------|---------------------------|
| | ----- | ----- |
| Realized & unrealized depreciation on investments | (\$2,970,761) ===== | (\$2,970,761) ===== |
| Realized (gain) loss | (\$117,753) | (\$117,753) |
| Loan Loss Reserve | (\$2,853,008) | (\$2,853,008) |

STATEMENT 5 - FORM 990 - PART III - STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

The Bulgarian-American Enterprise Fund (BAEF) is a private tax-exempt corporation established to invest in the development of free enterprise and entrepreneurship in Bulgaria, established through the Support for Eastern European Democracy (SEED) Act. The BAEF makes equity investments in and loans principally to private businesses in Bulgaria. The BAEF has funded more than 4,500 investments since beginning operations in 1992, ranging from home mortgage loans to larger venture capital type investments. The BAEF has received \$58 million in grant funds from the U.S. Agency for International Development (AID) to invest and to apply to technical assistance and training activities.

**STATEMENT 6 - FORM 990 - PART IV - LINE 51a - OTHER NOTES & LOANS RECEIVABLE &
FORM 990 - PART IV - LINE 51b - ALLOWANCE FOR DOUBTFUL ACCOUNTS &
FORM 990 - PART IV - LINE 51c - NET RECEIVABLES**

| | GROSS RECEIVABLE LINE 51a | LESS ALLOWANCE LINE 51b | NET RECEIVABLE LINE 51c |
|--------------------|---------------------------------|-------------------------------|-------------------------------|
| Debt Investments | \$70,946,492 | \$305,677 | \$70,640,815 |
| Rental Investments | 47,290,193 | 1,825,980 | 45,464,213 |
| Equity Investments | 263,610,385 | 3,601,084 | 260,009,301 |
| Total | \$381,847,070 ===== | \$5,732,741 ===== | \$376,114,329 ===== |

STATEMENT 7 - FORM 990 - PART IV - LINE 57a - BASIS

| | Beg. of Year | Additions | Retirements | End of Year |
|---------------|--------------------|------------------|-------------------|--------------------|
| Land/Improve | \$37,464 | \$0 | \$0 | \$37,464 |
| Furniture | 41,136 | 0 | 0 | 41,136 |
| Company Autos | 27,100 | 0 | 27,100 | 0 |
| Equipment | 102,948 | 3,776 | 6,418 | 100,306 |
| Total | \$208,648 ===== | \$3,776 ===== | \$33,518 ===== | \$178,906 ===== |

STATEMENT 8 - FORM 990 - PART IV - LINE 57b - DEPRECIATION

| | Beg. of Year | Additions | Retirements | End of Year |
|---------------|--------------------|-------------------|-------------------|--------------------|
| Land/Improve | \$37,233 | \$231 | \$0 | \$37,464 |
| Furniture | 30,855 | 2,344 | 0 | 33,199 |
| Company Autos | 27,100 | 0 | 27,100 | 0 |
| Equipment | 85,685 | 8,256 | 6,418 | 87,523 |
| Total | \$180,873 ===== | \$10,831 ===== | \$33,518 ===== | \$158,186 ===== |

BULGARIAN-AMERICAN ENTERPRISE FUND
FISCAL YEAR ENDED 9/30/07
FEIN 36-3792460

STATEMENT 9 - FORM 990 - PART IV - LINE 58 - OTHER ASSETS

| | |
|---------------------|-------------|
| Deposits | \$5,951 |
| Deferred Rental exp | 817 |
| Suspense Account | 7,050,322 |
| | <hr/> |
| Total | \$7,057,090 |
| | ===== |

STATEMENT 10 - FORM 990 - PART IV - LINE 64b - MORTGAGES & OTHER NOTES PAYABLE

| | <u>Note Payable</u> | <u>Note Payable</u> | <u>Note Payable</u> | <u>Note Payable</u> | <u>Note Payable</u> | <u>Total</u> |
|------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------------|--------------|
| Lender | Unicredit Bulbank | Unicredit Bulbank | Unicredit Bulbank | Raiffeisen bank | Raiffeisen bank | |
| Original Loan Amount | € 4,200,000 (\$5,211,780) | € 3,450,000 (\$4,281,105) | € 2,600,000 (\$3,052,660) | € 5,000,000 (\$6,800,643) | € 1,500,000 (\$1,993,026) | |
| Date of Loan | Oct-04 | Aug-05 | Nov-05 | Apr-07 | Apr-07 | |
| Maturity Date of Loan | Oct-11 | Nov-12 | Nov-12 | Mar-09 | Mar-08 | |
| Repayment Terms | Principal Payments due Monthly | Principal Payments due Monthly | Principal Payments due Monthly | Principal Payments due Annually | Principal Payments due upon receipt of the value added tax (VAT) | |
| Interest Rate | 3 mo Euribor + Margin of 2% | 3 mo Euribor + Margin of 2% | 3 mo Euribor + Margin of 2% | 3 mo Euribor + Margin of 2.5% | 3 mo Euribor + Margin of 1.25% | |
| Security Provided | Real Estate + Related Rent & Bank Accounts up to O/S Pnn | Real Estate + Related Rent & Bank Accounts up to O/S Pnn | Real Estate + Related Rent & Bank Accounts up to O/S Pnn | Real Estate + VAT receivable & Bank Accounts up to O/S Pnn | Real Estate + VAT receivable & Bank Accounts up to O/S Pnn | |
| Purpose of Loan | Acquisition of Real Estate | Acquisition of Real Estate | Acquisition of Real Estate | Acquisition of Real Estate | Acquisition of Real Estate | |
| FMV of Lender Consideration | N/A | N/A | N/A | N/A | N/A | |
| Principal balance at 9/30/07 in € | € 3,320,300 | € 2,726,900 | € 2,365,700 | € 4,978,936 | € 1,456,553 | |
| Principal balance at 9/30/07 in \$ | \$4,707,836 | \$3,866,457 | \$3,354,314 | \$7,059,608 | \$2,065,240 | \$21,053,455 |
| | Note 1 | Note 2 | Note 2 | Note 3 | Note 3 | LINE 64b |

Note 1 - ERG Capital-1 ADSIP, included as part of the Consolidated Financial Statements of BAEF as a majority-owned special investment purpose company, is the obligor on this Note Payable
ERG-1 is 37% owned by BAEF and 31% owned by employees of BAEF

Note 2 - ERG Capital-2 ADSIP, included as part of the Consolidated Financial Statements of BAEF as a majority-owned special investment purpose company, is the obligor on this Note Payable
ERG-2 is 37% owned by BAEF and 29% owned by employees of BAEF

Note 3 - ERG Capital-3 ADSIP, included as part of the Consolidated Financial Statements of BAEF as a majority-owned special investment purpose company, is the obligor on this Note Payable
ERG-3 is 47% owned by BAEF and 34% owned by employees of BAEF

STATEMENT 11 - FORM 990 - PART IV - LINE 65 - OTHER LIABILITIES

| | |
|--------------------------|--------------|
| Minonty Interest - KD-1 | \$167,236 |
| Minonty Interest - ERG-1 | 2,305,340 |
| Minonty Interest - ERG-2 | 3,006,465 |
| Minonty Interest - ERG-3 | 11,865,582 |
| | <hr/> |
| Total | \$17,344,623 |
| | ===== |

BULGARIAN-AMERICAN ENTERPRISE FUND
FISCAL YEAR ENDED 9/30/07
FEIN 38-3792460

STATEMENT 12 - FORM 990 - PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

| <u>NAME & ADDRESS</u> | <u>TITLES & AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u> | <u>COMPENSATION</u> | <u>CONTRIBUTIONS TO EMPLOYEES BENEFITS PLAN</u> | <u>EXPENSE ACCT & OTHER ALLOWANCES</u> |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------|---------------------------------------------------------|----------------------------------------------------|
| Stephen W Fillo % BAEF 333 W Wacker Suite 460 Chicago, IL 60606 | Chairman Part-Time | None | None | \$42,577 |
| Frank L. Bauer % BAEF 333 W Wacker Suite 460 Chicago, IL 60606 | President, Chief Executive Officer Director, Secretary, & Treasurer Full-Time | \$5,778,286 | 58,302 | 88,889 |
| Marshall L. Miller % BAEF 333 W Wacker Suite 460 Chicago, IL 60606 | Director Part-Time | None | None | 18,806 |
| Chns J Matlon % BAEF 333 W Wacker Suite 460 Chicago, IL 60606 | Director Part-Time | None | None | 30,449 |
| Carl H Pforzheimer III % BAEF 333 W Wacker Suite 460 Chicago, IL 60606 | Director Part-Time | None | None | 17,778 |
| Gary E MacDougal % BAEF 333 W Wacker Suite 460 Chicago, IL 60606 | Director Part-Time | None | None | 8,877 |
| Joseph J Borgatti % BAEF 333 W Wacker Suite 460 Chicago, IL 60606 | Director Part-Time | None | None | 16,821 |
| Lynn M Daft % BAEF 333 W Wacker Suite 460 Chicago, IL 60606 | Director Part-Time | None | None | 14,296 |
| Anthony R Manno Jr % BAEF 333 W Wacker Suite 460 Chicago, IL 60606 | Director Part-Time | None | None | 11,370 |
| Leonard M Harlan % BAEF 333 W Wacker Suite 460 Chicago, IL 60606 | Director Part-Time | None | None | 8,251 |
| Nancy Schiller % BAEF 333 W Wacker Suite 460 Chicago, IL 60606 | Managing Director Part-Time | 502,178 | 55,958 | 12,865 |
| R Scott Falk Kirkland & Ellis 200 E Randolph Chicago, IL 60601 | Asst Secretary Part-Time | None | None | None |
| Dennis E Fiehler % BAEF 333 W Wacker Suite 460 Chicago, IL 60606 | Chief Financial Officer Full-Time | 2,109,840 | 48,416 | 14,679 |
| Michael Hunsberger % BAEF | Managing Director Full-Time | 2,416,608 | 65,106 | 4,385 |

BULGARIAN-AMERICAN ENTERPRISE FUND
FISCAL YEAR ENDED 9/30/07
FEIN 36-3792480

333 W Wacker
Suite 460
Chicago, IL 60608

| | | | | |
|--------------------------------------------------------------------|-------------------------------------------|------------------------------|---------------------------|---------------------------|
| Stoyan Dinchiski % BACB 16 Krakra Str Sofia 1504, Bulgana | Executive Director BACB Full time | 1,657,868 | None | 1,548 |
| Dimitar Voutchev % BACB 16 Krakra Str Sofia 1504, Bulgana | Executive Director BACB Full time | 1,412,822 | None | 2,296 |
| Mana Sheitanova % BACB 16 Krakra Str Sofia 1504, Bulgana | Chief Operating Officer BACB Full time | 520,431 | None | 776 |
| | | <u>\$14,398,033</u> ===== | <u>\$227,782</u> ===== | <u>\$294,663</u> ===== |

BULGARIAN-AMERICAN ENTERPRISE FUND
FISCAL YEAR ENDED 9/30/07
FEIN 36-3792460

STATEMENT 13 - FORM 990 - PART V QUESTION 75c - COMPENSATION FROM RELATED ORGANIZATIONS

| EMPLOYEE NAME | RELATED COMPANY | EIN | COMPENSATION | CONTRIBUTIONS TO EMPLOYEES BENEFITS PLAN | EXPENSE ACCT & OTHER ALLOWANCES |
|--------------------|--------------------------|-----------------------|--------------|------------------------------------------------|---------------------------------------|
| Frank L. Bauer | Serdika Capital Advisors | 11-3667642 | \$102,850 | | |
| Michael Hunsberger | Serdika Capital Advisors | 11-3667642 | 102,850 | | |
| Dennis E. Fiehler | Serdika Capital Advisors | 11-3667642 | 24,690 | | |
| Nancy Schiller | Serdika Capital Advisors | 11-3667642 | 4,610 | | |
| Stoyan Dinchiski | BACB | N/A Bulgarian Company | 159,008 | 2,935 | 10,344 |
| | BAPM | N/A Bulgarian Company | 11,320 | | |
| | Serdika Capital Advisors | 11-3667642 | 48,285 | | |
| Dimitar Voutchev | BACB | N/A Bulgarian Company | 158,787 | 2,935 | 5,277 |
| | BAPM | N/A Bulgarian Company | 3,773 | | |
| | Serdika Capital Advisors | 11-3667642 | 2,098 | | |
| Mana Sheitanova | BACB | N/A Bulgarian Company | 126,441 | 2,992 | 7,393 |
| Kostadin Petkov | BAPM | N/A Bulgarian Company | 110,586 | 2,983 | 1,409 |
| | Serdika Capital Advisors | 11-3667642 | 50,383 | | |
| Emilia Karadocheva | BAPM | N/A Bulgarian Company | 80,128 | 2,983 | |
| | Serdika Capital Advisors | 11-3667642 | 9,851 | | |
| Vanyo Nikolov | BAPM | N/A Bulgarian Company | 47,351 | 2,983 | 960 |
| | Serdika Capital Advisors | 11-3667642 | 27,021 | | |
| Tzvetomir Todorov | BAPM | N/A Bulgarian Company | 55,032 | 102 | 352 |
| | Serdika Capital Advisors | 11-3667642 | 25,191 | | |
| Boyan Ikononov | BACB | N/A Bulgarian Company | 58,827 | 2,992 | |
| | BAPM | N/A Bulgarian Company | 4,528 | | |
| | Serdika Capital Advisors | 11-3667642 | 18,775 | | |
| Vesela Margantova | BACB | N/A Bulgarian Company | 74,017 | 2,992 | 4,353 |
| Anna Boneva | BACB | N/A Bulgarian Company | 61,734 | 2,992 | 3,820 |
| | BAPM | N/A Bulgarian Company | 3,773 | | |
| | Serdika Capital Advisors | 11-3667642 | 9,851 | | |
| Andrei Genev | BACB | N/A Bulgarian Company | 71,565 | 2,992 | 1,932 |
| Silvia Knlova | BACB | N/A Bulgarian Company | 62,745 | | 5 |
| | BAPM | N/A Bulgarian Company | 3,773 | | |
| | Serdika Capital Advisors | 11-3667642 | 11,681 | | |
| Veneta Ilieva | BACB | N/A Bulgarian Company | 52,096 | 2,992 | 4,569 |
| | BAPM | N/A Bulgarian Company | 3,773 | | |
| | Serdika Capital Advisors | 11-3667642 | 8,021 | | |

STATEMENT 14 - FORM 990, PART VI, LINE 80b - RELATED ORGANIZATIONS

| Name of Organization | Exempt | Nonexempt |
|--------------------------|--------|-----------|
| Enterprise Realty Group | | X |
| Serdika Capital Advisors | | X |
| Serdika Realty Advisors | | X |

STATEMENT 15 - FORM 990 - PART VIII - RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES

| | |
|------------|-----------------------------------------------------------------------------------------------------------------|
| Line # 93a | Interest income on loan programs focusing on promoting the development of the Bulgarian private sector |
| Line # 97b | Net rental income on real estate holdings focusing on promoting the development of the Bulgarian private sector |
| Line # 100 | Net gain on sale of equity investments focusing on promoting the development of the Bulgarian private sector |

STATEMENT 16 - SCHEDULE A - PART III - QUESTION 2d

As part of the Grant Agreement from the Agency for International Development (AID), BAEF was granted Technical Assistance Funds (TA) of up to \$5 million

BULGARIAN-AMERICAN ENTERPRISE FUND
FISCAL YEAR ENDED 9/30/07
FEIN 36-3792460

STATEMENT 17 - SCHEDULE A - PART III - QUESTION 2b

| | |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| KD-1 | Kapital Direct-1 ADSIP ("KD-1") is a special investment purpose company of which BAEF is the majority owner. KD-1 issued a floating rate mortgage bond to finance the acquisition of loans from BACB (54% owned by BAEF). In May, 2007 KD-1 prepaid the bond in connection with the prepayment of two loans. |
| BACB | <p>The Bulgarian American Credit Bank ("BACB") which BAEF owns 54%, makes consumer and mortgage loans to its employees. As of September 30, 2007, there were 88 loans issued with an outstanding principal balance of approximately \$2,216,261.</p> <p>During 2006 BACB repaid its outstanding debt to BAEF. Subsequently, BAEF purchased twelve thousand €1,000 face value bonds at par issued by BACB. The bonds are unsecured and mature in May, 2013. As of September 30, 2007, the outstanding principal balance of the bond issue and related interest receivable was \$17,332,956. BAEF recognized interest income of \$772,840 during the year ending September 30, 2007 on BACB bonds.</p> |
| KD EAD | Kapital Direct EAD ("KD EAD"), a non banking financial institution which BACB owns 100%, was purchased from BAEF in 2006. During the year ending September 30, 2007 BAEF provided a debt facility to KD EAD. As of September 30, 2007 the outstanding principal balance and related interest receivable was \$13,608,380. BAEF recognized interest income of \$903,461 during the year ending September 30, 2007 on KD EAD debt. |
| BAPM | Bulgarian-American Property Management Company ("BAPM") is a Bulgarian company 100% owned by BAEF which has been established to facilitate certain investment transactions. BAEF has provided a debt facility to BAPM. As of September 30, 2007 the current outstanding principal balance was \$39,644,484. BAEF recognized interest income of \$2,059,896 on BAPM debt. |

STATEMENT 18 - SCHEDULE A - PART III - QUESTION 2 a; b, e

In April, 2005 BAEF sold 70% of its shares in Ameta Holding AD ("AMETA") to a company owned by the management of AMETA. Under the stock purchase agreement, BAEF agreed to finance a substantial portion of the sale under an amortizing promissory note with a final due date of December 31, 2011. The loan was prepaid in May, 2007. BAEF recognized interest income of \$143,471 during the year ending September 30, 2007 on this loan.

STATEMENT 19 - SCHEDULE A - PART III - QUESTION 2 c; d

The Bulgarian-American Property Management Company ("BAPM") is 100% owned by BAEF. BAPM manages BAEF's rental properties under property management agreements. Any costs directly attributable to the operation, maintenance, management and repair of the rental properties that are not billable to lessees are covered by BAEF.

STATEMENT 20 - SCHEDULE A - PART III - QUESTION 2 b, c, d

Serdika Capital Advisors, LLC (SCA), Serdika Realty Advisors, LLC (SRA), and Enterprise Realty Group (ERG), a Bulgarian Company which is wholly owned by SCA, were established by BAEF's management at the request of BAEF's Board of Directors (BOD) to accommodate AID requirements. On this basis, BAEF's BOD authorized BAEF to pay all of SCA's and ERG's startup and continuing administrative expenses. SCA, SRA, ERG are responsible for all expenses associated with business deals as well as any taxes associated with such deals.

BAEF from time to time contracts the services of SCA (since inception, SRA has not had any operations). The members of SCA consist of one Director/Officer of BAEF, and four Officers of BAEF. The only member of SRA is a Director/Officer of BAEF.

STATEMENT 21 - SCHEDULE A - PART III - QUESTION 2c

BAEF maintains deposits in BACB (54% owned by BAEF). As of September 30, 2007, BAEF's deposits in BACB totaled approximately \$31.2 million. BAEF recognized interest income of \$1,119,316 during the year ending September 30, 2007 on BACB deposits.

During the year ending September 30, 2007 ERG-1 and ERG-2 incurred an asset management fee of \$466,730 to SCA.

During the year ending September 30, 2007 ERG-1 and ERG-2 incurred a service fee of \$90,646 to BAPM.

During the year ending September 30, 2007 ERG-3 incurred a service fee of \$358,934 to SCA.

During the year ending September 30, 2007 KD-1 incurred a service fee of \$12,543 to BACB.

STATEMENT 22 - SCHEDULE A - PART III - QUESTION 2a

ERG-2 leases a billboard to BACB (54% owned by BAEF) on a 3 year non-cancelable lease contract. The contract expired on May 1, 2007.

BULGARIAN-AMERICAN ENTERPRISE FUND
FISCAL YEAR ENDED 9/30/07
FEIN 38-3792460

STATEMENT 23 - FORM 990 - PART IX - INFORMATION REGARDING TAXABLE SUBSIDIARIES

| | |
|--------------|--------------------------------------------------------------------------------------------------------|
| A) NAME | BAEF Investment Joint Venture 333 W Wacker Drive Suite 460 Chicago, IL 60606 FEIN# 20-3313367 |
| B) OWNERSHIP | 100 00% |
| C) ACTIVITY | Profit/Loss Sharing Partnership |
| D) Income | \$52,750,661 |
| C) Assets | \$10,315,415 |

BAEF is a not-for-profit corporation pursuant to the Support for East European Democracy Act of 1989 (the "SEED Act") for the primary purpose of promoting the development of the Bulgarian private sector To achieve its purpose BAEF engages in a broad private investment program in Bulgarian through equity investments, loans, grants, technical assistance and other measures

Therefore, by it's nature, BAEF has obtained ownership interests greater than 50% in various Bulgarian entities These Bulgarian entities are subject to the laws and taxes of Bulgaria All Bulgarian investment holdings are disclosed in the annual audited financial statements and reported to the U S Agency for International Development (AID) in compliance with the requirements of BAEF's Grant Agreement with AID and the SEED Act

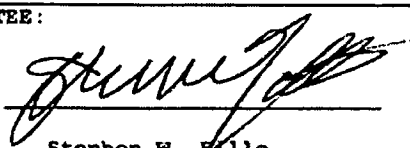

STATEMENT 24 - FORM 990 - PART VI - QUESTION 76 -

DID THE ORGANIZATION MAKE A CHANGE IN ITS ACTIVITIES OR METHODS OF CONDUCTING ACTIVITIES:

In accordance with the Grant Agreement between the U S Agency for International Development (USAID) and BAEF, USAID notified BAEF that September 30, 2006 is the termination commencement date for the Fund The Grant Agreement defines this date as the date after which the Fund shall not make any new commitments or investments and by which the Fund shall commence the winding up of its affairs and sale of its assets on an orderly basis USAID and BAEF executed agreements on December 20, 2007 requiring the liquidation of the BAEF and distribution of a portion of its assets to the U S Treasury and the remainder to another public charity, the America for Bulgaria Foundation (see Exhibit #1)

EXHIBIT #1

MODIFICATION OF GRANT DATED DECEMBER 20, 2007

| MODIFICATION OF GRANT | | | Page 1 of 8 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 1. MODIFICATION NUMBER 20 | 2. EFFECTIVE DATE OF MODIFICATION See Block 15 | 3. GRANT NUMBER: EUR-G-00-92-00013-00 | 4. EFFECTIVE DATE OF GRANT 01/02/92 |
| 5. GRANTEE: Bulgarian-American Enterprise Fund 333 West Wacker Drive, #460 Chicago, Illinois, 60606 DUNS No.: 80-917586C TIN No.: 36-3792460 | | 6. ADMINISTERED BY: U.S. Agency for Int'l Development E&E/EG Room 5.07-60 Washington, D.C. 20523 | |
| 7. FISCAL DATA: NMS ID #: 12730 Request ID: 00000232 Resource Code: 99999 Activity: Bulgarian American Enterprise Fund Amount \$00 | | 8. TECHNICAL OFFICE: E&E/EG | |
| | | 9. PAYMENT OFFICE: USAID M/FM/CMP Ronald Reagan Building Washington, D.C. 20523 | |
| 10. FUNDING SUMMARY: | | | |
| | | <u>Obligated Amount</u> | <u>Total Est. Amt.</u> |
| Amount prior to this Modification: | | \$ 57,752,599.42 | \$ 58,250,000 |
| Change made by this Modification: | | \$ 00 | \$ 00 |
| New/Current Total: | | \$ 57,752,599.42 | \$ 58,250,000 |
| 11. DESCRIPTION OF MODIFICATION: | | | |
| <p>The purpose of this modification is to modify the above-numbered grant in order to: approve the plan for the distribution of the proceeds from the sale of the assets of the Bulgarian-American Enterprise Fund; approve the endowment of the America for Bulgaria Foundation; and make such other modifications to the above-numbered grant necessary to conform with the foregoing.</p> <p>Accordingly, the above-numbered grant is hereby modified as follows: (Continued on page 2)</p> | | | |
| 12. THIS MODIFICATION IS ENTERED INTO PURSUANT TO THE AUTHORITY OF THE FOREIGN ASSISTANCE ACT OF 1961 AS AMENDED. EXCEPT AS SPECIFICALLY HEREIN AMENDED, ALL TERMS AND CONDITIONS OF THE GRANT REFERENCED IN BLOCK #3 ABOVE, AS IT MAY HAVE HERETOFORE BEEN AMENDED, REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT. | | | |
| 13. GRANTEE: IS NOT <input type="checkbox"/> REQUIRED <input checked="" type="checkbox"/> TO SIGN THIS DOCUMENT TO RECONFIRM ITS AGREEMENT WITH THE CHANGES EFFECTED HEREIN | | | |
| 14. GRANTEE: | | 15. THE UNITED STATES OF AMERICA | |
| BY:  <u>Stephen W. Millo</u> (Name Typed or Printed) | | U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT BY:  <u>Maureen Dugan</u> (Name Typed or Printed) | |
| TITLE: <u>Chairman, Bulgarian-American Enterprise Fund</u> | | TITLE: <u>Grants Manager & Director, E&E/EG</u> | |
| DATE: <u>1/15/05</u> | | DATE: <u>12/20/07</u> | |

GRANT NO. : EUR-G-00-92-00013-00
GRANTEE : BULGARIAN-AMERICAN ENTERPRISE FUND
MODIFICATION NO.: [20]
PAGE 2 OF [8]

WHEREAS, pursuant to the Foreign Assistance Act of 1961, as amended (the "FAA"), and the Support for East European Democracy Act of 1989, as amended (the "SEED Act"), the Bulgarian-American Enterprise Fund (the "Fund" or the "Grantee") has been authorized to receive funds to promote the development of the Bulgarian private sector, including small businesses; the agricultural sector; joint ventures with United States and Bulgarian participants; and policies and practices conducive to private sector development in Bulgaria, through loans, grants, equity investments, feasibility studies, technical assistance, training, insurance, guarantees, and other measures; and

WHEREAS, \$57,752,599 in funds appropriated to carry out the FAA and the SEED Act was subsequently provided to the Fund by the United States Agency for International Development ("USAID") (of which \$55,000,000 was provided as investment capital) through the subject Grant pursuant to a grant agreement from time to time subsequently amended (as so amended, the "Grant Agreement"); and

WHEREAS, the Fund has invested in a portfolio of loans and equity investments and established and participated in a wide variety of institutions and programs designed to assist in the development of a market economy in Bulgaria; and

WHEREAS, pursuant to Paragraph A. of amended General Provision No. 16 ("Termination and Liquidation of the Fund") of the Grant Agreement, the "termination commencement date" has been established as September 30, 2006; and

WHEREAS, the Fund has begun the process of liquidating its investment portfolio and expects to generate approximately \$200 million in liquidation proceeds (such liquidation proceeds, inclusive of interest and other earnings thereon, hereinafter referred to as the "Reflows"); and

WHEREAS, the Board of Directors of the Fund, in consultation with USAID, the U.S. Department of State and Congress, has determined that there is a need to undertake certain initiatives designed to support further development of Bulgaria's democratic principles and market economy; and

GRANT NO. : EUR-G-00-92-00013-00
GRANTEE : BULGARIAN-AMERICAN ENTERPRISE FUND
MODIFICATION NO.: [20]
PAGE 3 OF [8]

WHEREAS, the Fund will provide an endowment to the America for Bulgaria Foundation (the "Foundation"), which is a U.S. not-for-profit corporation and which has been established to advance the purposes of Section 201 (a) of the SEED Act of 1989 by building upon the experience of the Fund. Among the principal activities contemplated to be undertaken by the Foundation are private sector development through (a) education and entrepreneurship; b) leadership development; c) support for non-governmental organizations; and d) support for key competitive business sectors, such as tourism and technology.

NOW, THEREFORE, pursuant to the authority contained in the FAA and the SEED Act, USAID hereby amends the Grant Agreement as follows:

1. Submission of Liquidation Plan. The plan for the liquidation of the Grantee's assets, required to be submitted to USAID pursuant to Paragraph E. of amended General Provision No. 16 ("Termination and Liquidation of the Fund") of the Grant Agreement, is attached hereto at TAB A, and is hereby approved by USAID.

2. Distribution of Liquidation Proceeds. Pursuant to Paragraph G. of amended General Provision No. 16 ("Termination and Liquidation of the Fund") of the Grant Agreement, the Reflows shall be distributed as follows:

a. The amount of \$27.5 million (Twenty-Seven Million Five Hundred Thousand United States Dollars), which represents one-half of the total of \$55.0 million which was provided to the Fund as investment capital (or, in the event the Reflows amount to less than \$55.0 million, half of such lesser amount) shall be returned to the United States Government from the Reflows (such amount referred to herein as the "Treasury Reflows"). The balance of the Reflows, less such operating expenses as the Board of Directors of the Fund deems necessary or appropriate for the operation of the Fund (such operating expenses, inclusive of any amounts committed for investments at the time of the termination commencement date, hereinafter referred to as the "Operating Expenses") (the balance of such Reflows less Operating Expenses hereinafter referred to as the "Foundation Reflows"), shall be provided by the Fund to the Foundation in accordance with Section 2(c) herein. Provided that political, economic, and commercial circumstances in Bulgaria permit the Fund to carry out the plan for the liquidation of the Fund, attached hereto as TAB A, the Treasury Reflows and Foundation Reflows shall be distributed as follows:

GRANT NO. : EUR-G-00-92-00013-00
GRANTEE : BULGARIAN-AMERICAN ENTERPRISE FUND
MODIFICATION NO.: [20]
PAGE 4 OF [8]

i. the Treasury Reflows and the Foundation Reflows shall be distributed to the U.S. Government and to the Foundation , respectively, at such times and in such amounts as the Board of Directors of the Fund determines to be appropriate in view of the aggregate Reflows available for distribution at any applicable time; provided, however, that until such time as 100% of the Treasury Reflows (i.e., \$27.5 million (Twenty-Seven Million Five Hundred Thousand United States Dollars) or, in the event the Reflows amount to less than \$55.0 million (Fifty-Five Million United States Dollars), half of such lesser amount), have been distributed to the U.S. Government, any distributions of Treasury Reflows and Foundation Reflows shall be made in equal installments and on the same dates.

b. If the Fund is unable to repay all or any part of the Treasury Reflows to the United States Government in accordance with the provisions of Section 2(a)(i) herein, USAID may direct the Fund to make up all or any part of such shortfall by requiring the Foundation to repay or transfer to the Fund all or any part of the Endowment Amount (as hereinafter defined), together with the Endowment Proceeds (as hereinafter defined), which the Fund shall promptly pay or transfer to the United States Government;

c. The Foundation Reflows shall be granted by the Fund to the Foundation as an endowment (the "Endowment Amount") pursuant to the terms and conditions of a grant agreement between the Fund and the Foundation (the "Foundation Grant Agreement"), which shall be subject to the prior review of the Department of State and USAID and approval by USAID. Attached hereto at TAB B is a copy of the Foundation Grant Agreement which has received such prior review by the Department of State and USAID and is hereby approved by USAID. All subsequent amendments to the Foundation Grant Agreement shall likewise be subject to the prior review of the Department of State and USAID and approval by USAID. The Endowment Amount shall be inclusive of all investments subsequently made by the Foundation with the Endowment Amount or the Endowment Proceeds (as hereinafter defined).

d. Principal Provisions of the Foundation Grant Agreement. The Foundation Grant Agreement provides the United States with a permanent reversionary interest in the Endowment Amount, together with any interest thereon and other earnings generated thereby (such interest and earnings hereinafter referred to as the "Endowment Proceeds"), and shall include the following provisions:

GRANT NO. : EUR-G-00-92-00013-00
GRANTEE : BULGARIAN-AMERICAN ENTERPRISE FUND
MODIFICATION NO.: [20]
PAGE 5 OF [8]

i. A Board of Directors that shall consist of private citizens of the United States, and, on or before January 1, 2009 and at all times thereafter, shall include private citizens of Bulgaria; provided that the majority of the Board shall consist of private citizens of the United States;

ii. Three-year terms for Directors;

iii. A Board of Directors authorized to invest in public or private U.S., Bulgarian, or other financial instruments and securities in a manner consistent with the Board's fiduciary duty and with the Foundation's financial needs to carry out its planned program of activities;

iv. A permanent, non-voting liaison to the Board who would be designated by the U.S. Government;

v. The Foundation shall have the authority to raise outside funds, which it could use either for program activities or to increase the size of its endowment;

vi. Appropriate provisions dealing with conflicts of interest, which would address potential conflicts that the directors or officers of the Foundation and the Grantee might face; and

vii. The Foundation Grant Agreement requires the Foundation to pursue an overall general goal and specific objectives, consistent with those reflected in the Liquidation Plan (TAB A), with the Endowment Amount or any Endowment Proceeds.

viii. The Foundation Grant Agreement shall require the Foundation to include appropriate language in all of its publicly disseminated information, which shall acknowledge the original source of the grant funds provided through the America for Bulgaria Foundation as being the U.S Government acting through the U.S Agency for International Development (USAID) and that the funds provided through the America for Bulgaria Foundation are intended to be a gift from the American people to the citizens of Bulgaria, to further build and strengthen the friendship and goodwill existing between our countries. Such language shall be included in all publicly disseminated information, including but not limited to any and all announcements regarding the Foundation or its grant programs or other activities, brochures, website, publications, and other similar information provided or distributed by or on behalf of the Foundation.

GRANT NO. : EUR-G-00-92-00013-00
GRANTEE : BULGARIAN-AMERICAN ENTERPRISE FUND
MODIFICATION NO.: [20]
PAGE 6 OF [8]

3. Financing of the Foundation Activities. The Fund may permit the Foundation to finance activities contemplated by the Foundation Grant Agreement from: (i) the Endowment Proceeds; (ii) the Endowment Amount; and/or (iii) funds obtained from outside sources as contemplated pursuant to Section 2(d)(v) hereof;

4. Termination, Suspension of Payments or Transfers, Reversion of Endowment Amount and Endowment Proceeds.

a. The Fund agrees to promptly inform USAID of the occurrence of any circumstances contemplated by Section 2 a. of this Agreement regarding the political, economic and commercial circumstances in Bulgaria, or by Subsections (i) through (v) (inclusive) of Section 3(a) of the Foundation Grant Agreement. USAID, following consultation with the Board of Directors of the Fund, shall have the right to direct the Fund to terminate the Foundation Grant Agreement, suspend payment or transfer of all or any portion of the Foundation Reflows, and/or to require repayment or transfer to the Fund of all or any portion of the Endowment Amount paid or transferred to the Foundation, together with any Endowment Proceeds, in the event USAID determines, following such consultation, that any of the circumstances contemplated by Subsections (i) through (v) (inclusive) of Section 3(a) of the Foundation Grant Agreement have occurred and that they cannot be cured, to the satisfaction of USAID, within a reasonable period of time as determined by USAID;

b. All repayments and transfers required to be made to the Fund, and all payments and transfers suspended by the Fund, pursuant to Section 3 of the Foundation Grant Agreement, including those repayments, transfers and suspensions directed by USAID pursuant to this Paragraph 4, as well as any Reflows not used for Operating Expenses, shall, upon direction by USAID, be promptly returned by the Fund to USAID;

c. In the event that: (i) Section 3 of the Foundation Grant Agreement, or any part thereof, or any subsequent terms or provisions to the same effect, or the application thereof to any party or circumstances, are held invalid or unenforceable; or (ii) the Foundation Grant Agreement terminates for any reason, the Endowment Amount, together with any Endowment Proceeds, plus any Net Reflows not yet paid or transferred to the Foundation, as well as any Reflows not used for Operating Expenses, shall, upon direction by USAID, be promptly returned by the Fund to USAID. After such return USAID has the right, notwithstanding any other provision of the Grant Agreement, to terminate the Grant Agreement, and any remaining assets of the Fund shall, except as otherwise determined by USAID, be liquidated and returned to USAID; and

GRANT NO. : EUR-G-00-92-00013-00
GRANTEE : BULGARIAN-AMERICAN ENTERPRISE FUND
MODIFICATION NO.: [20]
PAGE 7 OF [8]

d. Such parts of the Foundation Reflows and/or the Endowment Amount, together with any Endowment Proceeds, as may be due to be returned to USAID pursuant to this Paragraph 4 and which are not liquidated shall, upon direction of USAID, be liquidated before being returned to USAID.

5. Foundation Activities with the Endowment Amount and Endowment Proceeds. The Foundation is being established as a perpetual activity for the benefit of Bulgaria, subject to termination at any time by the Board of Directors, with the approval of USAID, in the event that the Board determines that the existing environment in Bulgaria is not conducive to the realization of the benefits and purposes of the Foundation as originally contemplated.

6. Retention of Reflows for Fund Operating Expenses. Notwithstanding the provisions of Paragraph G. of amended General Provision No. 16 ("Termination and Liquidation of the Fund") of the Grant Agreement, the Fund may retain out of the Reflows such amounts as the Board of Directors deems necessary or appropriate for the operation of the Fund.

7. Submission of Reports. The Fund shall promptly provide to USAID copies of all progress reports, audits and other related documents and communications required by the Foundation Grant Agreement to be provided to the Fund by the Foundation.

8. Assignment of Rights. The Fund agrees that it shall not assign or otherwise alienate any of its rights or obligations under the Foundation Grant Agreement without the prior written approval of USAID. The Fund further agrees that it shall promptly notify USAID of any intention on the part of the Foundation to assign or alienate any of its rights or obligations under the Foundation Grant Agreement.

9. Terrorist Financing. The Grantee is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the recipient to ensure compliance with these Executive Orders and laws. This provision must be included in all contracts/subawards issued under this agreement.

10. Amendment of Grant Agreement. To the extent that any of the provisions, terms or conditions of the Grant Agreement not specifically amended by this

GRANT NO. : EUR-G-00-92-00013-00
GRANTEE : BULGARIAN-AMERICAN ENTERPRISE FUND
MODIFICATION NO.: [20]
PAGE 7 OF [8]

Modification No. 20 to the Grant Agreement are inconsistent with any of the provisions of this Modification No. 20, the provisions of this Modification No. 20 shall prevail, and such provisions, terms or conditions of the Grant Agreement shall be considered to be amended to the extent necessary to be consistent with this Modification No. 20.

11. Continued Effect of Grant Agreement. Subject to the provisions of Paragraph 10, the Grant Agreement, as subsequently amended, remains in full force and effect.

Attachments: TAB A - Fund Liquidation Plan
TAB B - Foundation Grant Agreement

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒ **►**
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868**

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

Section 501(c) corporations required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c) corporations required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

| | | |
|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| Type or print File by the due date for filing your return. See instructions. | Name of Exempt Organization Bulgarian-American Enterprise Fund | Employer identification number 36 3792460 |
| | Number, street, and room or suite no. If a P.O. box, see instructions 333 W. Wacker Drive, Suite 460 | |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions Chicago, IL 60606 | |
| | | |

Check type of return to be filed (file a separate application for each return)

- | | | |
|----------------------------------------------|-------------------------------------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- The books are in the care of **► Nancy Schiller**

Telephone No **► (312) 629-2500** FAX No **► (312) 629-2929**

- If the organization does not have an office or place of business in the United States, check this box ☐ **►**
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) **_____**. If this is for the whole group, check this box ☐ **►**. If it is for part of the group, check this box ☐ **►** and attach a list with the names and EINs of all members the extension will cover

- 1 I request an automatic 3-month (6 months for a section 501(c) corporation required to file Form 990-T) extension of time until **May 15**, 20 **08**, to file the exempt organization return for the organization named above. The extension is for the organization's return for.

- ☐ calendar year 20 **_____** or
► ☒ tax year beginning **October 1**, 20 **06**, and ending **September 30**, 20 **07**

- 2 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

| | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|-------|
| 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions | 3a | \$ | N / A |
| b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. | 3b | \$ | N / A |
| c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. | 3c | \$ | NONE |

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time. You must file original and one copy.

| | | |
|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| Type or print File by the extended due date for filing the return. See instructions | Name of Exempt Organization Bulgarian-American Enterprise Fund | Employer identification number 36 : 3792460 |
| | Number, street, and room or suite no. If a P.O. box, see instructions. 333 W. Wacker Dr., Suite 460 | For IRS use only |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. Chicago, IL 60606 | |

Check type of return to be filed (File a separate application for each return):

- ☒ Form 990 ☐ Form 990-PF ☐ Form 1041-A ☐ Form 6069
☐ Form 990-BL ☐ Form 990-T (sec. 401(a) or 408(a) trust) ☐ Form 4720 ☐ Form 8870
☐ Form 990-EZ ☐ Form 990-T (trust other than above) ☐ Form 5227

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

The books are in the care of **Nancy Schiller**
 Telephone No. (**312**) **629-2500** FAX No. (**312**) **629-2929**

If the organization does not have an office or place of business in the United States, check this box ☐

If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until **August 15**, 20**08**.
 5 For calendar year _____, or other tax year beginning **October 1**, 20**06**, and ending **September 30**, 20**07**.
 6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period
 7 State in detail why you need the extension **USAID recently issued a modification of its grant agreement with the Fund under which the Fund is to begin liquidation and transfer of a portion of its assets to the US Government and the remainder to a US not for profit corporation. Additional time is needed to determine how to properly address these matters in the Form 990.**

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------|
| 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. | 8a | \$ N / A |
| b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868. | 8b | \$ N / A |
| c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. | 8c | \$ NONE |

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature  Title **Chief Financial Officer** Date **April 28, 2008**

Notice to Applicant. (To Be Completed by the IRS)

- ☐ We have approved this application. Please attach this form to the organization's return.
☐ We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
☐ We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
☐ We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
☐ Other _____

Director _____ By _____ Date _____

Alternate Mailing Address. Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

| | |
|---------------|-----------------------------------------------------------------------------|
| Type or print | Name |
| | Number and street (include suite, room, or apt. no.) or a P.O. box number |
| | City or town, province or state, and country (including postal or ZIP code) |