



**INTERNATIONAL TROPICAL  
TIMBER COUNCIL**

**COMMITTEE ON  
FINANCE AND ADMINISTRATION**

Distr.  
RESTRICTED

CFA(XXX)/6 Rev.1  
31 August 2016

ENGLISH ONLY

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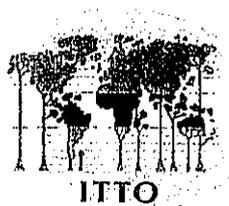
THIRTIETH SESSION  
16 - 21 November 2015  
Kuala Lumpur, Malaysia

**REPORT OF THE INDEPENDENT PUBLIC ACCOUNTANTS**

(Item 9 of the Provisional Agenda)

	<u>Page</u>
A. Declaration of Fair Statement .....	1
B. Financial Statements as of December 31, 2014 and 2013 together with The Independent Auditor's Report .....	3
C. Financial Statements of the Administrative Account as of December 31, 2014 and 2013 together with the Independent Auditor's Report thereon .....	29
D. Financial Statements of the Special Account as of December 31, 2014 and 2013 together with the Independent Auditor's Report thereon .....	51
E. Financial Statements of the Bali Partnership Fund as of December 31, 2014 and 2013 together with the Independent Auditor's Report thereon .....	77
F. Financial Statements of the Executing Agencies Account as of December 31, 2014 and 2013 together with the Independent Auditor's Report thereon .....	93





## INTERNATIONAL TROPICAL TIMBER ORGANIZATION

### DECLARATION OF FAIR STATEMENT

The Executive Director is required by the International Tropical Timber Agreement ("ITTA") of 2006 to maintain such accounting records as are necessary and to submit balance sheet of the International Tropical Timber Organization ("ITTO") as of December 31, 2014, the related statements of revenues and expenditures and changes in fund balance of the year then ended (herein referred to as the "Financial Statements"). He is also required to give such other information as may be appropriate to indicate the current financial position of the Organization.

Management is responsible for the preparation and integrity of the financial statements in this report. These statements have been prepared in accordance with accounting policies described in Note 2 and necessarily include certain amounts that are based on management's best estimate and judgment. Financial information contained throughout the report is consistent with that in the financial statements. Management considers that the financial statements present fairly the financial position of the Organization, the results of its operations and its cash flows and the information disclosed in this report is presented in accordance with the provisions of ITTA and the "Financial Rules and Rules Relating to Projects of the ITTO".

To fulfill its responsibility, the Organization maintains systems of internal controls, policies and procedures to ensure the reliability of financial information and the safeguarding of assets. The Internal control systems are subject to both internal and external audit. The External Auditors have audited the financial statements and a summary of significant accounting policies described in Note 2 and the related financial statement schedules I and II for the year ended December 31, 2014 and their report indicates the scope of their audit and their opinion on the Financial Statements.

As the Officer-in-Charge of the International Tropical Timber Organization, I hereby approve and submit the financial report of ITTO, accompanied by Financial Statements, the Schedules and the Annexes for the year 2014.

A handwritten signature in black ink, appearing to read "S. Johnson", is written over a horizontal line.

Steven Johnson  
Officer-in-Charge  
Yokohama, Japan  
31 August 2016



**Financial Statements**  
**International Tropical Timber Organization**  
*December 31, 2014 and 2013*





# International Tropical Timber Organization

## Financial Statements

December 31, 2014 and 2013

### Contents

Report of Independent Auditors .....	1
Balance Sheets .....	2
Statements of Revenues and Expenditures .....	3
Statements of Changes in Fund Balance .....	4
Statement of Cash Flows .....	5
Notes to Financial Statements .....	6





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## Report of Independent Auditors

To the Executive Director of  
International Tropical Timber Organization

Pursuant to Article 23 of the International Tropical Timber Agreement of 2006, we have audited the accompanying balance sheet of the International Tropical Timber Organization (the "ITTO") as of December 31, 2014, the related statements of revenues and expenditures, changes in fund balance, and cash flows for the year then ended (herein referred to as the "financial statements"), a summary of significant accounting policies described in Note 2 and the related financial statement schedules I to II for the year ended December 31, 2014. The financial statements have been prepared by the ITTO Secretariat based on the provisions of the ITTA and the "Financial Rules and Rules Relating to Projects of the ITTO".

The ITTO Secretariat is responsible for the preparation and fair presentation of these financial statements and financial statement schedules in accordance with the accounting policies described in Note 2 and for such internal control as Secretariat determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The financial statements consist of four accounts - the Administrative Account, the Special Account, the Bali Partnership Fund Account and the Executing Agencies Account.

Our responsibility is to express an opinion on these financial statements and the related financial statement schedules based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting policies used and significant estimates made by the Secretariat, and evaluating the overall financial statements presentation. We believe that our audit of the financial statements provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements and financial statement schedules have been prepared, in all material respects, in accordance with the accounting policies set out in Note 2.

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describe the basis of accounting. The financial statements are prepared to assist ITTO to comply with the provisions of the ITTA and the "Financial Rules and Rules Relating to Projects of the ITTO". As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for members of ITTO and should not be distributed to or used by anyone other than members of ITTO.

June 30, 2015

*BDO Toyo & Co.*



International Tropical Timber Organization

Balance Sheets

	<b>December 31,</b>	
	<b>2014</b>	<b>2013</b>
	<i>(U.S. dollars)</i>	
<b>Assets</b>		
Cash and time deposits	\$23,454,660	\$19,861,922
Investments in securities	12,200,000	12,902,060
Arrears in voluntary contributions	2,105,391	5,151,401
Accounts receivable from Japan	284,112	–
Prepaid expenses	39,336	1,038
Advances to and receivable from staff members and others	320,109	185,622
Accrued revenue	438,332	224,214
	<u>\$38,841,939</u>	<u>\$38,326,258</u>
<b>Liabilities and contributions</b>		
Accounts payable to staff members and others	\$ 21,755	\$ 53,330
Accounts payable to Japan	96,679	105,153
Accrued liabilities	572,515	255,828
Membership contributions received in advance	176,272	132,194
Unappropriated fund	2,498,885	4,059,886
Reserve for programme support	1,543,317	1,194,324
	<u>4,909,424</u>	<u>5,800,715</u>
<b>Members' funds</b>		
Administrative Account:		
Special reserve	1,500,000	1,500,000
Reserve provided by interest income	2,078,016	2,072,728
Surplus of revenues over expenditures	10,396,840	9,180,770
Project accounts:		
Appropriated for specified projects, pre-projects and activities	34,128,497	35,422,222
Unappropriated funds	(5,137,477)	(5,508,905)
Surplus from completed projects, pre-projects and activities	2,315,257	2,258,772
Impairment of Investment in securities	(5,967,546)	(6,000,000)
	<u>39,313,588</u>	<u>38,925,588</u>
Arrears in assessed contributions	(5,405,793)	(6,424,765)
Allowance for arrears	24,720	24,720
	<u>33,932,516</u>	<u>32,525,542</u>
	<u>\$38,841,939</u>	<u>\$38,326,258</u>

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

International Tropical Timber Organization

Statements of Revenues and Expenditures

	<b>Year ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
	<i>(U.S. dollars)</i>	
<b>Revenues:</b>		
Contributions from member countries	\$ 7,322,796	\$ 7,924,735
Reimbursement by Japan	772,803	307,493
Voluntary contributions	11,181,747	9,372,718
Rectification	(864,420)	-
Pledges not received	(32,302)	-
Correction to prior year's budget	-	(429,706)
Interest income	952,895	67,763
Dividends	64,847	430,977
Other income	34,746	2,223
	<u>19,433,111</u>	<u>17,676,203</u>
<b>Expenditures and others:</b>		
<b>Administrative accounts:</b>		
Salaries and benefits	3,695,896	4,222,748
Official travel	122,895	138,027
Social security	725,514	807,938
Special activities	32,015	24,597
Data processing	86,628	129,613
Other costs	205,545	189,316
Council meetings	693,228	197,319
Communication and Outreach	428,054	241,361
Expert meetings	129,376	-
Statistics, Studies and Information	283,034	259,900
Annual Report and Biennial review	30,286	7,698
Write-off of arrears in contributions	55,755	125,907
Exchange loss	124,570	64,054
Time delay (Reversal of time delay) in settling advance payments	(46,368)	109,652
Gain and Loss on securities	81,592	(91,819)
Allowance expense for arrears	-	24,720
Impairment of Investments in securities	-	6,000,000
	<u>6,648,020</u>	<u>12,451,031</u>
<b>Project accounts:</b>		
Project cost	11,614,040	12,550,791
	<u>18,262,059</u>	<u>25,001,823</u>
Excess of revenues over expenditures (Excess of expenditures over revenues)	<u>\$1,171,052</u>	<u>\$ (7,325,620)</u>

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

International Tropical Timber Organization

Statements of Changes in Fund Balance

For the years ended December 31

	Total	Administrative Account	Special Account	Bali Partnership Fund Account	Executing Agencies Account	Elimination
<i>(U.S. dollars)</i>						
<b>2013</b>						
Members' funds as of January 1, 2013	\$47,185,027	\$11,109,600	\$ 2,673,934	\$ 892,385	\$32,509,107	\$ -
Excess of revenues over expenditures	(7,402,197)	2,016,136	(3,878,835)	560,502	(6,000,000)	(100,000)
Surplus from Completed projects	76,578	-	56,072	20,506	-	-
Utilization of remaining funds by donors	(784,371)	(122,789)	(661,582)	-	-	-
Adjustment of prior year	(149,449)	(149,449)	-	-	-	-
Transfer to Special Account from Administrative Account	-	(100,000)	-	-	-	100,000
Transfer to Special Account from Executing Agencies Account	-	-	4,759,382	-	(4,759,382)	-
Transfer to Executing Agencies Account from Bali Partnership Fund Account	-	-	-	(392,214)	392,214	-
Members' funds as of December 31, 2013	\$38,925,588	\$12,753,498	\$ 2,948,971	\$ 1,081,179	\$22,141,940	\$ -
<b>2014</b>						
Excess of revenues over expenditures	1,066,590	1,438,556	(452,326)	112,906	32,454	(65,000)
Surplus from Completed projects	104,461	-	96,441	8,020	-	-
Utilization of remaining funds by donors	(618,770)	-	(618,770)	-	-	-
Utilization of members fund provided by interest income for consultant fee	(60,062)	(60,062)	-	-	-	-
Adjustment of prior year	(104,220)	(92,136)	(12,084)	-	-	-
Transfer to Special Account from Administrative Account	-	(65,000)	-	-	-	65,000
Transfer to Special Account from Bali Partnership Fund Account	-	-	348,767	(348,767)	-	-
Transfer to Special Account from Executing Agencies Account	-	-	892,361	-	(892,361)	-
Transfer to Bali Partnership Fund Account from Executing Agencies Account	-	-	-	356,793	(356,793)	-
Members' funds as of December 31, 2014	\$39,313,588	\$13,974,857	\$ 3,203,360	\$ 1,210,131	\$20,925,241	\$ -

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

International Tropical Timber Organization

Statements of Cash Flows

	<b>Year ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
	<i>(U.S. dollars)</i>	
Excess of revenues over expenditures	\$ 1,171,052	\$ (7,325,620)
Changes in assets and liabilities:		
Arrears in voluntary contributions	3,046,010	(976,253)
Arrears in assessed contributions	1,018,973	813,978
Investments in securities	702,060	(18,902,060)
Held to maturity securities	-	15,061,660
Accounts receivable from Japan	(284,112)	381,028
Prepaid expenses	(38,297)	287
Advances to and receivable from staff members and others	(134,487)	(99,084)
Accrued revenue	(214,118)	(92,094)
Allowance for arrears	-	24,720
Accounts payable to staff members and others	(31,575)	52,040
Accounts payable to Japan	(8,474)	105,153
Accrued liabilities	316,687	(637,659)
Membership contributions received in advance	44,078	(216,675)
Unappropriated fund	(1,561,001)	2,980,467
Reserve for programme support	348,993	88,899
Impairment of Investments in securities	-	6,000,000
Changes in members' funds:		
Adjustment of prior year	(104,220)	(149,449)
Cash disbursement as Decision 2 (XXXIV)	(60,062)	(122,789)
Utilization of remaining funds by donors	(618,770)	(661,582)
Net increase / (Net decrease) in cash	<u>3,592,738</u>	<u>(3,675,033)</u>
Cash and time deposits at beginning of year	19,861,922	23,536,955
Cash and time deposits at end of year	<u>\$23,454,660</u>	<u>\$19,861,922</u>

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

## International Tropical Timber Organization

### Notes to Financial Statements

#### **1. Organization and Business**

The International Tropical Timber Organization (ITTO) was established pursuant to the International Tropical Timber Agreement, 1983, with its headquarters in Yokohama, Japan, and continues to operate from this location. The Agreement was succeeded by the International Tropical Timber Agreement, 1994 and 2006 (“the Agreement”).

The objectives of the Organization are laid down in Article 1 of the Agreement and include the provision of a consultative forum for producing and consuming members on all aspects of the world timber economy; promotion of the expansion, diversification, and structural improvement of the international tropical timber trade together with more transparency and better distribution; the encouragement of reforestation and other forest management activities; promotion of further processing of tropical timber in the producing countries, with research and development as well as technology transfer to support both of these goals; and support for development of national policies in sustainable utilization and conservation of tropical forests, with special regard for ecological balance and genetic resources.

The accounts of ITTO consist of the Administrative Account, the Special Account, the Bali Partnership Fund, the Executing Agencies Account and Other Accounts which the International Tropical Timber Council (ITTC) shall deem appropriate and necessary. As of December 31, 2014, only the first four accounts have been established. The Executing Agencies Account was established in 2003. In addition, as of December 31, 2014, four sub-accounts have been established under the Special Account and two sub-accounts under the Bali Partnership Fund Account, namely: (1) the Project Sub-Account, (2) the Pre-Project Sub-Account, (3) the Thematic Programmes Sub-Account and (4) the Japan Trust Fund under the Special Account, and the Sub-Account “A” and the Sub-Account “B” under the Bali Partnership Fund Account. All inter-account balance and transaction are eliminated in the financial statements of ITTO.

#### **Administrative Account**

Contributions to the Administrative Account are payable in freely usable currencies in accordance with the provisions of Article 22 of the Agreement.

The Government of Japan provides suitable premises, with furniture, fittings, and other equipment, as well as conference facilities gratis for the use of ITTO, and supplies all necessary gas, electricity, water, fire protection, and other utilities gratis for the ITTO headquarters. The value of such items provided is not recorded in the accompanying financial statements.

## International Tropical Timber Organization

### Notes to Financial Statements (continued)

#### 1. Organization and Business (continued)

##### Special Account

The possible sources of finance for the Special Account are:

- (a) The Common Fund for Commodities (CFC);
- (b) Regional and international financial institutions; and
- (c) Voluntary contributions.

The resources of the Special Account are used only for approved projects or for pre-project activities. All expenditures under the Pre-Project Sub-Account are reimbursed from the Project Sub-Account if projects emanated from those pre-projects are subsequently approved and funded. All receipts pertaining to specific identifiable projects are brought into the Special Account. All expenditures incurred on such projects are charged to the Special Account.

ITTC shall, by special vote, establish terms and conditions on which it would, when and where appropriate, sponsor projects for loan financing, where a member or members have voluntarily assumed full obligations and responsibilities for such loans. ITTO shall have no obligations for such loans.

Contributions for specified approved projects are used only for the projects for which they were originally intended, unless otherwise decided by ITTC in agreement with the contributor. In case ITTC decides to terminate a project, ITTO shall return to each contributor for specific projects the balance of any funds remaining pro rata to each contributor's share in the total of the contributions originally made available for financing that project, unless otherwise agreed to by the contributor.

Financial contributions to the Special Account are payable in freely usable currencies and are exempt from foreign-exchange restrictions. ITTC may decide to accept other forms of contributions to the Special Account, including scientific and technical equipment or personnel, to meet the requirements of approved projects.

Actions/activities, pre-projects and projects are funded from the resources of both the Special Account and the Bali Partnership Fund Account (co-financed projects) in accordance with approval by ITTC.

## International Tropical Timber Organization

### Notes to Financial Statements (continued)

#### 1. Organization and Business (continued)

##### The Thematic Programmes Sub-Account

The ITTA, 2006, included the creation of the Thematic Programmes Sub-Account (article 20, paragraph 1(a)). The Council, at its Forty-fourth Session in November 2008, adopted the following three Decisions:

- Decision 8 (XLIV) The Thematic Programmes Sub-Account under the Special Account;
- Decision 9 (XLIV) on Thematic Programmes on Pilot Basis, and Operational Procedures and Guidelines; and
- Decision 10 (XLIV) Thematic Programme Profiles for the following thematic areas:
  - a. Forest Law Enforcement, Governance and Trade (TFLET);
  - b. Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests (REDDES);
  - c. Community Forest Management and Enterprises (CFME);
  - d. Trade and Market Transparency (TMT); and
  - e. Industry Development and Efficiency (IDE).

The Council, through Decision 8 (XLIV) decided to:

- (1) Establish, with effect from January 1, 2009, the Thematic Programmes Sub-Account in the Special Account of the International Tropical Timber Organization for the development, management, implementation and evaluation of Thematic Programmes;
- (2) Authorize the Executive Director to transfer into the Thematic Programmes Sub-Account unearmarked contributions for the financing of specific Thematic Programmes, consistent with the procedures for Thematic Programmes established on a pilot basis by the Council;
- (3) Request the Executive Director to submit to the Council an auditor's report on the Thematic Programmes Sub-Account of the Special Account as soon as possible after the close of the financial year but not later than six months after that date and in any case not later than two months before the next session of the Council; and
- (4) Apply mutatis mutandis the Financial Rules of the International Tropical Timber Organization to the Thematic Programmes Sub-Account.

The purpose of the Thematic Programmes Sub-Account shall be to facilitate unearmarked contributions for the financing of approved pre-projects, projects and activities consistent with Thematic Programmes established by the Council. The donors may allocate their contributions to specific Thematic Programmes or may request the Executive Director to make proposals for allocating their contributions. (Article 20, paragraphs 4 and 5, ITTA, 2006).

## International Tropical Timber Organization

### Notes to Financial Statements (continued)

#### 1. Organization and Business (continued)

##### Thematic Programmes Sub-Account (continued)

In accordance with the Decision 9 (XLIV) on the Operational Procedures and Guidelines, the Executive Director will be responsible for the implementation of the thematic programmes including the assessment and selection of proposals for financing under the Thematic Programme. The Members and the Executive Director will develop and submit proposals for financing under the Thematic Programme. Each thematic programme will have a Thematic Programme Advisory Committee to assist the Executive Director with the implementation of the thematic programme.

##### Japan Trust Fund in the Special Account

Pursuant to an Agreement between ITTO and Government of Japan, the Japan Trust Fund was established on December 9, 1993 as a separate Sub-Account of the Special Account. The resources of this fund consist of:

- (a) Interest accrued on investment of the unliquidated voluntary contribution from Japan to the Special Account as follows:
  - All interest up to December 31, 1993
  - A percentage agreed to between the Executive Director and Japan, but not exceeding 50 per cent of interest with effect from January 1, 1994. (Actual percentage for each of twenty one years ended December 31, 2014, was 50 percent.)
- (b) All interest earned from investment of funds from this Trust Fund.

This fund is used for:

- (a) Supplementary assistance approved by the ITTC to meet increased project cost for projects which were originally financed fully or partially by Japan.
- (b) Meeting costs related to assistance to ITTO agreed by Japan and the Executive Director.
- (c) Assistance to meet ad hoc expenditures for liaison activities between the Host Country (Japan) and the ITTO.

In December 2002, in accordance with instructions from Government of Japan an amount of \$15,000,000, accumulated surplus recorded in prior years in the Japan Trust Fund was transferred into the unappropriated fund (liability) in the Bali Partnership Fund: Sub-Account A, for subsequent financing by Japan of projects and pre-projects under the Bali Partnership Fund: Sub-Account A. These funds were fully allocated as of December 31, 2007, and as such the balance is nil as at December 31, 2014.

## International Tropical Timber Organization

### Notes to Financial Statements (continued)

#### 1. Organization and Business (continued)

##### **Bali Partnership Fund Account**

Pursuant to Article 18.1. (C) and Article 21 of the Agreement, the Bali Partnership Fund was established in 1999. The Fund is used for enhancing the capacity of members to implement a strategy for achieving exports of tropical timber and timber products from sustainably managed sources. Resources of the Fund shall be allocated by the ITTC only for Projects, Pre-Projects and Activities for the purpose set out in the Agreement and approved by the ITTC. Rule 15.3 of the Financial Rules and Rules Relating to Projects of ITTO adopted by ITTC through Decision 6 (XXIII) of December 6, 1997 (“the Financial Rules”), stipulates that no resources shall be transferred from the Special Account to the Bali Partnership Fund without a decision by ITTC and the consent of the original financial contributor. The activities began to take place in this Fund in 1999.

The possible sources of finance for the Bali Partnership Fund are:

- (a) Voluntary contribution from members;
- (b) Fifty per cent of interest earned as result of activities related to the Special Account;
- (c) Voluntary contribution from other public and private sources; and
- (d) Interest earned in the Bali Partnership Fund from all deposits to that Fund.

In allocating resources of the Fund, the Council shall take into account:

- (a) The special needs of members whose forestry sectors’ contribution to their economies is adversely affected by the implementation of the strategy for achieving the exports of tropical timber and timber products from sustainably managed sources by the year 2000; and
- (b) The needs of members with significant forest areas who establish conservation programmes in timber producing forests.

Operational rules of the Bali Partnership Fund Account are the same as those of the Special Account. The Bali partnership Fund Account has two sub-accounts, the Sub-Account “A” for country-specific and the Sub-Account “B” for non-country-specific relating to actions/activities, pre-projects and projects designed to directly assist tropical timber producing members to achieve the objective of the Fund.

## International Tropical Timber Organization

### Notes to Financial Statements (continued)

#### 1. Organization and Business (continued)

##### Executing Agencies Account

The ITTC at its Thirty-fifth Session held during November 3 – 8, 2003, through Decision 3 (XXXV), decided to establish the Executing Agencies Account with effect from the year ended December 31, 2003, in order to exclude the funds committed from the cash and time deposits of the Special Account and the Bali Partnership Fund Account at the end of each fiscal year.

The source of finance for the Executing Agencies Account are mainly the funds committed for specified Projects, Pre-Projects and Activities which are not yet disbursed to the respective Executing Agencies, and are to be disbursed in the future years in accordance with Projects Agreements between ITTO and the respective Executing Agencies.

The Decision 3 (XXXV) also authorized the transfer of fifty per cent interest earned on the Executing Agencies Account into the “unearmarked funds” in the Special Account, and the remaining balance of interest earned into the Bali Partnership Fund Account.

#### 2. Significant Accounting Policies

##### (1) Basis of preparation of accompanying financial statements

The accounting of ITTO is performed in accordance with provisions of the ITTA and the “Financial Rules and Rules Relating to Project of ITTO”. The accounts are maintained in U.S. dollars. Japanese yen transactions are translated into U.S. dollars monthly at the rates of exchange as determined and supplied by the United Nations. Foreign currency exchange gains and losses on conversion are included in the revenues and expenditures account. The accounts have been prepared primarily on an accrual basis.

##### (2) Investments in Securities

Financial asset is classified as Investments in Security if;

1) the financial assets is designated upon initial recognition when a group of financial assets is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the organization’s key management personnel. Investments in Securities are stated at fair values, with any gains or losses arising on measurement recognized in surplus or deficit. Fair value was measured based on those derived from inputs that are observable for the asset, either directly or indirectly.

2) the financial assets are the investments for which the organization has the positive intent and ability to hold to maturity. These investments are measured at amortized cost using the effective interest method less any impairment, with revenue recognized on an effective yield basis.

## International Tropical Timber Organization

### Notes to Financial Statements (continued)

(3) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

#### **Administrative Account**

(4) Fixed assets

Fixed asset additions are written off in the year of acquisition.

(5) Special reserve

A contingency reserve was established to set aside funds to meet obligations towards the staff members of the Organization arising in the event that the ITTO ceases to exist such as termination indemnities, repatriation travel and removal costs, and repatriation grants. The International Tropical Timber Council (ITTC) decided in its Resolution 1 (VIII) at its Eighth Session that the “contingency reserve” be a “Special Reserve Fund” to be utilized only as determined by the ITTC.

(6) Allowance for arrears

A provision for impairment of arrears is established when there is objective evidence that ITTO will not be able to collect all amounts due according to the original terms of the arrears. The length of outstanding period of the arrears and the status of the membership are considered indicators that the arrear is impaired. The change in the amount of the provision is expensed and included in Allowance expense for arrears on Statements of Revenues and Expenditures.

(7) Reserve provided by interest income

Based on the Financial Rules of ITTO (Rule 5.5), interest income is set aside as a reserve which constitutes a resource of the administrative budget for the next year through approval of the ITTC. Under Decision 2 (XXXIV) adopted at the Thirty-fourth Session in May 2003, the ITTC authorized the Executive Director to use the interest earned in the Administrative Account to hire on a temporary and intermittent basis, consultants and contractors to support the Secretariat in carrying out its duties. Therefore, for the Administrative Budget for the financial year 2003 onward, interest income is set aside in a separate heading to be utilized for these authorized purposes.

## International Tropical Timber Organization

### Notes to Financial Statements (continued)

#### 2. Significant Accounting Policies (continued)

##### Administrative Account (continued)

##### (8) Provident Fund

Until December 31, 2001, all staff members, except nationals of or permanent residents of Japan, participated in a provident fund as their pension plan. Contributions to the provident fund which are payable monthly include: (a) an amount equivalent to 7.25 percent of pensionable remuneration to be paid by the staff members and deducted from their salary; and (b) an amount twice of the staff members' contribution (14.50 percent) payable by the Organization. The ITTC, at its Forty-fourth Session held in November 2008, authorized the amendments to be made to the ITTO Staff Regulations and Rules; and accordingly amended the contributions to the Provident Fund by both the staff members and by the Organization to be "at the percentage rates set by the United Nations Joint Staff Pension Fund (UNJSPF)". The current percentages applied from November 2008 are: (a) 7.90% to be paid by the staff members, and (b) 15.80% payable by the Organization. Beginning from January 1, 2002, the ITTC authorized the Executive Director to implement a uniform system with regard to the contribution of the Organization to the Provident Fund for all staff members. Under this system, and for staff members who are nationals of or permanent residents of Japan, their contributions to the provident fund are the contribution payable by the Organization less the amount payable (by employer) to the Japanese national scheme. These staff members do not contribute to the provident fund as their salary are already deducted for the self-contribution to the Japanese national scheme.

ITTO entered into an agreement in December 1987 with an insurance company named Assicurazioni Generali S.p.A. for the management of the Organization's provident fund on behalf of its staff members with the firm "Generali Worldwide Insurance Company Limited", Guernsey, Channel Islands, United Kingdom. Subsequently, in April 2002, the agreement with the company was revised, mainly with a view to expand the scope of the provident fund through the inclusion of the option of ITTO US Equity Own Fund, in addition to the USD Deposit Administration Fund (USD Bond).

## International Tropical Timber Organization

### Notes to Financial Statements (continued)

#### 2. Significant Accounting Policies (continued)

##### Administrative Account (continued)

##### (9) Contribution Discounts

Based on the Rule 4.3 of the Financial Rules, and member who has paid its full contribution within four months after the due date, the first day of each financial year (Article 19.6 of the Agreement), shall receive a discount at a rate to be determined from time to time by the ITTC. The contribution discount for each year is recognized in the following year as a reduction of the following year's assessed contribution amount. The discount provided during 2013 and 2012 which are recognized in 2014 and 2013 totaled \$240,395 and \$279,564, respectively.

##### Special Accounts and Bali Partnership Fund Account

##### (10) Recognition of contributions

A voluntary contribution is recognized when a project is approved and financing is authorized by the ITTC. However, effective from 2002, voluntary contributions committed to be paid on installment basis are recognized on cash receipt basis.

Contributions received before project approval are recorded as unappropriated funds in the liabilities.

##### (11) Appropriation for specified projects

The outstanding balance of commitments for specified projects and pre-projects at year-end is appropriated for specified projects. When the actual expenditure is made, the appropriated surplus is reversed to the unappropriated surplus.

##### (12) Surplus from completed projects

The balance returned from the executing agency for projects is appropriated for surplus from completed projects with obligation of refund to donors.

International Tropical Timber Organization  
Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Special Accounts and Bali Partnership Fund Account (continued)

(13) Reserve for programme support

Based on ITTC Decisions 5 (XI), 5 (XII), and 4 (XV), the costs of administering new projects and pre-projects may be deducted with the first disbursement of expenditure. These include the expenses of telecommunications, bank charges, costs of financial control and document translation costs. The rates deducted from the total projects budgets increased from 5.5% to 6% (not exceeding 11% in the case of ITTO-executed projects and pre-projects from 10.5%) through Decision 2 (XXX) held in June 2001 and effective thereafter. Such administrative costs are to be co-mingled for general use of all projects under the heading "Programme Support". The ITTC at its 34<sup>th</sup> Session held in November 2003 approved the increase of the above rates (from 6% to 8% and from 11% to 13%), which are adopted for projects, pre-projects and activities approved in 2004 and after. Subsequently, the ITTC at its 48<sup>th</sup> Session held in November 2012 approved the increase of the rates from 8% to 12% and from 13% to 14%), which are adopted for projects and pre-projects approved in 2013 and after, and activities approved in November 2012 and after.

ITTO meets such costs through a provision for reserve for programme support when voluntary contributions to individual projects are received.

The movements of the reserve for programme support for the years ended December 31, 2014 and 2013 are as follows:

	2014				2013		
	Special Account	Bali Account	Executing Agency Account	Total	Special Account	Bali Account	Total
	<i>(U.S. dollars)</i>						
Beginning balance	\$ 1,193,025	\$ 1,299	\$ -	\$ 1,194,324	\$ 1,105,425	\$ -	\$ 1,105,425
Inter-account transfer	18,061	(19,445)	1,384	-	792	(792)	-
Provided	1,183,691	52,936	-	1,236,627	828,817	2,113	830,930
Usage and others	(886,151)	(99)	(1,384)	(887,634)	(742,009)	(22)	(742,031)
Ending balance	<u>\$ 1,508,626</u>	<u>\$ 34,691</u>	<u>-</u>	<u>\$ 1,543,317</u>	<u>\$ 1,193,025</u>	<u>\$ 1,299</u>	<u>\$ 1,194,324</u>

## International Tropical Timber Organization

### Notes to Financial Statements (continued)

#### **2. Significant Accounting Policies (continued)**

##### **Special Accounts and Bali Partnership Fund Account (continued)**

###### **(14) Reserve for unsettled advance payment**

Advances are provided to employees and others in respect to official travel, meetings, education grants and other such related items. At the time an advance is provided, the value of the advance, which may not necessarily be equal to the total actual expenditure to be incurred, is carried forward as debtors in the balance sheet until the year of settlement.

Effective from December 31, 2007, a reserve is recorded for those advances provided for which the expenditure has already been incurred. The total reserve recorded as at December 31, 2014 is \$176,222 (Special (Project Sub-account): \$91,850, Special (Pre-project Sub-account): \$48,132, Special (Thematic Programmes Sub-account): \$2,375 Bali Partnership Accounts: \$33,865). The total reserve recorded as at December 31, 2013 is \$285,674 (Special (Project Sub-account): \$122,658, Special (Pre-project Sub-account): \$107,152, Special (Thematic Programmes Sub-account): \$19,875 Bali Partnership Accounts: \$35,990). The reserve has been offset against the "Advances to and receivables from staff members and others" account in the balance sheet. The reserve remains in the balance sheet until such time as all supporting documentation is submitted to ITTO by the individuals who received the advance.

#### **Reclassification**

Certain reclassifications to the prior year's financial statements amounts have been made to conform to the presentation for the current year.

#### **3. Elimination Financial Statements**

During the year ended December 31, 2014, \$65,000 was eliminated on consolidation due to transfer from the Working Capital Account in the Administrative Account to the Special Account to allocate funds to to Activity PP-A/50-310 and PP-A/50-311, as adopted in Decision 1(L).

International Tropical Timber Organization

Balance Sheet Schedule

December 31, 2014

	Special Account							Elimination	
	Total	Administrative Account	Project Sub-Account	Thematic Programmes Subaccount		Sub Total	Bali Partnership Fund Account		Executing Agencies
				(U.S. dollars)					
<b>Assets</b>									
Cash and time deposits	\$23,454,660	\$ 8,850,389	\$ 6,483,087	\$ -	\$ 6,483,087	\$ 5,431	\$ 8,115,753	\$ -	
Investments in securities	12,200,000	-	-	-	-	-	12,200,000	-	
Arrears in voluntary contributions	2,105,391	-	2,105,391	-	2,105,391	-	-	-	
Accounts receivable from Japan	284,112	284,112	-	-	-	-	-	-	
Accounts receivable from Executing Agencies Account	-	-	-	-	-	30,118,766	-	(30,118,766)	
Prepaid expenses	39,336	39,336	-	-	-	-	-	-	
Advances to and receivable from staff members and others	320,109	163,086	157,023	-	157,023	-	-	-	
Advances to Special Account	-	-	-	-	-	-	-	-	
Accounts receivable from Bali Partnership Fund Account	-	-	28,282,779	586,422	28,869,201	-	30,290,156	(30,290,156)	
Inter-account balance	-	-	(3,102,873)	3,102,873	-	-	-	(28,869,201)	
Accrued revenue	438,332	235	-	-	-	-	438,098	-	
	<b>\$38,841,939</b>	<b>\$ 9,337,157</b>	<b>\$33,925,407</b>	<b>\$3,689,295</b>	<b>37,614,702</b>	<b>\$30,124,196</b>	<b>\$51,044,007</b>	<b>\$(89,278,123)</b>	
<b>Liabilities and contributions</b>									
Accounts payable to Special Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$(28,869,201)	
Accounts payable to Executing Agencies Account	-	-	28,441,378	1,848,778	30,290,156	-	-	(30,290,156)	
Accounts payable to staff members and others	21,755	-	11,459	915	12,374	9,381	-	-	
Accounts payable to Japan	96,679	96,679	-	-	-	-	-	-	
Accrued liabilities	572,515	470,422	94,942	6,358	101,301	793	-	-	
Membership contributions received in advance	176,272	176,272	-	-	-	-	-	-	
Accounts payable to Bali Partnership Fund Account	-	-	-	-	-	-	-	-	
Unappropriated fund	2,498,885	-	1,140,360	1,358,525	2,498,885	-	-	-	
Reserve for programme support	1,543,317	-	1,031,320	477,306	1,508,626	34,691	-	-	
	4,909,424	743,373	30,719,460	3,691,882	34,411,342	28,914,066	30,118,766	(89,278,123)	
<b>Members' funds</b>									
Special Reserve	1,500,000	1,500,000	-	-	-	-	-	-	
Reserve provided by interest income	2,078,016	2,078,016	-	-	-	-	-	-	
Surplus of revenues over expenditures	10,396,840	10,396,840	-	-	-	-	-	-	
Appropriated for specified projects, pre-project and activities	34,128,497	-	2,932,882	19,456	2,952,338	4,283,372	26,892,787	-	
Unappropriated funds	(5,137,477)	-	(1,454,336)	(22,043)	(1,476,380)	(3,661,097)	-	-	
Surplus from completed projects, pre-project and activities	2,315,257	-	1,727,401	-	1,727,401	587,856	(5,967,546)	-	
Impairment of Investment in securities	(5,967,546)	-	-	-	-	-	-	-	
	39,313,588	13,974,857	3,205,947	(2,587)	3,203,360	1,210,131	20,925,241	-	
Arrears in assessed contributions	(5,405,793)	(5,405,793)	-	-	-	-	-	-	
Allowance for arrears	24,720	24,720	-	-	-	-	-	-	
Liabilities and members' funds	<b>\$38,841,939</b>	<b>\$ 9,337,157</b>	<b>\$33,925,407</b>	<b>\$3,689,295</b>	<b>\$37,614,702</b>	<b>\$30,124,196</b>	<b>\$51,044,007</b>	<b>\$(89,278,123)</b>	



International Tropical Timber Organization

Balance Sheet Schedule

December 31, 2013

	Special Account						Elimination		
	Total	Administrative Account	Project Sub-Account	Thematic Programmes Subaccount		Sub Total		Bali Partnership Fund Account	Executing Agencies
				(U.S. dollars)					
<b>Assets</b>									
Cash and time deposits	\$ 19,861,922	\$ 3,984,872	\$ 5,855,068	\$ -	\$ 5,855,068	\$ 5,430	\$ 10,016,552	\$ -	
Investments in securities	12,902,060	2,661,960	-	-	-	-	10,240,101	-	
Arrears in voluntary contributions	5,151,401	-	4,155,311	364,287	4,519,598	631,802	-	(29,293,122)	
Accounts receivable from Executing Agencies Account	-	-	-	-	-	-	-	-	
Prepaid expenses	1,038	1,038	-	-	-	-	-	-	
Advances to and receivable from staff members and others	185,622	145,138	40,484	-	40,484	-	-	-	
Advances to Special Account	-	-	-	-	-	-	-	-	
Accounts receivable from Bali Partnership Fund Account	-	-	28,247,606	592,272	28,839,878	-	31,004,323	(31,004,323)	
Inter-account balance	-	-	(4,663,347)	4,663,347	-	-	-	(28,839,878)	
Accrued revenue	224,214	50,129	-	-	-	-	174,086	-	
	<b>\$38,326,258</b>	<b>\$ 6,843,137</b>	<b>\$33,635,122</b>	<b>\$5,619,906</b>	<b>\$39,255,028</b>	<b>\$29,930,354</b>	<b>\$51,435,061</b>	<b>\$(89,137,323)</b>	
<b>Liabilities and contributions</b>									
Accounts payable to Special Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,839,878	\$ -	\$ (28,839,878)	
Accounts payable to Executing Agencies Account	-	-	28,754,150	2,250,173	31,004,323	-	-	(31,004,323)	
Accounts payable to staff members and others	53,330	-	42,149	3,975	46,124	7,206	-	-	
Accounts payable to Japan	105,153	105,153	-	-	-	-	-	-	
Accrued liabilities	255,828	252,337	2,699	-	2,699	793	-	-	
Membership contributions received in advance	132,194	132,194	-	-	-	-	-	-	
Accounts payable to Bali Partnership Fund Account	-	-	-	-	-	-	-	-	
Unappropriated fund	4,059,886	-	1,158,846	2,901,040	4,059,886	-	-	(29,293,122)	
Reserve for programme support	1,194,324	-	735,281	457,744	1,193,025	1,299	-	-	
	<b>5,800,715</b>	<b>489,684</b>	<b>30,693,125</b>	<b>5,612,932</b>	<b>36,306,057</b>	<b>28,849,175</b>	<b>29,293,122</b>	<b>\$(89,137,323)</b>	
<b>Members' funds</b>									
Special Reserve	1,500,000	1,500,000	-	-	-	-	-	-	
Reserve provided by interest income	2,072,728	2,072,728	-	-	-	-	-	-	
Surplus of revenues over expenditures	9,180,770	9,180,770	-	-	-	-	-	-	
Appropriated for specified projects, pre-project and activities	35,422,222	-	2,966,475	29,017	2,995,492	4,284,790	28,141,940	-	
Unappropriated funds	(5,508,905)	-	(1,671,400)	(22,043)	(1,693,443)	(3,815,461)	-	-	
Surplus from completed projects, pre-project and activities	2,238,772	-	1,646,922	-	1,646,922	611,850	-	-	
Impairment of investments in securities	(6,000,000)	-	-	-	-	-	(6,000,000)	-	
	<b>38,925,588</b>	<b>12,753,498</b>	<b>2,941,997</b>	<b>6,974</b>	<b>2,948,971</b>	<b>1,081,179</b>	<b>22,141,940</b>	<b>-</b>	
Arrears in assessed contributions	(6,424,765)	(6,424,765)	-	-	-	-	-	-	
Allowance for arrears	24,720	24,720	-	-	-	-	-	-	
	<b>\$38,326,258</b>	<b>\$ 6,843,137</b>	<b>\$33,635,122</b>	<b>\$5,619,906</b>	<b>\$39,255,028</b>	<b>\$29,930,354</b>	<b>\$51,435,061</b>	<b>\$(89,137,323)</b>	





**Financial Statements of  
the Administrative Account**

**International Tropical Timber Organization**

*December 31, 2014 and 2013*





International Tropical Timber Organization  
Administrative Account

Financial Statements

December 31, 2014 and 2013

Contents

Report of Independent Auditors .....	1
Balance Sheets .....	2
Statements of Revenues and Expenditures .....	3
Statements of Changes in Fund Balance .....	4
Statements of Cash Flows .....	5
Notes to Financial Statements .....	6





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## Report of Independent Auditors (Administrative Account)

To the Executive Director of  
International Tropical Timber Organization

Pursuant to Article 23 of the International Tropical Timber Agreement of 2006, we have audited the accompanying balance sheet of the Administrative Account of International Tropical Timber Organization (the "ITTO") as of December 31, 2014, and the related statements of revenues and expenditures, changes in fund balance, and cash flows for the year then ended (herein referred to as the "financial statements") and a summary of significant accounting policies described in Note 1. The financial statements have been prepared by the ITTO Secretariat based on the provisions of the ITTA and the "Financial Rules and Rules Relating to Projects of the ITTO".

The ITTO Secretariat is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies described in Note 1 and for such internal control as Secretariat determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting policies used and significant estimates made by the Secretariat, and evaluating the overall financial statement presentation. We believe that our audit of the financial statements provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with accounting policies set out in Note 1.

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial statements are prepared to assist ITTO to comply with the provisions of the ITTA and the "Financial Rules and Rules Relating to Projects of the ITTO". As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for members of ITTO and should not be distributed to or used by anyone other than members of ITTO.

As described in Note 1 to the financial statements of ITTO, the Administrative Account is a part of the ITTO Accounts; accordingly, the financial statements of the Administrative Account should be read in conjunction with the audited financial statements of ITTO.

June 30, 2015

*BDO Toyo & Co.*



International Tropical Timber Organization  
Administrative Account

Balance Sheets

	<b>December 31,</b>	
	<b>2014</b>	<b>2013</b>
	<i>(U.S. dollars)</i>	
<b>Assets</b>		
Cash and time deposits	\$ 8,850,389	\$ 3,984,872
Investments in securities <i>(Note 1)</i>	–	2,661,960
Accounts receivable from Japan	284,112	–
Prepaid expenses	39,336	1,038
Advances to and receivable from staff members and others	163,086	145,138
Accrued revenue	235	50,129
	<u>\$ 9,337,157</u>	<u>\$ 6,843,137</u>
<b>Liabilities and contributions</b>		
Accounts payable to Japan	\$ 96,679	\$ 105,153
Accrued liabilities	470,422	252,337
Membership contributions received in advance <i>(Note 2)</i>	176,272	132,194
	<u>743,373</u>	<u>489,684</u>
<b>Members' funds</b>		
Special reserve <i>(Note 1)</i>	1,500,000	1,500,000
Reserve provided by interest income <i>(Note 1)</i>	2,078,016	2,072,728
Surplus of revenues over expenditures	10,396,840	9,180,770
	<u>13,974,857</u>	<u>12,753,498</u>
Arrears in assessed contributions <i>(Note 2)</i>	(5,405,793)	(6,424,765)
Allowance for arrears <i>(Note 1)</i>	24,720	24,720
	<u>\$ 9,337,157</u>	<u>\$ 6,843,137</u>

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

International Tropical Timber Organization  
Administrative Account

Statements of Revenues and Expenditures

	<b>Year ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
	<i>(U.S. dollars)</i>	
<b>Revenues:</b>		
Contributions from member countries <i>(Note 2)</i>	\$7,322,796	\$7,924,735
Reimbursement by Japan <i>(Note 3)</i>	772,803	307,493
Interest income from deposit	503	350
Interest income from contribution	18,314	—
Dividends	64,847	131,370
Other income	2,292	2,223
	<u>8,181,556</u>	<u>8,366,171</u>
<b>Expenditures:</b>		
Salaries and benefits	3,695,896	4,222,748
Official travel	122,895	138,027
Social security	725,514	807,938
Special activities	32,015	24,597
Data processing	86,628	129,613
Other costs	205,545	189,316
Council meetings	693,228	197,319
Communication and Outreach	428,054	241,361
Expert meetings by Council	129,376	—
Statistics, Studies and Information	283,034	259,900
Annual Report and Biennial review	30,286	7,698
Exchange loss	124,353	59,927
Time delay (reversal of time delay) in settling advance payments	40,545	12,783
Gain and Loss on securities	89,876	(91,819)
Allowance expense for arrears	—	24,720
	<u>6,687,244</u>	<u>6,224,128</u>
Excess of revenues over expenditures before write-off of arrears in contribution and advance payments	1,494,311	2,142,043
Write-off of arrears in contributions <i>(Note 2)</i>	55,755	125,907
<b>Excess of revenues over expenditures</b>	<u><u>\$ 1,438,556</u></u>	<u><u>\$ 2,016,136</u></u>

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

International Tropical Timber Organization  
Administrative Account

Statements of Changes in Fund Balance

For the years ended December 31

	Special reserve	Reserve provided by interest income	Surplus of revenues over expenditures	Total
	<i>(U.S. dollars)</i>			
<b>2013</b>				
Member's funds as of January 1, 2013	\$1,500,000	\$2,063,797	\$7,545,803	\$11,109,600
Excess of revenues over expenditures	-	-	\$2,016,136	\$2,016,136
Utilization of members fund provided by interest income for consultant fee (Decision 2 (XXXIV))	-	(122,789)	-	(122,789)
Transfer to Special account for selection of Executive Director	-	-	(100,000)	(100,000)
Adjustment of prior year	-	-	(149,449)	(149,449)
Transfer to reserve on interest income	-	131,720	(131,720)	-
Members' funds as of December 31, 2013	<u>\$1,500,000</u>	<u>\$2,072,728</u>	<u>\$9,180,770</u>	<u>\$12,753,498</u>
<b>2014</b>				
Excess of revenues over expenditures	\$ -	\$ -	\$1,438,556	\$1,438,556
Utilization of members fund provided by interest income for consultant fee (Decision 2 (XXXIV))	-	(60,062)	-	(60,062)
Transfer to Special account for the Study on Regional ITTO Presence and the Smooth Transition of the Organization	-	-	(65,000)	(65,000)
Adjustment of prior year	-	-	(92,136)	(92,136)
Transfer to reserve on interest income	-	65,350	(65,350)	-
Members' funds as of December 31, 2014	<u>\$1,500,000</u>	<u>\$2,078,016</u>	<u>\$10,396,840</u>	<u>\$13,974,857</u>

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

International Tropical Timber Organization  
Administrative Account

Statements of Cash Flows

	<b>Year ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
	<i>(U.S. dollars)</i>	
Excess of revenues over expenditures transferred to members' funds	\$ 1,438,556	\$ 2,016,136
Changes in assets and liabilities:		
Arrears in assessed contributions	1,018,973	(976,253)
Investments in securities	2,661,960	(2,661,960)
Accounts receivable from Japan	(284,112)	381,028
Prepaid expenses	(38,297)	287
Advances to and receivable from staff members and others	(17,948)	(72,859)
Accrued revenue	49,894	(49,688)
Allowance for arrears	-	24,720
Accounts payable to staff members and others	-	(34)
Accounts payable to Japan	(8,474)	105,153
Accrued liabilities	218,085	(446,883)
Membership contributions received in advance	44,078	(216,675)
Changes in members' funds:		
Adjustment of prior year	(92,136)	(149,449)
Cash disbursement as Decision 2 (XXXIV)	(60,062)	(122,789)
Transfer to Special account for the Study on Regional ITTO Presence and the Smooth Transition of the Organization	(65,000)	(100,000)
Net increase / (Net decrease) in cash	<u>4,865,517</u>	<u>(2,269,267)</u>
Cash and time deposits at beginning of year	3,984,872	6,254,139
Cash and time deposits at end of year	<u><u>\$8,850,389</u></u>	<u><u>\$3,984,872</u></u>

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

International Tropical Timber Organization  
Administrative Account

Notes to Financial Statements

**1. Significant Accounting Policies**

See Note 2 to the financial statements of ITTO.

**2. Contributions**

The contribution of each member to the administrative budget for each financial year is assessed in the same proportion as its votes bear to the total votes of all the members. Contributions become due on the first day of each financial year. If after seven months from the due date a member has still not paid the full contribution, its voting rights shall be suspended until such time as it has paid in full the contribution, unless the ITTC, by special vote, decides otherwise. Prior to December 31, 1996, interest was charged to members for delayed payments of their contributions. The interest was calculated using the host country's central bank rate. Accrued interest on arrears in contributions that had been previously charged to the members of \$82,615 and \$110,086 was not recorded in the financial statements at December 31, 2014 and 2013, respectively.

The ITTC, at its Thirty-third Session, authorized the Executive Director, to write off on an annual basis, one-fifth of a Member's arrears of the period 1986 – 1996 for any Member which has no arrears in its contributions to the Administrative Budget in respect to its obligations related to the year 2002 and beyond. In 2014, one Member (Congo) paid its contribution in full and had no arrears in its contribution to the Administrative Budget in respect of their obligation related to each year from 2002 to 2014 as of December 31, 2014. Therefore, one-fifth of its arrears accrued in contribution for the period 1986 – 1996 in the amount of \$55,755 were written off in 2014.

International Tropical Timber Organization  
Administrative Account

Notes to Financial Statements (continued)

2. Contributions (continued)

The arrears in contributions balance at December 31, 2014 consists of the following:

	*Prior to Part XXII	Part XXIII (2006)	Part XXIV (2007)	Part XXV (2008)	Part XXVI (2009)	Part XXVII (2010)	Part XXVIII (2011)	Part XXIX (2012)	Part XXX (2013)	Part XXXI (2014)	Total
	<i>(U.S. dollars)</i>										
<b>Producing members:</b>											
Benin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,907	\$(112,573)	\$ 4,334
Bolivia	644,939	59,532	61,083	68,950	72,100	78,875	90,575	-	-	-	1,076,054
Brazil	-	-	-	-	51,408	457,475	(508,883)	-	113,136	(113,136)	-
Cameroon	-	-	-	-	74,984	(74,984)	-	-	-	-	-
Central African Republic	70,320	67,650	66,636	68,950	72,100	82,030	97,821	-	-	12,788	538,295
Congo	345,105	63,782	69,411	24,813	72,100	82,030	81,931	(84,110)	(276,045)	(379,017)	-
Costa Rica	-	-	-	-	-	-	-	-	8,193	(8,193)	-
Democratic Republic of the Congo	809,644	67,650	69,412	68,950	74,984	82,030	101,444	105,392	120,678	87,327	1,587,511
Fiji	-	-	-	-	-	10,542	(10,542)	-	-	-	-
Gabon	-	-	-	-	-	58,228	101,444	18,246	116,907	87,327	382,152
Ghana	-	-	-	-	-	-	30,000	(30,000)	86,907	(6,031)	80,876
Honduras	220,975	22,853	-	-	-	-	-	(4,936)	71,653	(46,457)	264,088
India	-	-	-	-	38,272	(38,272)	101,444	45,792	169,704	(316,940)	-
Liberia (Note)	401,868	-	-	-	(59,125)	-	-	(38,790)	116,907	83,969	504,829
Mali	-	-	-	-	-	-	-	-	116,907	(37,275)	79,632
Mozambique	-	-	-	-	-	-	-	-	116,907	(116,907)	-
Myanmar	-	2,123	203	3,077	106,708	138,820	(248,833)	(2,098)	7,740	(7,740)	-
Nigeria	4,211	-	-	-	-	82,030	27,501	-	-	-	113,742
Panama	-	-	-	-	-	7,360	5,616	(12,976)	-	-	-
Peru	-	-	-	-	-	-	-	3,186	173,832	(177,018)	-
Suriname	264,152	37,884	2,140	-	-	(104,220)	(111,282)	(88,674)	-	-	-
Togo	220,182	-	-	-	68,308	(288,491)	-	-	-	-	-
Vanuatu	72,384	37,884	36,095	38,612	40,376	41,015	47,099	-	-	-	313,465
Venezuela	-	-	-	57,918	60,564	-	76,083	(109,457)	-	-	85,108
Viet Nam	-	-	-	-	-	-	-	-	-	45,898	45,898
	<u>3,053,780</u>	<u>359,358</u>	<u>304,980</u>	<u>331,270</u>	<u>672,779</u>	<u>614,468</u>	<u>(118,582)</u>	<u>(198,426)</u>	<u>1,060,334</u>	<u>(1,003,978)</u>	<u>5,075,984</u>
<b>Consuming members:</b>											
Albania	-	-	-	-	-	-	-	-	41,828	40,761	82,589
Greece	-	-	-	-	-	-	43,476	-	-	-	43,476
Nepal	-	27,060	27,765	27,580	28,840	31,550	36,230	-	-	-	179,025
Portugal	-	-	-	-	-	-	58,617	(58,617)	-	-	-
Republic of Korea	-	-	-	-	-	-	72,127	(72,127)	-	-	-
Russian Federation	24,720	-	-	-	-	-	-	-	-	-	24,720
	<u>24,720</u>	<u>27,060</u>	<u>27,765</u>	<u>27,580</u>	<u>28,840</u>	<u>31,550</u>	<u>210,450</u>	<u>(130,744)</u>	<u>41,828</u>	<u>40,761</u>	<u>329,810</u>
<b>Total</b>	<u>\$3,078,500</u>	<u>\$386,418</u>	<u>\$332,745</u>	<u>\$358,850</u>	<u>\$701,619</u>	<u>\$ 646,018</u>	<u>\$ 91,868</u>	<u>\$(329,170)</u>	<u>\$1,102,162</u>	<u>\$(963,217)</u>	<u>\$5,405,793</u>

Note: Liberia – Reduction of arrears

- (a) Contributions for 1997 – 2001 were reduced by 70% in accordance with Decision 5 (XLIII), Annex, item II.
- (b) Contributions for 2003 – 2005 were reduced by 80% in accordance with Decision 5 (XLIII), Annex, item III.

International Tropical Timber Organization  
Administrative Account

Notes to Financial Statements (continued)

**2. Contributions (continued)**

	Part I to XIV (1986 – 1997)										
	Original amount	Write-off in 2002 – 2014	Part XV (1998)	Part XVI (1999)	Part XVII (2000)	Part XVIII (2001)	Part XIX (2002)	Part XX (2003)	Part XXI (2004)	Part XXII (2005)	Total
	<i>(U.S. dollars)</i>										
<b>Producing members:</b>											
Bolivia	\$ 351,556	\$ –	\$ –	\$ 59,769	\$ –	\$ –	\$ 52,800	\$ 55,680	\$ 60,674	\$ 64,460	\$ 644,939
Central African Republic	–	–	–	–	–	–	–	–	–	–	70,320
Congo	330,751	(167,265)	48,500	51,525	48,700	32,894	–	–	–	–	345,105
Côte d'Ivoire	402,517	(402,517)	–	–	–	–	–	–	–	–	–
Democratic Republic of the Congo	339,997	–	48,500	51,525	56,000	59,540	57,200	60,320	63,312	73,250	809,644
Gabon	193,130	(193,130)	–	–	–	–	–	–	–	–	–
Honduras	220,975	–	–	–	–	–	–	–	–	–	220,975
Liberia (Note)	379,941	(75,988)	9,692	15,458	16,800	17,175	–	12,064	12,662	14,064	401,868
Nigeria	–	–	–	–	–	–	–	4,211	–	–	4,211
Suriname	–	–	8,245	35,037	35,840	36,640	33,000	34,800	39,570	41,020	264,152
Togo	366,743	(314,770)	–	48,857	16,070	–	–	32,962	–	70,320	220,182
Vanuatu	–	–	–	–	–	–	–	–	34,294	38,090	72,384
	<u>2,585,610</u>	<u>(1,153,670)</u>	<u>114,937</u>	<u>262,171</u>	<u>173,410</u>	<u>146,249</u>	<u>143,000</u>	<u>200,037</u>	<u>210,512</u>	<u>371,524</u>	<u>3,053,780</u>
<b>Consuming members:</b>											
Russian federation	24,720	–	–	–	–	–	–	–	–	–	24,720
	<u>24,720</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>24,720</u>
<b>Total</b>	<u>\$2,610,330</u>	<u>\$(1,153,670)</u>	<u>\$114,937</u>	<u>\$262,171</u>	<u>\$173,410</u>	<u>\$146,249</u>	<u>\$143,000</u>	<u>\$200,037</u>	<u>\$210,512</u>	<u>\$371,524</u>	<u>\$3,078,500</u>

Note: Liberia – Reduction of arrears

In 2007, contributions for 1997 – 2001 were reduced by 70% in accordance with Decision 5 (XLIII), Annex, item II in the amount of \$340,837.

Details of write-off of Members' arrears incurred in the period 1986 – 1996 is as follows:

	Prior to 2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
	<i>(U.S. dollars)</i>										
<b>Producing members:</b>											
Congo	\$111,510	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$55,755	\$167,265
Côte d'Ivoire	241,510	80,504	80,503	–	–	–	–	–	–	–	402,517
Gabon	115,878	38,626	–	38,626	–	–	–	–	–	–	193,130
Liberia	–	–	–	–	–	–	–	75,988	–	–	75,988
Togo	62,954	–	–	–	–	62,954	62,954	–	125,907	–	314,770
<b>Total</b>	<u>\$531,852</u>	<u>\$119,130</u>	<u>\$80,503</u>	<u>\$38,626</u>	<u>\$ –</u>	<u>\$ 62,954</u>	<u>\$62,954</u>	<u>\$75,988</u>	<u>\$125,907</u>	<u>\$55,755</u>	<u>\$1,153,670</u>

International Tropical Timber Organization  
Administrative Account

Notes to Financial Statements (continued)

**2. Contributions (continued)**

In relation to the write-off of the above arrears in contributions, interest charged to the members for the period from 1986 to 1996, which were not recorded in the financial statements, were also written off. The status of interest previously charged and written-off at December 31, 2014 is as follows:

	Interest charge for arrears for the period from 1986 to 1996		
	Original amount	Write-off in 2002 – 2014	Remaining balance
	<i>(U.S. dollars)</i>		
Producing members:			
Bolivia	\$ 30,927	\$ –	\$ 30,927
Congo (*1)	45,786	(45,786)	–
Côte d’Ivoire	41,022	(41,022)	–
Democratic Republic of the Congo	15,334	–	15,334
Gabon	46,538	(46,538)	–
Honduras	36,237	–	36,237
Liberia (*2)	35,295	(35,295)	–
Togo	18,766	(18,766)	–
	<u>269,905</u>	<u>(187,407)</u>	<u>82,498</u>
Consuming members:			
Russian federation	117	–	117
	<u>117</u>	<u>–</u>	<u>117</u>
Total	<u>\$270,022</u>	<u>\$(187,407)</u>	<u>\$82,615</u>

\*1 the interest charged for arrears in the amount of \$18,314.49 was paid by Congo on 14 October 2014

\*2 Liberia’s interest on assessed contribution from 1986 – 1996 was waived pursuant to Decision 5 (XLII).

Contributions received in advance from Members at December 31, 2014 and 2013 are as follows:

	2014	2013
	<i>(U.S. dollars)</i>	
Australia	\$ 65,790	\$ –
Cameroon	69	–
Congo	64,912	–
Ecuador	198	100
Netherlands	–	132,094
New Zealand	45,231	–
Papua New Guinea	72	–
Total	<u>\$176,272</u>	<u>\$132,194</u>

International Tropical Timber Organization  
Administrative Account

Notes to Financial Statements (continued)

2. Contributions (continued)

Assessed contributions from member countries for 2014 and 2013 were as follows:

	2014			2013	
	Assessed	Discount	Reduction from Late Joining Member's Contribution <i>(U.S. dollars)</i>	Net	Net
<b>Budgeted receipts</b>					
Producing members:					
Benin	\$ 87,473	\$ —	\$ 3,504	\$ 83,969	\$ 116,907
Brazil	500,343	—	—	500,343	113,136
Cambodia	73,477	4,381	2,943	66,153	79,654
Cameroon	90,971	—	3,644	87,327	111,110
Colombia	90,970	—	—	90,970	114,645
Congo	87,473	—	3,504	83,969	116,907
Costa Rica	45,486	—	—	45,486	8,193
Côte d'Ivoire	87,473	—	3,504	83,969	111,110
Democratic Republic of the Congo	90,971	—	3,644	87,327	120,678
Ecuador	66,480	—	2,663	63,817	94,280
Fiji	62,980	3,366	2,523	57,091	61,212
Gabon	90,971	—	3,644	87,327	116,907
Ghana	87,473	—	3,504	83,969	116,907
Guatemala	45,486	3,615	1,822	40,049	65,720
Guyana	59,482	—	2,383	57,099	94,280
Honduras	45,486	—	1,822	43,664	71,653
India	111,964	—	4,485	107,479	169,704
Indonesia	290,409	—	11,632	278,777	405,902
Liberia	87,473	—	3,504	83,969	116,907
Mali	87,473	—	3,504	83,969	116,907
Malaysia	440,861	25,546	17,658	397,657	464,473
Mexico	94,470	—	3,784	90,686	157,445
Mozambique	90,971	—	3,644	87,327	116,907
Myanmar	185,441	—	7,428	178,013	199,874
Panama	48,985	—	1,962	47,023	67,882
Papua New Guinea	143,454	—	5,746	137,708	171,863
Peru	111,964	—	4,485	107,479	181,018
Philippines	62,980	3,986	2,523	56,471	72,476
Togo	87,473	—	3,504	83,969	116,907
Trinidad and Tobago	41,987	3,526	1,682	36,779	64,110
	<u>3,498,900</u>	<u>44,420</u>	<u>114,645</u>	<u>3,339,835</u>	<u>3,935,674</u>

International Tropical Timber Organization  
Administrative Account

Notes to Financial Statements (continued)

2. Contributions (continued)

	2014			2013	
	Assessed	Discount	Reduction from Late Joining Member's Contribution <i>(U.S. dollars)</i>	Net	Net
Consuming members:					
Albania	\$ 40,761	\$ —	\$ —	\$ 40,761	\$ 41,828
Australia	65,218	3,497	—	61,721	63,573
Austria	44,838	2,412	—	42,426	43,849
Belgium	61,142	3,246	—	57,896	59,016
Bulgaria	44,838	2,531	—	42,307	46,011
Canada	—	—	—	—	59,183
China	1,031,253	52,420	—	978,833	953,084
Cyprus	40,761	2,301	—	38,460	41,828
Czech Republic	48,913	2,761	—	46,152	50,194
Denmark	48,913	2,620	—	46,293	47,645
Estonia	40,761	2,301	—	38,460	41,828
Finland	40,761	2,193	—	38,568	39,862
France	130,435	6,963	—	123,472	126,607
Germany	77,446	4,144	—	73,302	75,346
Greece	44,838	2,405	—	42,433	43,734
Hungary	40,761	2,301	—	38,460	41,828
Ireland	57,065	3,059	—	54,006	55,611
Italy	114,131	6,088	—	108,043	110,700
Japan	639,947	33,979	—	605,968	617,796
Latvia	40,761	2,301	—	38,460	41,828
Lithuania	40,761	2,301	—	38,460	41,828
Luxembourg	40,761	2,301	—	38,460	41,828
Malta	44,838	2,531	—	42,307	46,011
Netherlands	130,435	6,732	—	123,703	122,402
New Zealand	44,838	2,412	—	42,426	43,849
Norway	40,761	—	—	40,761	39,551
Poland	44,838	2,401	—	42,437	43,652
Portugal	61,142	3,269	—	57,873	59,430
Republic of Korea	269,023	13,892	—	255,131	252,586
Romania	40,761	2,301	—	38,460	41,828
Slovakia	44,838	2,531	—	42,307	46,011
Slovenia	40,761	2,301	—	38,460	41,828
Spain	93,751	4,788	—	88,963	87,054
Sweden	44,838	2,405	—	42,433	43,734
Switzerland	48,913	2,630	—	46,283	47,825
United Kingdom	105,979	5,658	—	100,321	102,866
United States of America	285,326	—	—	285,326	285,427
	<u>4,076,107</u>	<u>195,975</u>	<u>—</u>	<u>3,880,132</u>	<u>3,989,061</u>

International Tropical Timber Organization  
Administrative Account

Notes to Financial Statements (continued)

	2014			2013	
	Assessed	Discount	Reduction from Late Joining Member's Contribution <i>(U.S. dollars)</i>	Net	Net
Late joining members *					
Producing members:					
Central African Republic	\$ 12,788	\$ —	\$ —	\$ 12,788	\$ —
Suriname	44,144	—	—	44,144	—
Viet Nam	45,898	—	—	45,898	—
	<u>102,830</u>	<u>—</u>	<u>—</u>	<u>102,830</u>	<u>—</u>
Total of budgeted receipts	<u>\$7,677,837</u>	<u>\$240,395</u>	<u>\$114,645</u>	<u>\$7,322,796</u>	<u>\$7,924,735</u>

- \* In accordance with ITTA, 2006, Article 19, Paragraph 6, “[t]he initial contribution of any member joining the Organization after the entry into force of this Agreement shall be assessed by the Council on the basis of the number of votes to be held by that member and the period remaining in the current financial biennium, but the assessment made upon other members from the current financial biennium shall not thereby be altered.”

International Tropical Timber Organization  
Administrative Account

Notes to Financial Statements (continued)

3. Expenditures

	2014		2013	
	Budget	Actual	Budget	Actual
	<i>(U.S. dollars)</i>			
Salaries and benefits:				
Salaries	\$2,263,425	\$2,055,654	\$2,353,791	\$2,189,008
Post adjustment	1,432,568	1,006,281	1,719,894	1,253,970
Rental subsidy	2,831	–	3,506	–
Education grant	302,563	142,467	332,524	128,218
Dependence allowance	86,893	69,546	72,197	79,965
Home leave	106,401	104,500	124,521	121,703
Language allowance	–	–	–	–
Overtime	31,930	14,745	38,961	19,457
Mobility and hardship allowance	6,953	4,050	6,116	9,225
Separation benefits	106,785	9,962	215,646	98,119
Removal costs	20,600	–	46,167	15,000
Repatriation/Recruitment travel	57,680	–	85,379	590
Sub-Total	4,418,629	3,407,205	4,998,702	3,915,255
Installation costs:				
Assignment grant	47,256	–	47,256	–
Lump-sum benefit	55,178	–	55,178	–
Sub-Total	102,434	–	102,434	–
Official travel:				
Transportation/Tickets	95,937	68,998	103,750	94,819
DSA and travel expenses	45,765	53,897	45,783	43,208
Sub-Total	141,702	122,895	149,533	138,027
Social security:				
Provident fund	702,609	534,411	695,128	571,137
Accident/Health insurance	108,213	60,748	92,077	124,569
Japanese national scheme	135,590	130,355	149,091	112,232
Sub-Total	946,412	725,514	936,296	807,938
Special activities:				
Consultants	35,362	26,468	36,457	7,950
Workshops and meetings	13,708	–	14,824	8,000
Other activities	12,018	5,547	12,500	8,647
Sub-Total	61,088	32,015	63,781	24,597
Data processing:				
Computer software and servicing	48,149	28,124	80,113	67,198
Communications, user charges and supplies	74,974	54,775	87,631	61,844
Training and staff development	7,441	3,729	8,826	571
Sub-Total	130,564	86,628	176,570	129,613

International Tropical Timber Organization  
Administrative Account

Notes to Financial Statements (continued)

**3. Expenditures (continued)**

	2014		2013	
	Budget	Actual	Budget	Actual
	<i>(U.S. dollars)</i>			
Other costs:				
Communications	\$52,634	\$13,486	\$ 64,270	\$ 35,873
Publications	32,580	10,222	37,826	1,184
Transport	97,006	47,464	101,348	46,267
Library	13,637	4,435	14,941	5,346
Supplies	47,535	28,813	37,196	9,026
Hospitality	14,878	9,382	17,277	8,739
Bank Charges	15,080	8,585	16,831	10,548
Audit	111,537	82,990	69,348	69,348
Miscellaneous	6,419	168	6,426	2,984
Sub-Total	<u>391,306</u>	<u>205,545</u>	<u>365,463</u>	<u>189,316</u>
Council meetings:				
Costs not met by Japan	9,952	9,116	10,326	3,056
Council Session Outside Japan	200,000	200,000	200,000	194,264
Sub-Total	<u>209,952</u>	<u>209,116</u>	<u>210,326</u>	<u>197,319</u>
Costs met by Japan:				
Staff assessment( *1)	280,217	288,691	396,608	307,493
Council meetings	-	484,112	-	-
Sub-Total	<u>280,217</u>	<u>772,803</u>	<u>396,608</u>	<u>307,493</u>
Costs met by Special Account:				
Translation costs regarding Council meetings	-	-	-	-
Sub-Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Communication and Outreach( *2):				
Publications	260,000	287,870	260,000	184,978
Outreach	84,654	85,607	60,627	38,501
ITTO Website	84,021	54,577	40,773	17,882
Sub-Total	<u>428,675</u>	<u>428,054</u>	<u>361,400</u>	<u>241,361</u>
Expert meetings by Council( *2):				
Expert meetings/Workshops	140,000	129,376	-	-
Sub-Total	<u>140,000</u>	<u>129,376</u>	<u>-</u>	<u>-</u>
Statistics, Studies and Information( *2):				
Market Information Services	200,000	197,397	200,000	197,000
Market Discussion	35,000	30,024	35,000	26,678
Relevant Market Studies	40,000	38,640	40,000	30,711
Work on Statistics	20,000	16,973	20,000	5,511
Sub-Total	<u>295,000</u>	<u>283,034</u>	<u>295,000</u>	<u>259,900</u>

International Tropical Timber Organization  
Administrative Account

Notes to Financial Statements (continued)

	2014		2013	
	Budget	Actual	Budget	Actual
Annual Report and Biennial review( *2) :				
Annual Report	30,000	30,286	30,000	7,698
Biennial Review	40,000	—	—	—
Sub-Total	<u>70,000</u>	<u>30,286</u>	<u>30,000</u>	<u>7,698</u>
Exchange loss, net	—	124,353	—	59,927
Time delay in settling advance payments	—	40,545	—	12,783
Gain on securities, net	—	89,876	—	(91,819)
Allowance expense for arrears	—	—	—	24,720
Total expenditures incurred	<u>7,615,979</u>	<u>6,687,244</u>	<u>8,086,113</u>	<u>6,224,128</u>
Expenditures reimbursed by Japan	(280,217)	(772,803)	(396,608)	(307,493)
Expenditures reimbursed by Special Account	—	—	—	—
Total	<u>\$7,335,762</u>	<u>\$5,914,441</u>	<u>\$7,689,505</u>	<u>\$5,916,634</u>

\*1 This expenditure is applied to Japanese staff only. Since actual expenditure is reimbursable by Japan, such expenditure is not included in the budget.

\*2 In accordance with ITTA, 2006, Article 19, Paragraph 2, “[t]he Administrative Account shall include: (a) Basic administrative costs such as salaries and benefits, installation costs, and official travel; and (b) Core operational costs such as those related to communication and outreach, expert meetings convened by the Council and preparation and publication of studies and assessments pursuant to articles 24, 27 and 28 of this Agreement.”

International Tropical Timber Organization  
Administrative Account

Notes to Financial Statements (continued)

**4. Provident Fund**

Contributions for the Provident Fund for the year 2014 and 2013 were as follows:

	<u>2014</u>	<u>2013</u>
	<i>(U.S. dollars)</i>	
Contributions made during the period:		
By staff members	\$200,083	\$214,701
By ITTO – Administrative Account	503,578	531,726
– Other Accounts	21,523	43,651
	<u>725,184</u>	<u>790,078</u>
Administrative charge paid to trustee:		
From ITTO – Administrative Account	62,748	61,772
– Other Accounts	5,325	4,092
	<u>68,073</u>	<u>65,864</u>
Payment to an insurance company	<u>\$793,257</u>	<u>\$855,942</u>

The balance of net assets for the Provident Fund at December 31, 2014 and 2013 were \$9,597,474 and \$8,714,592, respectively.

International Tropical Timber Organization  
Administrative Account

Notes to Financial Statements (continued)

**5. Working Capital Account Savings from Previous Budgets**

The Council in its Decision 7 (XII) created a Working Capital Account within the Administrative Account in which to place previously paid arrears and savings for future use. Working Capital Account savings for administrative budgets and receipts of payments of arrears in contributions at December 31, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
	<i>(U.S. dollars)</i>	
Revenues:		
Contributions from member countries	\$ 7,322,796	\$ 7,924,735
Less: Arrears in contribution for current year	(358,070)	(1,381,393)
	<u>6,964,726</u>	<u>6,543,343</u>
Expenditures, net of reimbursement		
By Japan and Special Account	<u>5,914,441</u>	<u>5,916,634</u>
Working capital savings used for current year budget	1,050,285	626,708
Authorized allocation by Council for separation costs transferred to Special Account for selection of Executive Director	-	(173,019)
Transferred to Special Account for the Study on Regional ITTO Presence and the Smooth transition of the Organization	(65,000)	-
Working capital savings from prior year's budgets	3,830,996	3,198,075
Receipts from members for prior year's arrears	<u>1,321,287</u>	<u>279,232</u>
Working capital savings at year-end	<u>\$ 6,137,568</u>	<u>\$ 3,830,996</u>

Note:

The ITTC, through its Decision 2 (XXXIV) on the Management of the Administrative Budget, authorized the Executive Director to use interest and dividends earned in the Administrative Account to hire, on a temporary and intermittent basis, consultants and contractors to support the secretariat in carrying out its duties.

	<u>2014</u>	<u>2013</u>
	<i>(U.S. dollars)</i>	
The amount of interest at year end:		
Brought forward	\$ 405,618	\$ 396,687
Interest and dividends during the year	65,350	131,720
Expenditures during the year	(60,062)	(122,789)
	<u>\$410,906</u>	<u>\$ 405,618</u>

**Financial Statements of  
the Special Account**

**International Tropical Timber Organization**

*December 31, 2014 and 2013*





International Tropical Timber Organization  
Special Account

Financial Statements

December 31, 2014 and 2013

Contents

Report of Independent Auditors .....	1
Balance Sheets .....	2
Statements of Revenues and Expenditures .....	3
Statements of Changes in Fund Balance .....	4
Statements of Cash Flows .....	5
Notes to Financial Statements .....	6





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## Report of Independent Auditors (Special Account)

To the Executive Director of  
International Tropical Timber Organization

Pursuant to Article 23 of the International Tropical Timber Agreement of 2006, we have audited the accompanying balance sheet of the Special Account of International Tropical Timber Organization (the "ITTO") as of December 31, 2014, the related statements of revenues and expenditures, changes in fund balance, and cash flows for the year then ended (herein referred to as the "financial statements") and a summary of significant accounting policies described in Note 1. The financial statements have been prepared by the ITTO Secretariat based on the provisions of the ITTA and the "Financial Rules and Rules Relating to Projects of the ITTO".

The ITTO Secretariat is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies described in Note 1 and for such internal control as Secretariat determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting policies used and significant estimates made by the Secretariat, and evaluating the overall financial statement presentation. We believe that our audit of the financial statements provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with the accounting policies set out in Note 1.

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial statements are prepared to assist ITTO to comply with the provisions of the ITTA and the "Financial Rules and Rules Relating to Projects of the ITTO". As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for members of ITTO and should not be distributed to or used by anyone other than members of ITTO.

As described in Note 1 to the financial statements of ITTO, the Special Account is a part of the ITTO Accounts; accordingly, the financial statements of the Special Account should be read in conjunction with the audited financial statements of ITTO.

June 30, 2015



International Tropical Timber Organization  
Special Account

## Balance Sheets

	December 31,	
	2014	2013
	<i>(U.S. dollars)</i>	
<b>Assets</b>		
Cash and time deposits	\$ 6,483,087	\$ 5,855,068
Arrears in voluntary contributions <i>(Note 4)</i> :		
Project Sub-Account	2,105,391	4,155,311
Thematic Programmes Sub-Account	–	364,287
Accounts receivable from Bali Partnership Fund Account	28,869,201	28,839,878
Advances to and receivable from staff members and others <i>(Note 1)</i>	157,023	40,484
	<u>\$37,614,702</u>	<u>\$39,255,028</u>
<b>Liabilities and contributions</b>		
Accounts payable:		
Executing Agencies Account	\$30,290,156	\$31,004,323
Staff members and others	12,374	46,124
Accrued liabilities	101,301	2,699
Unappropriated fund:		
Project Sub-Account	1,140,360	1,158,846
Thematic Programmes Sub-Account	1,358,525	2,901,040
Reserve for programme support <i>(Note 1)</i>	1,508,626	1,193,025
	<u>34,411,342</u>	<u>36,306,057</u>
<b>Members' funds</b>		
Project Sub-Account		
Appropriated for specified projects, pre-projects and activities <i>(Note 1 and 4)</i>	2,932,882	2,966,475
Unappropriated funds	(1,454,336)	(1,671,400)
Surplus from completed projects, pre-projects and activities <i>(Note 1 and 4)</i>	1,727,401	1,646,922
	<u>3,205,947</u>	<u>2,941,997</u>
Thematic Programmes Sub-Account:		
Appropriated for specified projects, pre-projects and activities <i>(Note 1 and 4)</i>	19,456	29,017
Unappropriated funds	(22,043)	(22,043)
Surplus from completed projects, pre-projects and activities <i>(Note 1 and 4)</i>	–	–
	<u>(2,587)</u>	<u>6,974</u>
	<u>3,203,360</u>	<u>2,948,971</u>
	<u>\$37,614,702</u>	<u>\$39,255,028</u>

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

International Tropical Timber Organization  
Special Account

Statements of Revenues and Expenditures

	<b>Year ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
	<i>(U.S. dollars)</i>	
<b>Project Sub-Account</b>		
Revenues:		
Voluntary contributions <i>(Notes 1, 2, 3 and 4)</i>	\$ 8,739,474	\$ 8,767,000
Rectification	(864,420)	–
Pledges not received	(500)	–
Interest income	467,081	33,706
Dividends	–	149,804
Correction to prior year's budget	–	(341,632)
	<u>8,341,634</u>	<u>8,608,877</u>
Expenditures and others:		
Project cost <i>(Note 4)</i>	8,357,874	9,261,797
Exchange loss	118	4,165
Time delay (Reversal of time delay) in settling advance payments	(67,287)	67,004
Gain on Securities	(4,142)	–
	<u>8,286,562</u>	<u>9,332,965</u>
Excess of revenues over expenditures	<u>\$ 55,072</u>	<u>\$ (724,088)</u>
<b>Thematic Programmes Sub-Account</b>		
Revenues:		
Voluntary contributions <i>(Notes 2, 3 and 4)</i>	\$ 2,384,518	\$ 74,586
Correction to prior year's budget	–	(88,074)
	<u>2,384,518</u>	<u>(13,488)</u>
Expenditures and others:		
Project cost <i>(Note 4)</i>	2,812,898	3,072,842
Time delay (Reversal of time delay) in settling advance payments	(17,500)	12,375
Exchange gain and loss, net	77	(30)
	<u>2,795,475</u>	<u>3,085,187</u>
Excess of revenues over expenditures	<u>\$ (410,957)</u>	<u>\$ (3,098,675)</u>

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

International Tropical Timber Organization  
Special Account

Statements of Changes in Fund Balance  
For the years ended December 31

	Project Sub-Account			Thematic Programmes Sub-Account			Total
	Appropriated for specified projects	Unappropriated funds	Surplus from completed projects	Appropriated for specified projects	Unappropriated funds	Surplus from completed projects	
<b>2013</b>							
Members' funds as of January 1, 2013	\$ 2,227,705	\$ (1,251,852)	\$1,653,406	\$ 66,749	\$ (22,074)	\$ -	\$ 2,673,934
Excess of revenues over expenditures	(959,639)	179,478	-	(3,098,705)	30	-	(3,878,835)
Surplus from Completed Projects	-	-	56,072	-	-	-	56,072
Utilization of remaining funds by donors	-	(599,026)	(62,556)	-	-	-	(661,582)
Transfer to/from Executing Agencies Account	1,698,408	-	-	3,060,974	-	-	4,759,382
Members' funds as of December 31, 2013	\$ 2,966,475	\$ (1,671,400)	\$ 1,646,922	\$ 29,017	\$ (22,043)	\$ -	\$ 2,948,971
<b>2014</b>							
Excess of revenues over expenditures	\$ (512,474)	\$ 471,105	\$ -	\$ (410,957)	\$ -	\$ -	\$ (452,326)
Surplus from Completed Projects	-	-	96,441	-	-	-	96,441
Utilization of remaining funds by donors	-	(570,794)	(47,976)	-	-	-	(618,770)
Adjustment of prior year	(12,084)	-	-	-	-	-	(12,084)
Transfer to/from Bali Partnership Fund	-	316,753	32,015	-	-	-	348,767
Transfer to/from Executing Agencies Account	490,965	-	-	401,396	-	-	892,361
Members' funds as of December 31, 2014	\$ 2,932,882	\$ (1,454,336)	\$ 1,727,401	\$ 19,456	\$ (22,043)	\$ -	\$ 3,203,360

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

International Tropical Timber Organization  
Special Account

Statements of Cash Flows

	<b>Year ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
	<i>(U.S. dollars)</i>	
Excess of revenues over expenditures	\$(355,885)	\$(3,822,763)
Changes in assets and liabilities:		
Arrears in voluntary contributions	2,414,207	1,413,978
Accounts receivable from Bali Partnership Fund Account	(29,323)	(122,774)
Accounts receivable from Executing Agencies Account	-	1,415,656
Advance to and receivable from staff members and others	(116,539)	(31,976)
Accounts payable to Bali Partnership Fund Account	-	(89,280)
Accounts payable to Executing Agencies Account	(714,167)	(6,089,863)
Accounts payable to staff members and others	(33,750)	45,924
Accrued Liabilities	98,602	(163,376)
Unappropriated fund	(1,561,001)	2,980,467
Reserve for programme support	315,601	87,600
Changes in members' funds:		
Adjustment of prior year	(12,084)	-
Utilization of remaining funds by donors	(618,770)	(661,582)
Transfer to/from Executing Agencies Account	892,361	4,759,382
Transfer to/from Bali Partnership Fund	348,767	-
Net increase (decrease) in cash	<u>628,019</u>	<u>(278,607)</u>
Cash and time deposits at beginning of year	5,855,068	6,133,674
Cash and time deposits at end of year	<u>\$ 6,483,087</u>	<u>\$ 5,855,068</u>

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

International Tropical Timber Organization  
Special Account

Notes to Financial Statements

**1. Significant Accounting Policies**

See Note 2 to the financial statements of ITTO.

**2. Contributions**

Cash received for contributions by countries for the years ended December 31, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Project Sub-Account:	<i>(U.S. dollars)</i>	
Received from:		
Government of Germany	\$ 808,031	\$ 727,308
Government of Japan (F.A.)	1,488,887	884,096
Government of Japan (MoFA)	3,216,690	4,543,939
Government of Republic of Korea	40,000	40,000
Government of Sweden	-	10,000
Government of the Netherlands	162,094	250,000
Government of U.S.A.	777,245	900,000
Common Fund for Commodities	85,086	-
European Commission	2,478,123	1,535,653
Administrative Account - WCA	65,000	100,000
Private	-	31,132
Private (for other activities)	-	40,004
	<u>\$ 9,121,156</u>	<u>\$ 9,062,133</u>
Thematic Programmes Sub-Account:		
Received from:		
Government of Australia	\$ -	\$ 1,941,097
Government of Japan(F.A.)	53,875	146,125
Government of The Netherlands	693,204	487,882
Government of U.S.A.	100,000	-
	<u>847,079</u>	<u>2,575,104</u>
Total	<u>\$9,968,235</u>	<u>\$11,637,237</u>

International Tropical Timber Organization  
Special Account

Notes to Financial Statements (continued)

2. Contributions (continued)

The accumulated balance of cash received for contributions at December 31, 2014 is as follows:

<u>Received in</u>	<u>Cash Received</u> <i>(U.S. dollars)</i>
1987	\$ 2,015,449
1988	2,359,075
1989	4,512,761
1990	28,552,991
1991	11,367,530
1992	13,657,049
1993	14,777,664
1994	21,532,261
1995	17,384,781
1996	24,458,292
1997	18,137,365
1998	15,122,116
1999	13,417,709
2000	13,054,181
2001	15,721,129
2002	12,433,738
2003	9,601,789
2004	3,250,425
2005	6,449,698
2006	7,296,004
2007	8,352,459
2008	6,687,804
2009	14,675,509
2010	8,825,338
2011	9,767,374
2012	10,213,959
2013	11,637,237
2014	9,968,235
	\$335,229,923

International Tropical Timber Organization  
Special Account

Notes to Financial Statements (continued)

**3. Utilization of Members' Funds by Donors Account**

During the year ended December 31, 2014, ITTO utilized members' funds. The details are as follows:

Utilization of members' fund transferred from the Administrative Account:

(Project Sub-A/C)	Description	Amount transferred <i>(U.S. dollars)</i>
	Transfer from Admin. WCA to allocate to PP-A/50-310	\$ 25,000
	Transfer from Admin. WCA to allocate to PP-A/50-311	40,000
	Total	<u>\$65,000</u>

Utilization of remaining funds by donors in the Special Account:

(Project Sub-A/C)	Description	Amount transferred <i>(U.S. dollars)</i>
	Allocation of Unearmarked Funds to ITTO Fellowship Programme	\$ 4,041
	Allocation of Unearmarked Funds to PP-A/49-292	100,000
	Allocation of Unearmarked Funds to PP-A/50-302	50,000
	Allocation of Unearmarked Funds to PP-A/50-307	100,000
	Total	<u>\$254,041</u>

International Tropical Timber Organization  
Special Account

Notes to Financial Statements (continued)

Utilization of members' fund transferred from the Bali Partnership Fund:

(Project Sub-A/C)	Description	Amount transferred <i>(U.S. dollars)</i>
	Transfer from BPF Sub-account B to allocate to ITTO Fellowship Programme	\$ 95,959
	Transfer from BPF Sub-account B to allocate to PP-A/48-275	65,794
	Transfer from BPF Sub-account B to allocate to PP-A/48-280	90,000
	Transfer from BPF Sub-account B to allocate to PP-A/49-294	20,000
	Transfer from BPF Sub-account B to allocate to PP-A/50-304	20,000
	Transfer from BPF Sub-account B to allocate to PP-A/50-306	25,000
	<b>Total</b>	<b>\$316,753</b>

During the year ended December 31, 2013, ITTO utilized members' funds. The details are as follows:

Utilization of members' fund transferred from the Administrative Account:

(Project Sub-A/C)	Description	Amount transferred <i>(U.S. dollars)</i>
	Transfer from Admin. WCA to allocate to PP-A/49-295	\$100,000
	<b>Total</b>	<b>\$100,000</b>

There was no utilization of remaining funds by donors in the Special Account during the year ended December 31, 2013.

International Tropical Timber Organization  
Special Account

Notes to Financial Statements (continued)

4. Detail of Project Status

Details of project status in Special Account for the years ended December 31, 2014 are as follows:

Pre-Project Sub-Account

Title	Budget		Receipt		Expenditure		Appropriated for future expenditures at 12/31/14	Surplus from completed projects at 12/31/14
	Accumulated Total 2013	2014	Accumulated Total 2013	2014	Accumulated Total 2013	2014		
<b>ECONOMIC INFORMATION &amp; MARKET INTELLIGENCE (B)</b>								
PPD 14/00 (M)	172,000	(500)	(171,500)	-	-	-	26,228	-
PPD 16/713 Rev.1 (M)/C49	88,794	-	(88,794)	(20,000)	(171,500)	15,559	29,249	-
	260,794	(500)	(240,294)	(20,000)	(188,294)	32,174	59,545	-
Sub-Total (M) :					(240,294)	67,744	55,477	
<b>REFORESTATION &amp; FOREST MANAGEMENT (E)</b>								
PPD 20/04 Rev.1 (F) C36	61,452	-	(61,452)	-	(61,452)	-	-	-
PPD 24/04 Rev.1 (F) C36	32,402	-	(32,402)	-	(32,402)	-	49,482	2,920
PPD 28/04 Rev.1 (F) C37	94,500	-	(94,500)	-	(94,500)	-	89,574	4,926
PPD 13/6107 Rev.1 (F) Spring'08	52,358	-	(52,358)	-	(52,358)	-	49,523	2,835
PPD 14/2108 Rev.1 (F) /C44	79,969	-	(79,969)	-	(79,969)	-	77,018	2,951
PPD 14/3109 (F) /C45	61,938	-	(61,938)	-	(61,938)	-	61,317	621
PPD 14/7110 Rev.1 (F) /C46	99,279	-	(99,279)	-	(99,279)	(884)	95,666	-
PPD 15/1111 Rev.1 (F) /C47	96,576	-	(96,576)	-	(96,576)	-	93,376	3,203
PPD 16/3112 Rev.1 (F) /C48	79,380	(79,380)	(79,380)	79,380	(79,380)	2,962	6,000	2,962
PP-172162 PPD 2/29 Rev.1 (F)	95,267	-	(95,267)	-	(95,267)	-	2,000	-
	776,121	(79,380)	(696,741)	79,380	(696,741)	2,078	25,877	2,962
Sub-Total (F) :					(696,741)	79,380	670,864	
<b>FOREST INDUSTRIAL</b>								
PPD 5/00 Rev.1 (O)	64,522	-	(64,522)	-	(64,522)	-	-	-
PPD 68/03 Rev.2 (O) /C41	80,000	-	(80,000)	-	(80,000)	-	4,305	-
	144,522	-	(144,522)	-	(144,522)	-	4,305	-
Sub-Total (O) :					(144,522)	-	4,305	

International Tropical Timber Organization  
Special Account

Notes to Financial Statements (continued)

Activities/Id	Budget		Receipt		Arrears in Contributions at		Expenditure		Appropriated for future expenditures at 12/31/14	Surplus from completed projects at 12/31/14
	Accumulated Total 2013	2014	Accumulated Total 2013	2014	Accumulated Total 2013	12/31/14	2014	2014		
PP-A/23-63	280,975		(280,975)		(280,975)				280,975	
PP-A/24-71	45,000		(45,000)		(45,000)				45,000	
PP-A/24-72	45,000		(45,000)		(45,000)				45,000	
PP-A/29-94	240,000		(240,000)		(240,000)				240,000	
PP-A/31-102 [Dec-70XXX]	328,568		(328,268)		(328,268)				307,551	11,292
PP-A/31-102A Staff/Secondment	695,591		(695,591)		(695,591)				695,591	20,717
PP-A/31-102B UNFP German cont.	347,000	86,422	(86,422)		(86,422)			95,007		
PP-A/31-105	172,380		(172,380)		(172,380)				144,798	27,582
PP-A/31-109	280,000		(280,000)		(280,000)				144,798	144,798
PP-A/31-110	52,000		(52,000)		(52,000)				277,495	2,505
PP-A/31-111A	264,700		(264,700)		(264,700)				49,918	2,082
PP-A/31-111C [XXXVI] Additional	220,000		(220,000)		(220,000)				243,527	21,173
PP-A/31-112	174,270		(174,270)		(174,270)				86,399	133,701
PP-A/32-116	50,000		(50,000)		(50,000)				154,183	20,087
PP-A/32-118	50,000		(50,000)		(50,000)				50,000	
PP-A/32-119	50,000		(50,000)		(50,000)				49,789	211
PP-A/32-121	50,000		(50,000)		(50,000)				50,000	
PP-A/32-123	297,980		(297,980)		(297,980)				29,386	20,614
PP-A/33-126	610,000		(610,000)		(610,000)				269,224	28,756
PP-A/33-126B [XXXVI] Additional	200,000		(200,000)		(200,000)				610,000	
PP-A/34-131A: C&I Advt/Visas	50,000		(50,000)		(50,000)				176,419	23,381
PP-A/34-131B: C&I/ITTO & ACTO	200,000		(200,000)		(200,000)				277,500	
PP-A/34-131C: Cheney Assst.	100,000		(100,000)		(100,000)				200,000	
PP-A/34-131D: C&I/Int Org.	150,000		(150,000)		(150,000)				99,470	530
PP-A/34-133 [Dec-70XXXIV]	50,000		(50,000)		(50,000)				150,000	
PP-A/34-135 [Dec-10XXXIV]	66,600		(66,600)		(66,600)				29,382	20,618
PP-A/35-138 [Dec-4735] Market	300,000		(300,000)		(300,000)				66,600	
PP-A/35-139B [Dec-4735] Guidelin	150,000		(150,000)		(150,000)				299,769	231
PP-A/35-140A [Dec-4735] Nat.WS	60,000		(60,000)		(60,000)				150,000	
PP-A/35-140B [Dec-4735] Support	500,000		(500,000)		(500,000)				5,946	54,054
PP-A/35-141 [Dec-4735] Promotn	250,000		(250,000)		(250,000)				484,401	13,599
PP-A/35-142 [Dec-4735] FAO/Law	100,000		(100,000)		(100,000)				97,609	2,391
PP-A/35-144 [Dec-4735] Ex-Post	100,000		(100,000)		(100,000)				243,204	6,796
PP-A/35-145 [Dec-4735] CSAG/TAG	100,000		(100,000)		(100,000)				80,903	19,097
PP-A/35-146 [Dec-4735] Symposium	30,000		(30,000)		(30,000)				30,000	
PP-A/35-147 [Dec-4735] Malagasy	166,500		(166,500)		(166,500)				154,977	11,523

International Tropical Timber Organization  
Special Account

Notes to Financial Statements (continued)

Title	Budget		Receipt		Arrears in Contributions at		Expenditure		Appropriated for future expenditures at 12/31/14	Surplus from completed projects at 12/31/14
	Accumulated Total 2013	2014	Accumulated Total 2013	2014	Accumulated Total 2014	12/31/14	2014	2014		
PP-A/06-151A [Dec-4/C33] C26	150,000	-	(150,000)	-	(150,000)	-	-	-	8,135	-
PP-A/06-152 [Dec-4/C33]	150,000	-	(150,000)	-	(150,000)	-	-	-	10,513	-
PP-A/07-151 [Dec-4/33]Subsdy	20,000	-	(20,000)	-	(20,000)	-	-	-	139,487	-
PP-A/07-155 [Dec-4/33] Biodiv.	185,000	-	(185,000)	-	(185,000)	-	-	-	20,000	-
PP-A/07-158A Proj Cycle-Censtal	380,000	-	(380,000)	-	(380,000)	-	-	-	185,000	-
PP-A/09-161: Recruitment of ED	100,000	-	(100,000)	-	(100,000)	-	-	-	380,000	-
PP-A/09-162A: ITTO & CITES	8,857,758	1,951,443	(6,857,758)	(1,821,443)	(10,679,201)	130,000	2,611,710	-	100,000	-
PP-A/09-162B: ITTO & CITES	200,000	-	(200,000)	-	(200,000)	-	-	-	10,698,375	-
PP-A/09-163A: Support CFP	40,000	-	(40,000)	-	(40,000)	-	-	-	200,000	-
PP-A/09-163B: CFS	40,000	-	(40,000)	-	(40,000)	-	-	-	14,221	-
PP-A/09-164: Eval. Thematic Plan	100,000	-	(100,000)	-	(100,000)	-	-	-	25,779	-
PP-A/09-165: Action Plan 2008	150,000	-	(150,000)	-	(150,000)	-	-	-	40,000	-
PP-A/09-165A: Thematic Program	110,000	-	(110,000)	-	(110,000)	-	-	-	100,000	-
PP-A/09-166: Outreach	250,000	-	(250,000)	-	(250,000)	-	-	-	150,000	-
PP-A/09-167: UNCTAD INFO COMM	50,000	-	(50,000)	-	(50,000)	-	-	-	110,000	-
PP-A/09-168: TAGand CSAG	80,000	-	(80,000)	-	(80,000)	-	-	-	250,000	-
PP-A/09-169: Law Enforcement	200,000	-	(200,000)	-	(200,000)	-	-	-	50,000	-
PP-A/09-170: Legality of Expts	200,000	-	(200,000)	-	(200,000)	-	-	-	80,000	-
PP-A/09-173: Timber Tracking	229,000	-	(229,000)	-	(229,000)	-	-	-	200,000	-
PP-A/09-175: Certification System	150,000	-	(150,000)	-	(150,000)	-	-	-	227,113	-
PP-A/09-181: FAO 3rd course	35,000	-	(35,000)	-	(35,000)	-	-	-	216,233	-
PP-A/09-182: Forest Law Asia WS	50,000	-	(50,000)	-	(50,000)	-	-	-	216,233	-
PP-A/09-183: Wood Biomery	200,000	-	(200,000)	-	(200,000)	-	-	-	141,060	-
PP-A/09-187: Panbambary Conf	50,000	-	(50,000)	-	(50,000)	-	-	-	32,948	-
PP-A/09-191: Forest Inventory	105,000	-	(105,000)	-	(105,000)	-	-	-	40,279	-
PP-A/09-195: ELE Workshop	70,000	-	(70,000)	-	(70,000)	-	-	-	196,778	-
PP-A/09-196: WS Publication	35,000	-	(35,000)	-	(35,000)	-	-	-	48,650	-
PP-A/09-199: Durban Workshop	70,000	-	(70,000)	-	(70,000)	-	-	-	102,744	-
PP-A/09-203: Web-based DB	50,000	-	(50,000)	-	(50,000)	-	-	-	70,000	-
PP-A/09-204: Assisi Statistics	200,000	-	(200,000)	-	(200,000)	-	-	-	22,983	-
PP-A/09-205: Penrose ITC, NEFD	200,000	-	(200,000)	-	(200,000)	-	-	-	26,312	-
PP-A/09-206: Investment Wksp	100,000	-	(100,000)	-	(100,000)	-	-	-	24,274	-
PP-A/09-211: UNFPA Secondment	200,000	30,000	(200,000)	(30,000)	(200,000)	-	16,500	-	16,062	-
PP-A/09-212: UNFPA Initiative	200,000	-	(200,000)	-	(200,000)	-	-	-	12,422	-
PP-A/09-213: UNFPA-CFP	75,000	-	(75,000)	-	(75,000)	-	-	-	7,308	-
PP-A/09-218: Outreach A ctivity	100,000	-	(100,000)	-	(100,000)	-	-	-	15,147	-
PP-A/09-219: Statistics Wksp	60,000	-	(60,000)	-	(60,000)	-	-	-	1,186	-
PP-A/09-220: Timber procurement	143,337	-	(143,337)	-	(143,337)	-	-	-	996	-
PP-A/09-221: Market outlook WS	150,000	-	(150,000)	-	(150,000)	-	-	-	307	-
PP-A/09-222: Competitiveness	110,000	-	(110,000)	-	(110,000)	-	-	-	3,024	-
PP-A/09-223: Environmental Svc	110,000	-	(110,000)	-	(110,000)	-	-	-	3,299	-
									54,875	-

International Tropical Timber Organization  
Special Account

Notes to Financial Statements (continued)

Title	Accumulated		Budget		Receipt		Arrears in		Expenditure		Appropriated for		Surplus from completed projects at 12/31/14
	Total 2013	2014	Total 2014	2014	Total 2013	2014	Total 2014	Contributions at 12/31/14	Total 2013	2014	Total 2014	future expenditures at 12/31/14	
PP-A/13-224: C&I Aidd. Wisep	200,758	-	200,758	-	(200,758)	-	(200,758)	-	173,310	27,448	200,758	-	-
PP-A/13-227: SFM guidelines	300,000	(45,000)	254,700	-	(254,700)	-	(254,700)	-	254,700	-	254,700	-	-
PP-A/13-230: Tech.&Env. Study	60,000	-	60,000	-	(60,000)	-	(60,000)	-	53,925	-	53,925	-	6,075
PP-A/13-231: Bioenergy	300,000	-	300,000	-	(300,000)	-	(300,000)	-	297,700	-	297,700	-	2,300
PP-A/13-232: Fuelier processing	150,000	-	150,000	-	(150,000)	-	(150,000)	-	134,520	-	134,520	-	15,480
PP-A/15-241: Outreach	218,962	-	218,962	-	(218,962)	-	(218,962)	-	218,962	-	218,962	-	-
PP-A/15-242: Forest Gov. WS	60,000	-	60,000	-	(60,000)	-	(60,000)	-	42,832	-	42,832	-	17,168
PP-A/15-243: C&I Assst.	50,000	-	50,000	-	(50,000)	-	(50,000)	-	48,738	-	48,738	-	1,262
PP-A/15-244: Initial TPAC mtg.	50,000	(10,000)	40,000	-	(40,000)	-	(40,000)	-	36,146	-	36,146	-	3,854
PP-A/15-245: Climate Change	200,000	-	200,000	-	(200,000)	-	(200,000)	-	200,000	-	200,000	-	-
PP-A/15-246: Conf. on Biodiv.	200,000	-	200,000	-	(200,000)	-	(200,000)	-	187,841	-	187,841	-	12,159
PP-A/15-247: Wood Prom. Tech.	100,000	-	100,000	-	(100,000)	-	(100,000)	-	100,000	-	100,000	-	-
PP-A/15-248: IUCN Biodiv. Guid.	76,595	-	76,595	-	(76,595)	-	(76,595)	-	60,655	-	60,655	-	15,940
PP-A/15-249: CSA G-TA C(10-11)	120,000	-	120,000	-	(120,000)	-	(120,000)	-	107,747	12,253	120,000	-	-
PP-A/15-250: 39th Exp. Panel	95,000	-	95,000	-	(95,000)	-	(95,000)	-	59,439	-	59,439	-	35,561
PP-A/15-251: 40th Exp. Panel	95,000	-	95,000	-	(95,000)	-	(95,000)	-	66,915	-	66,915	-	28,085
PP-A/16-252: YF 2011	150,000	-	150,000	-	(150,000)	-	(150,000)	-	150,000	-	150,000	-	-
PP-A/16-253: Stats D-bases	75,000	-	75,000	-	(75,000)	-	(75,000)	-	46,372	(7,558)	38,815	-	36,085
PP-A/16-254: FAO FILE WSP	200,000	-	200,000	-	(200,000)	-	(200,000)	-	192,717	-	192,717	-	7,283
PP-A/16-255: Send For Outclin	24,813	-	24,813	-	(24,813)	-	(24,813)	-	19,293	-	19,293	-	5,520
PP-A/16-256: 41st Exp. Panel	95,000	-	95,000	-	(95,000)	-	(95,000)	-	72,665	-	72,665	-	22,335
PP-A/16-257: 42nd Exp. Panel	95,000	-	95,000	-	(95,000)	-	(95,000)	-	65,214	-	65,214	-	29,786
PP-A/17-258: UN CSO(12-13)	100,000	-	100,000	-	(100,000)	-	(100,000)	-	71,490	-	71,490	-	28,510
PP-A/17-259: Action Plan 2012	150,000	-	150,000	-	(150,000)	-	(150,000)	-	150,000	-	150,000	-	-
PP-A/17-260: Climate Cg. Assst	150,000	-	150,000	-	(150,000)	-	(150,000)	-	9,343	-	9,343	-	63,830
PP-A/17-261: Evaluate TP	90,000	-	90,000	-	(90,000)	-	(90,000)	-	61,083	-	61,083	-	26,917
PP-A/17-262: Wood processing	250,000	(171,245)	78,755	-	(78,755)	-	(78,755)	-	44,626	-	44,626	-	3,666
PP-A/17-263: Discontinue SME	150,000	(20,000)	130,000	-	(130,000)	(50,000)	(130,000)	-	21,777	89,649	111,426	-	18,574
PP-A/17-264: Note For Outclin	150,000	-	150,000	-	(150,000)	-	(150,000)	-	124,337	-	124,337	-	5,663
PP-A/17-265: GFPLA burning	100,000	-	100,000	-	(100,000)	-	(100,000)	-	5,752	44,248	50,000	-	-
PP-A/17-266: FTU/CBD-ACIO	1,320,224	-	1,320,224	-	(1,320,224)	-	(1,320,224)	-	202,016	5,158	207,174	-	1,113,050
PP-A/17-268: 43rd Exp. Panel	95,000	-	95,000	-	(95,000)	-	(95,000)	-	78,064	-	78,064	-	16,936
PP-A/17-269: 44th Exp. Panel	95,000	-	95,000	-	(95,000)	-	(95,000)	-	95,000	-	95,000	-	-
PP-A/17-270: Outreach 2012	50,000	-	50,000	-	(50,000)	-	(50,000)	-	40,663	-	40,663	-	9,337
PP-A/18-271: Congo Basin Mig.	100,000	-	100,000	-	(100,000)	-	(100,000)	-	73,644	19,180	92,824	-	7,176
PP-A/18-272: C&I for SFM WS	50,000	-	50,000	-	(50,000)	-	(50,000)	-	6,544	11,711	18,255	-	31,765
PP-A/18-273: Exp Mtg review C&I	50,000	-	50,000	-	(50,000)	-	(50,000)	-	6,254	1,292	7,546	-	42,184
PP-A/18-274: Int'l C&I Migs.	53,000	10,000	63,000	-	(63,000)	(10,000)	(63,000)	-	16,301	12,194	28,495	-	36,505
PP-A/18-275: Env. Svcs. Forum	232,382	-	232,382	-	(232,382)	-	(232,382)	-	214,414	14,414	188,929	-	42,452
PP-A/18-276: GFPLR 13-14	50,000	-	50,000	-	(50,000)	-	(50,000)	-	31,724	(14,248)	17,476	-	32,224
PP-A/18-277: Fire Conf. 2013	50,000	-	50,000	-	(50,000)	-	(50,000)	-	8,658	(23,064)	14,278	-	18,278
PP-A/18-278: S&E events 13-14	130,000	-	130,000	-	(130,000)	-	(130,000)	-	3,913	85,982	89,895	-	40,105
PP-A/18-279: Knowledge Management	395,000	-	395,000	-	(395,000)	-	(395,000)	-	125,104	18,208	143,312	-	251,688
PP-A/18-280: Development of FDP	180,000	-	180,000	-	(180,000)	-	(180,000)	-	27,181	67,806	94,987	-	85,013
PP-A/18-281: CS-CSTAG 2013-14	80,000	-	80,000	-	(80,000)	-	(80,000)	-	10,435	28,355	38,790	-	41,210
PP-A/18-282: Involvement in CPF	25,000	-	25,000	-	(25,000)	-	(25,000)	-	3,261	-	3,261	-	21,739

International Tropical Timber Organization  
Special Account

Notes to Financial Statements (continued)

Title	Budget		Receipt		Arrears in Contributions at		Expenditure		Appropriated for future expenditures at 12/31/14	Surplus from completed projects at 12/31/14
	Accumulated Total 2013	2014	Accumulated Total 2013	2014	Accumulated Total 2013	2014	2013	2014		
PP-A/08-203 Stais enhancement	40,000	-	(40,000)	-	(40,000)	-	-	15,763	-	-
PP-A/08-204 Prep. 04/06/lines	35,000	-	(35,000)	-	(35,000)	-	-	-	-	-
PP-A/08-205-15/16-16/16 EP, 2013	155,626	-	(155,626)	-	(155,626)	-	-	8,147	61,465	-
PP-A/08-206 Resource mobilization	97,443	-	(97,443)	-	(97,443)	-	-	66,246	97,443	-
PP-A/09-207 BWP2 Credit Scheme	95,150	-	(95,150)	-	(95,150)	-	-	65,000	17,410	-
PP-A/09-208 BWP148 Prep. GPFLR	25,000	-	(25,000)	-	(25,000)	-	-	3,261	21,739	-
PP-A/09-201 BWP258 INM(ED)	856,680	-	(856,680)	-	(856,680)	-	-	281,850	574,830	-
PP-A/09-202 BWP256 Guideline WS	100,000	-	(100,000)	-	(100,000)	-	-	34,599	90,205	-
CODE NOT FOUND 49292A	50,000	-	(50,000)	-	(50,000)	-	-	6,522	43,478	-
PP-A/09-209 BWP356 Latin Am WS	75,000	-	(75,000)	-	(75,000)	-	-	19,736	1,739	-
PP-A/09-204 BWP51 Fundraising	33,800	-	(33,800)	-	(33,800)	-	-	2,195	17,605	-
CODE NOT FOUND 49295	100,000	-	(100,000)	-	(100,000)	-	-	67,031	32,969	-
CODE NOT FOUND 50296	1,280,619	-	(1,280,619)	-	(1,280,619)	-	-	134,679	1,145,940	-
PP-A/10-207 BWP2 Gender Equity	10,000	-	(10,000)	-	(10,000)	-	-	1,304	8,696	-
PP-A/10-208 BWP10 Mature WS	50,000	-	(50,000)	-	(50,000)	-	-	6,571	43,429	-
PP-A/10-209 BWP126 Carbon Intel	40,000	-	(40,000)	-	(40,000)	-	-	-	42,465	-
PP-A/10-300 BWP146 Fire Conf.	42,465	-	(42,465)	-	(42,465)	-	-	-	42,465	-
PP-A/10-301 BWP146 Fire Conf.	30,000	-	(30,000)	-	(30,000)	-	-	2,608	27,392	-
PP-A/10-302 BWP20 Improve mark	50,000	-	(50,000)	-	(50,000)	-	-	3,913	26,087	-
PP-A/10-303 BWP23 Web-based pf	100,000	-	(100,000)	-	(100,000)	-	-	6,522	43,478	-
PP-A/10-304 BWP1 TAG&SAG15-16	50,000	-	(50,000)	-	(50,000)	-	-	10,434	89,566	-
PP-A/10-305 BWP27 CF	50,000	-	(50,000)	-	(50,000)	-	-	6,521	43,479	-
PP-A/10-306 BWP29 Suis Asst.	25,000	-	(25,000)	-	(25,000)	-	-	7,102	17,898	-
PP-A/10-307 BWP30 Forest casest	25,000	-	(25,000)	-	(25,000)	-	-	3,261	21,739	-
PP-A/10-308 BWP30 Forest casest	100,000	-	(100,000)	-	(100,000)	-	-	13,044	86,956	-
PP-A/10-309 BWP50 Assess spln.	222,208	-	(222,208)	-	(222,208)	-	-	12,668	209,540	-
PP-A/10-310 BWP51 Study on R.O	50,000	-	(50,000)	-	(50,000)	-	-	6,522	43,478	-
PP-A/10-310 BWP51 Study on R.O	25,000	-	(25,000)	-	(25,000)	-	-	3,261	21,739	-
PP-A/10-310 BWP51 Study on R.O	40,000	-	(40,000)	-	(40,000)	-	-	5,217	34,783	-
Sub-Total (A):	29,429,612	4,664,492	(28,675,497)	(5,061,142)	(33,736,639)	357,465	24,249,898	4,212,855	28,922,353	5,804,671

International Tropical Timber Organization  
Special Account

Notes to Financial Statements (continued)

Title	Budget		Receipt		Arrears in Contributions at		Expenditure		Appropriated for future expenditures at 12/31/14	Surplus from completed projects at 12/31/14
	Accumulated Total 2013	2014	Accumulated Total 2013	2014	Accumulated Total 2014	12/31/14	Accumulated Total 2013	2014		
<i>Co-finance:</i>										
PP-A/26-79 (Shifted to BPF)	91,965	-	(91,965)	-	(91,965)	-	543,041	3,838	-	-
PP-s/29-96S (BPF Activity)	33,224	-	(33,224)	-	(33,224)	-	33,224	-	-	-
PP-s/29-96 (BPF Activity)	50,000	-	(50,000)	-	(50,000)	-	50,000	-	-	-
PP-s/29-97 (BPF Activity)	20,000	-	(20,000)	-	(20,000)	-	20,000	-	-	-
PP-s/20-103 (BPF Activity)	8,000	-	(8,000)	-	(8,000)	-	8,000	-	-	-
PP-s/31-111b (BPF Activity)	237,500	-	(237,500)	-	(237,500)	-	237,500	-	-	-
PP-A/32-122 (Shifted to BPF)	302,000	-	(302,000)	-	(302,000)	-	302,000	-	-	-
	742,689	-	(742,689)	-	(742,689)	-	1,197,765	3,838	-	-
Sub-Total (Co-finance):										
	31,353,728	4,584,612	(30,579,123)	(5,001,762)	(35,580,885)	357,465	26,468,710	4,296,305	30,503,855	2,962
Total of Pre-Project Sub-Account:									5,890,330	

International Tropical Timber Organization  
Special Account

Notes to Financial Statements (continued)

Project/Sub-Account

Project/Sub-Account	Budget			Receipt			Expenditure			Appropriated for future expenditures at 12/31/14	Surplus from completed projects at 12/31/14
	Accumulated Total 2013	2014	Accumulated Total 2014	Accumulated Total 2013	2014	Accumulated Total 2014	2014	Accumulated Total 2014			
<b>ECONOMIC INFORMATION &amp; MARKET INTELLIGENCE (M)</b>											
PD 16802 Rev.1 (M) /C13	243,594	-	243,594	(243,594)	-	(243,594)	-	229,510	14,084	-	
PD 18203 Rev.2 (M) /C17	285,768	-	285,768	(285,768)	-	(285,768)	448	285,320	448	-	
PD 47907 Rev.2 (M) /C4	596,419	-	596,419	(596,419)	-	(596,419)	-	586,516	9,903	-	
PD 48007 Rev.2 (M) /C4	263,520	-	263,520	(263,520)	-	(263,520)	2,754	260,766	2,754	-	
PD 59911 Rev.1 (M) /C17	497,930	-	497,930	(497,930)	-	(497,930)	-	207,903	290,027	-	
PD 62011 Rev.1 (M) /C17	1,327,181	556,266	1,883,447	(1,361,839)	(721,608)	(2,083,447)	-	938,301	897,981	-	
PD 62111 Rev.3 (M) /C18	349,032	-	349,032	(349,032)	-	(349,032)	-	86,314	202,640	-	
PD 67612 Rev.1 (M) /C18	398,704	-	398,704	(398,704)	-	(398,704)	-	169,745	202,640	-	
PD 69213 Rev.1 (M) /C19	290,541	-	290,541	(290,541)	-	(290,541)	-	7,132	79,295	-	
PD 75614 Rev.1 (M) /C20	221,198	149,341	370,539	(221,198)	(149,341)	(370,539)	-	271,198	266,062	-	
PD 47908 Rev.2 (M)	4,521,887	703,607	5,225,494	(4,152,837)	(1,076,657)	(5,229,494)	303,458	3,042,704	1,883,332	-	
<b>Sub-Total (M)</b>											
	563,265	-	563,265	(563,265)	-	(563,265)	-	552,324	10,941	-	
PD 28000 Rev.2 (F) (ITTC9)	594,678	-	594,678	(594,678)	-	(594,678)	-	594,678	-	-	
PD 37000 Rev.1 (F)	342,795	-	342,795	(342,795)	-	(342,795)	-	311,869	30,926	-	
PD 53000 Rev.3 (F)	378,584	-	378,584	(378,584)	-	(378,584)	134,897	354,719	23,865	-	
PD 54000 Rev.4 (F)	301,570	-	301,570	(301,570)	-	(301,570)	-	279,118	22,452	-	
PD 63001 Rev.1 (F)	770,751	-	770,751	(770,751)	-	(770,751)	-	749,856	20,895	-	
PD 65002 Rev.3 (F)	526,401	-	526,401	(526,401)	-	(526,401)	-	506,401	20,000	-	
PD 19703 Rev.2 (F)	317,093	(317,093)	-	(317,093)	317,093	-	36,524	280,569	20,000	21,524	
PD 21703 Rev.7 (F)	139,898	-	139,898	(139,898)	-	(139,898)	-	135,246	4,652	-	
PD 24803 Rev.4 (F)	577,800	-	577,800	(577,800)	-	(577,800)	-	572,800	5,000	-	
PD 25603 Rev.1 (F)	301,750	-	301,750	(301,750)	-	(301,750)	-	259,595	42,155	-	
PD 33905 Rev.1 (F)	942,166	-	942,166	(942,166)	-	(942,166)	-	928,794	13,382	-	
PD 36703 Rev.2 (F) /C4	143,856	-	143,856	(143,856)	-	(143,856)	1,559	126,915	16,941	-	
PD 37705 Rev.3 (F)	421,060	-	421,060	(421,060)	-	(421,060)	-	387,654	33,406	-	
PD 39606 Rev.2 (F) /C11	508,234	-	508,234	(508,234)	-	(508,234)	-	489,534	18,700	-	
PD 41906 Rev.3 (F) /Spring08	912,764	-	912,764	(912,764)	-	(912,764)	-	840,390	72,374	-	
PD 41906 Rev.3 (F) /Spring08	1,800,000	-	1,800,000	(1,800,000)	-	(1,800,000)	-	595,442	1,198,616	-	
PD 42406 Rev.2 (F) /Spring08	429,138	-	429,138	(429,138)	-	(429,138)	-	366,899	62,239	-	
PD 42606 Rev.1 (F) /C11	507,903	-	507,903	(507,903)	-	(507,903)	-	487,574	20,329	-	
PD 43806 Rev.2 (F)	547,917	-	547,917	(547,917)	-	(547,917)	-	509,533	36,665	-	
PD 44107 Rev.2 (F) /C14	463,115	-	463,115	(463,115)	-	(463,115)	-	382,786	79,929	-	
PD 45007 R.2 (F) /SF 10	402,516	-	402,516	(402,516)	-	(402,516)	-	319,746	82,770	-	
PD 45107 Rev.1 (F) /C12	1,092,960	-	1,092,960	(1,092,960)	-	(1,092,960)	-	1,077,044	15,916	-	
PD 45107 Rev.5 (F) /C50	656,639	-	656,639	(656,639)	-	(656,639)	656,639	-	656,639	-	
PD 45107 Rev.5 (F) /C16	513,527	-	513,527	(513,527)	-	(513,527)	75,000	115,285	323,242	-	
<b>Sub-Total (F)</b>											
	563,265	-	563,265	(563,265)	-	(563,265)	-	552,324	10,941	-	
PD 37000 Rev.1 (F)	594,678	-	594,678	(594,678)	-	(594,678)	-	594,678	-	-	
PD 53000 Rev.3 (F)	342,795	-	342,795	(342,795)	-	(342,795)	-	311,869	30,926	-	
PD 54000 Rev.4 (F)	378,584	-	378,584	(378,584)	-	(378,584)	134,897	354,719	23,865	-	
PD 63001 Rev.1 (F)	770,751	-	770,751	(770,751)	-	(770,751)	-	749,856	20,895	-	
PD 65002 Rev.3 (F)	526,401	-	526,401	(526,401)	-	(526,401)	-	506,401	20,000	-	
PD 19703 Rev.2 (F)	317,093	(317,093)	-	(317,093)	317,093	-	36,524	280,569	20,000	21,524	
PD 21703 Rev.7 (F)	139,898	-	139,898	(139,898)	-	(139,898)	-	135,246	4,652	-	
PD 24803 Rev.4 (F)	577,800	-	577,800	(577,800)	-	(577,800)	-	572,800	5,000	-	
PD 25603 Rev.1 (F)	301,750	-	301,750	(301,750)	-	(301,750)	-	259,595	42,155	-	
PD 33905 Rev.1 (F)	942,166	-	942,166	(942,166)	-	(942,166)	-	928,794	13,382	-	
PD 36703 Rev.2 (F) /C4	143,856	-	143,856	(143,856)	-	(143,856)	1,559	126,915	16,941	-	
PD 37705 Rev.3 (F)	421,060	-	421,060	(421,060)	-	(421,060)	-	387,654	33,406	-	
PD 39606 Rev.2 (F) /C11	508,234	-	508,234	(508,234)	-	(508,234)	-	489,534	18,700	-	
PD 41906 Rev.3 (F) /Spring08	912,764	-	912,764	(912,764)	-	(912,764)	-	840,390	72,374	-	
PD 41906 Rev.3 (F) /Spring08	1,800,000	-	1,800,000	(1,800,000)	-	(1,800,000)	-	595,442	1,198,616	-	
PD 42406 Rev.2 (F) /Spring08	429,138	-	429,138	(429,138)	-	(429,138)	-	366,899	62,239	-	
PD 42606 Rev.1 (F) /C11	507,903	-	507,903	(507,903)	-	(507,903)	-	487,574	20,329	-	
PD 43806 Rev.2 (F)	547,917	-	547,917	(547,917)	-	(547,917)	-	509,533	36,665	-	
PD 44107 Rev.2 (F) /C14	463,115	-	463,115	(463,115)	-	(463,115)	-	382,786	79,929	-	
PD 45007 R.2 (F) /SF 10	402,516	-	402,516	(402,516)	-	(402,516)	-	319,746	82,770	-	
PD 45107 Rev.1 (F) /C12	1,092,960	-	1,092,960	(1,092,960)	-	(1,092,960)	-	1,077,044	15,916	-	
PD 45107 Rev.5 (F) /C50	656,639	-	656,639	(656,639)	-	(656,639)	656,639	-	656,639	-	
PD 45107 Rev.5 (F) /C16	513,527	-	513,527	(513,527)	-	(513,527)	75,000	115,285	323,242	-	

International Tropical Timber Organization  
Special Account

Notes to Financial Statements (continued)

Title	Budget		Receipt		Arrears in Contributions at		Expenditure		Appropriated for		Surplus from completed projects at 12/31/14
	Accumulated Total 2013	2014	Accumulated Total 2013	2014	Accumulated Total 2014	12/31/14	Accumulated Total 2013	2014	Accumulated Total 2014	expenditures at 12/31/14	
PD 450/07 Rev.4 (F) /C47	4,088,537	(517,875)	3,890,682	(3,890,682)	-	(3,890,682)	938,175	8,265	946,438	2,944,144	-
PD 430/07 Rev.1 (F) /C44	593,163	-	(593,163)	(593,163)	-	(593,163)	576,074	500	576,574	16,589	-
PD 470/07 Rev.1 (F) /C44	209,574	-	(209,574)	(209,574)	-	(209,574)	80,560	9,034	89,594	119,980	-
PD 477/07 Rev.4 (F) /C48	338,256	-	(338,256)	(338,256)	-	(338,256)	29,388	-	29,388	308,868	-
PD 492/08 Rev.4 (F) /C47	492,588	-	(492,588)	(492,588)	-	(492,588)	231,586	60,200	291,787	200,701	-
PD 501/08 Rev.1 (F) /C45	333,435	(333,435)	333,435	333,435	-	-	226,515	12,333	238,848	-	5,805
PD 507/08 Rev.1 (F) /C44	396,310	-	(396,310)	(396,310)	-	(396,310)	226,515	10,970	237,486	158,824	-
PD 519/08 Rev.1 (F) /C44	814,590	-	(814,590)	(814,590)	-	(814,590)	648,348	140,165	788,513	26,077	-
PD 528/08 Rev.1 (F) /C44	465,264	-	(465,264)	(465,264)	-	(465,264)	351,430	56,703	408,133	57,141	-
PD 530/08 Rev.2 (F) /C47	509,465	-	(509,465)	(509,465)	-	(509,465)	271,949	64,049	335,997	233,668	-
PD 530/08 Rev.1 (F) /C46	424,837	-	(424,837)	(424,837)	-	(424,837)	343,364	32,417	375,781	29,056	-
PD 539/09 Rev.1 (F) /C45	149,710	(149,710)	149,710	149,710	-	-	131,210	18,500	149,710	-	8,300
PD 550/09 Rev.1 (F) /C45	644,814	-	(644,814)	(644,814)	-	(644,814)	466,764	-	466,764	238,050	-
PD 561/09 Rev.5 (F) /SP14	2,051,039	-	(2,051,039)	(2,051,039)	-	(2,051,039)	1,039,531	474,520	1,514,052	460,000	-
PD 581/10 Rev.2 (F) /C46	345,840	-	(345,840)	(345,840)	-	(345,840)	169,933	50,913	220,846	516,987	-
PD 584/10 Rev.2 (F) /C47	102,788	-	(102,788)	(102,788)	-	(102,788)	145,430	70,776	216,206	123,598	-
PD 586/10 Rev.1 (F) /C46	414,104	-	(414,104)	(414,104)	-	(414,104)	307,082	132,490	439,572	25,816	-
PD 590/10 Rev.1 (F) /C46	517,563	-	(517,563)	(517,563)	-	(517,563)	359,257	132,490	491,747	332,226	-
PD 601/11 Rev.3 (F) /C49	496,290	-	(496,290)	(496,290)	-	(496,290)	461	163,603	164,064	108,429	-
PD 602/11 Rev.2 (F) /C49	350,402	-	(350,402)	(350,402)	-	(350,402)	5,190	103,239	108,429	241,573	-
PD 617/11 Rev.1 (F) /C47	941,559	-	(941,559)	(941,559)	-	(941,559)	226,092	136,625	362,718	578,941	-
PD 622/11 Rev.1 (F) /C47	149,598	-	(149,598)	(149,598)	-	(149,598)	105,376	44,582	149,958	149,958	-
PD 631/12 Rev.2 (F) /C48	517,450	-	(517,450)	(517,450)	-	(517,450)	42,694	144,120	186,814	330,636	-
PD 646/12 Rev.3 (F) /C50	435,187	-	(435,187)	(435,187)	-	(435,187)	635,187	46,627	681,814	388,560	-
PD 650/12 Rev.1 (F) /C48	243,272	-	(243,272)	(243,272)	-	(243,272)	118,392	79,094	197,486	47,786	-
PD 660/12 Rev.1 (F) /C48	641,639	-	(641,639)	(641,639)	-	(641,639)	47,458	154,110	201,568	440,071	-
PD 675/12 Rev.1 (F) /C48	464,033	-	(464,033)	(464,033)	-	(464,033)	195,542	123,510	318,852	143,181	-
PD 680/13 Rev.1 (F) /C49	149,744	-	(149,744)	(149,744)	-	(149,744)	16,044	16,044	32,088	133,700	-
PD 690/13 Rev.2 (F) /C49	310,576	-	(310,576)	(310,576)	-	(310,576)	33,276	33,276	66,552	272,000	-
PD 710/13 Rev.1 (F) /C49	479,976	-	(479,976)	(479,976)	-	(479,976)	56,837	56,837	113,674	423,139	-
PD 724/13 Rev.1 (F) /C50	-	149,632	-	(149,632)	-	(149,632)	-	16,032	16,032	133,600	-
PD 751/13 Rev.2 (F) /C50	-	149,408	-	(149,408)	-	(149,408)	-	11,026	11,026	138,382	-
PD 749/14 Rev.2 (F) /C50	-	484,792	-	(484,792)	-	(484,792)	-	-	-	484,792	-
PD 21/98 Rev.2 (F)	647,517	-	(647,517)	(647,517)	-	(647,517)	602,380	45,137	647,517	8,720	-
PD 24/98 Rev.2 (F)	177,610	-	(177,610)	(177,610)	-	(177,610)	168,890	20,107	188,997	47,451	-
PD 6/99 Rev.3 (F)	543,892	-	(543,892)	(543,892)	-	(543,892)	476,334	2,847,049	2,847,049	12,342,142	-
Sub-Total (F)	32,967,736	(18,601)	32,949,135	(30,584,219)	(717,010)	1,647,926	19,596,339	2,847,049	20,607,012	49,838	-

International Tropical Timber Organization  
Special Account

Notes to Financial Statements (continued)

Title	Budget		Receipt		Arrears in Contributions at		Expenditure		Appropriated for future expenditures at		Surplus from completed projects at 12/31/14
	Accumulated Total 2013	2014	Accumulated Total 2013	2014	Accumulated Total 2014	12/31/14	Accumulated Total 2013	2014	Accumulated Total 2014	12/31/14	
<b>FOREST INDUSTRY/II</b>											
PD 34405 Rev.4 (I)/C/3	214,364	85,086	299,450	(85,086)	(299,450)	-	214,364	85,086	299,450	-	-
PD 38405 Rev.3 (I)/C/1	463,670	-	463,670	-	(463,670)	-	438,495	-	438,495	25,175	-
PD 43306 Rev.3 (I)/C/5	516,927	-	516,927	-	(516,927)	-	333,968	162,262	496,230	20,697	-
PD 45707 Rev.5 (I)/C/6	31,210	-	31,210	-	(31,210)	-	31,210	11,279	42,489	-	-
PD 50608 Rev.1 (I)/C/4	292,532	-	292,532	-	(292,532)	-	231,878	(210)	231,668	60,854	-
PD 51308 Rev.1 (I)/C/5	278,640	(278,640)	-	278,640	(278,640)	-	263,236	15,404	-	-	404
PD 54809 Rev.2 (I)/C/7	490,374	(490,374)	-	490,374	(490,374)	-	470,592	19,392	-	-	22,974
PD 60V11 Rev.1 (I)/2011	448,362	-	448,362	-	(448,362)	-	281,333	91,261	372,594	75,768	-
PD 60713 Rev.1 (I)/C/9	537,095	-	537,095	-	(537,095)	-	179,856	121,549	301,405	357,239	-
PD 68713 Rev.1 (I)/C/9	250,068	-	250,068	-	(250,068)	-	5,337	24,238	29,575	123,162	-
PD 72213 Rev.1 (I)/C/9	226,041	-	226,041	-	(226,041)	-	2,392,632	-	2,392,632	40,394	-
PD 80193 Rev.1 (N.L.F.)	2,433,135	-	2,433,135	-	(2,433,135)	-	311,774	-	311,774	5,375	-
PD 8993 Rev.4 (I)	317,449	-	317,449	-	(317,449)	-	74,520	-	74,520	-	18,700
PD 8993 Rev.4 (I) P.L.I. A.U.P.I	74,520	(74,520)	-	74,520	(74,520)	-	54,520	20,000	74,520	-	-
PD 8993 Rev.1 (I)	622,191	-	622,191	-	(622,191)	-	619,194	-	619,194	2,997	-
pd 13799 (n/f) rev.2 ph.2 BPF	216,017	-	216,017	-	(216,017)	-	216,017	-	216,017	-	-
Freestahli Fellowship Fund	5,842,423	432,094	6,274,517	(532,094)	(6,174,517)	100,000	5,238,697	465,979	5,704,676	569,841	-
Sub-Total (I):	13,254,708	(326,354)	12,928,354	(199,755)	(12,828,599)	100,000	11,283,710	1,016,761	11,486,438	1,483,195	42,079
Total of Project Sub-Account:	50,746,536	360,652	51,107,188	(1,993,423)	(49,152,077)	1,747,926	33,922,753	4,166,788	35,409,612	15,786,669	91,937

International Tropical Timber Organization  
Special Account

Notes to Financial Statements (continued)

Thousands Programmes, Sub-Account

Title	Budget		Receipt		Arrears in Contributions at		Expenditure		Appropriated for future expenditures at 12/31/14	Surplus from completed projects at 12/31/14
	Accumulated Total 2013	2014	Accumulated Total 2013	2014	Accumulated Total 2014	12/31/14	Accumulated Total 2013	2014		
<b>ECONOMIC INFORMATION &amp; MARKET INTELLIGENCE (M)</b>										
TEL-PD 003/09 Rev.2 (M)/03/10	365,526	-	365,526	-	(365,526)	-	122,105	186,318	57,103	-
TEL-PD 007/09 Rev.1 (M)/03/10	163,039	-	163,039	-	(163,039)	-	163,039	-	163,039	-
TEL-SPD 014/09 Rev.1 (M)/03/10	474,163	(474,163)	-	474,163	-	-	454,970	19,129	-	-
TEL-SPD 014/09 Rev.1 (M)/03/10	302,562	-	302,562	-	(302,562)	-	207,441	6,318	88,803	-
TEL-PD 017/09 Rev.2 (M)/SP10	322,036	-	322,036	-	(322,036)	-	305,009	463	16,612	-
TMT-SPD 002/10 Rev.1 (M)/SP10	150,000	-	150,000	-	(150,000)	-	140,592	-	9,408	-
TEL-PD 019/10 Rev.2 (M)/SP10	496,670	(496,670)	-	470,274	-	-	471,657	25,033	-	163
TEL-PD 024/10 Rev.2 (M)/SP10	563,339	-	563,339	(337,891)	(563,339)	-	226,601	232,150	104,589	-
TMT-SPD 004/11 R.2 (M)/SP11	359,716	-	359,716	(359,716)	(359,716)	-	249,318	49,568	60,830	-
TMT-PD 006/11 Rev.3 (M)/SP11	320,920	-	320,920	-	(320,920)	-	301,744	3	19,173	-
RED-PD 043/11 Rev.2 (M)/SP11	470,683	-	470,683	-	(470,683)	-	264,533	139,021	463,554	-
TMT-SPD 010/12 Rev.1 (M)/SP12	138,033	-	138,033	-	(138,033)	-	80,284	-	57,749	-
TMT-SPD 010/12 Rev.2 (M)/SP12	138,936	-	138,936	-	(138,936)	-	10,286	-	128,700	-
TMT-SPD 012/12 Rev.1 (M)/SP12	111,591	-	111,591	-	(111,591)	-	77,031	34,900	111,931	-
TMT-SPD 013/12 Rev.1 (M)/SP12	150,000	-	150,000	-	(150,000)	-	96,877	16,518	36,805	-
TEL-SPD 028/12 Rev.1 (M)/SP12	147,701	-	147,701	-	(147,701)	-	89,811	56,129	1,762	-
TEL-SPD 030/12 Rev.1 (M)/SP12	137,941	-	137,941	-	(137,941)	-	33,246	92,723	9,972	-
TEL-SPD 030/12 Rev.1 (M)/SP12	131,236	-	131,236	-	(131,236)	-	46,749	74,506	9,981	-
TEL-PD 032/13 Rev.1 (M)/03/14	-	136,640	136,640	-	(136,640)	-	-	74,640	62,000	-
TEL-PD 032/13 Rev.2 (M)/03/14	-	456,680	456,680	-	(456,680)	-	-	148,930	307,750	-
TEL-PD 033/13 Rev.2 (M)/03/14	-	493,880	493,880	-	(493,880)	-	-	342,730	148,930	-
TEL-PD 037/13 Rev.2 (M)/03/14	-	518,633	518,633	-	(518,633)	-	-	153,130	365,503	-
TEL-PD 037/13 Rev.3 (M)/03/14	-	149,707	149,707	-	(149,707)	-	-	55,626	463,207	-
TEL-SPD 038/13 Rev.2 (M)/03/14	-	74,586	74,586	-	(74,586)	-	7,991	91,040	58,667	-
TEL-PPD 040/13 Rev.2 (M)/2013	74,586	-	74,586	-	-	-	-	43,152	31,434	-
TEL-SPD 043/13 Rev.1 (M)/03/14	-	147,280	147,280	-	(147,280)	-	-	15,780	131,500	-
TEL-PD 044/13 Rev.2 (M)/03/14	-	412,556	412,556	-	(412,556)	-	-	44,271	368,285	-
TEL-PPD 045/13 Rev.2 (M)/03/14	-	66,942	66,942	-	(66,942)	-	-	47,172	19,770	-
Sub-Total (M):	5,019,098	1,413,685	6,432,783	(1,777,970)	(4,654,811)	-	3,351,272	1,598,567	2,453,977	163

International Tropical Timber Organization  
Special Account

Notes to Financial Statements (continued)

Title	Budget		Receipt		Arrears to Contributions at 12/31/14		Expenditure		Appropriated for future expenditures at 12/31/14		Surplus from completed projects at 12/31/14
	Accumulated Total 2013	2014	Accumulated Total 2013	2014	Accumulated Total 2014	12/31/14	Accumulated Total 2013	2014	Accumulated Total 2014	12/31/14	
<b>REFORESTATION &amp; FOREST MANAGEMENT</b>											
RED-A 003/09 Rev.1 (F)/11/9	97,180	-	(97,180)	-	(97,180)	-	97,930	-	97,930	4,250	-
RED-PD 003/09 Rev.2 (F)/02/10	400,680	-	(400,680)	-	(400,680)	-	390,834	-	390,880	10,000	-
RED-PPD 06/09 Rev.2 (F)/02/10	82,080	(82,080)	(82,080)	82,080	-	-	82,080	(154)	-	-	-
RED-PD 007/09 Rev.2 (F)/03/10	447,071	-	(447,071)	-	(447,071)	-	447,071	-	447,071	-	-
RED-PD 009/09 Rev.2 (F)/03/10	149,493	(149,493)	(149,493)	149,493	-	-	141,009	8,484	-	-	3,484
RED-PD 018/09 Rev.1 (F)/02/10	356,519	-	(356,519)	-	(356,519)	-	339,439	7,080	-	10,000	-
RED-PD 020/09 Rev.1 (F)/03/10	149,040	-	(149,040)	-	(149,040)	-	149,040	-	-	-	-
RED-A 023/09 Rev.1 (F)/02/10	476,820	(476,820)	(476,820)	476,820	-	-	476,820	-	-	-	-
RED-PD 026/09 Rev.1 (F)/02/10	638,716	-	(638,716)	-	(638,716)	-	487,366	94,049	-	77,301	-
RED-PD 029/09 Rev.1 (F)/03/10	1,124,784	-	(1,124,784)	-	(1,124,784)	-	869,855	41,287	-	263,929	-
CFPA-PD 06/10 Rev.1 (F)/SP/10	465,151	(465,151)	(465,151)	465,151	-	-	420,864	44,287	-	860,855	-
CFPA-PD 06/10 Rev.1 (F)/SP/10	122,040	-	(122,040)	-	(122,040)	-	122,040	-	122,040	-	-
CFPA-PD 06/10 Rev.1 (F)/SP/10	149,229	(149,229)	(149,229)	149,229	-	-	137,708	11,521	-	-	11,521
CFPA-PD 06/10 Rev.2 (F)/SP/10	200,000	(200,000)	(200,000)	200,000	-	-	192,685	7,315	-	-	7,315
RED-PD 031/11 Rev.1 (F)/SP/11	478,894	-	(478,894)	-	(478,894)	-	371,291	60,913	-	46,690	-
RED-PD 033/11 Rev.3 (F)/SP/11	415,384	-	(415,384)	-	(415,384)	-	317,825	85,748	-	403,573	-
RED-PD 037/11 Rev.2 (F)/SP/11	590,922	-	(590,922)	-	(590,922)	-	199,332	256,288	-	135,909	-
RED-PD 038/11 Rev.3 (F)/SP/11	571,890	-	(571,890)	-	(571,890)	-	278,460	117,828	-	175,602	-
RED-PD 039/11 Rev.1 (F)/SP/11	113,373	-	(113,373)	-	(113,373)	-	8,398	-	-	104,975	-
RED-PD 041/11 Rev.2 (F)/SP/11	144,650	(144,650)	(144,650)	144,650	-	-	144,650	-	-	-	12,225
RED-PPD 043/11 Rev.1 (F)/SP/11	73,613	-	(73,613)	-	(73,613)	-	8,781	53,000	-	61,781	-
RED-PPD 051/11 Rev.1 (F)/SP/11	81,864	-	(81,864)	-	(81,864)	-	79,190	-	-	2,674	-
RED-SPD 053/11 Rev.1 (F)/SP/11	149,922	-	(149,922)	-	(149,922)	-	149,922	-	-	-	-
RED-PA 056/11 Rev.1 (F)/SP/11	253,120	-	(253,120)	-	(253,120)	-	230,957	-	-	22,163	-
RED-SPD 058/11 Rev.2 (F)/SP/11	142,110	-	(142,110)	-	(142,110)	-	10,527	-	-	131,583	-
RED-PD 064/11 Rev.2 (F)/SP/11	504,317	-	(504,317)	-	(504,317)	-	187,357	154,084	-	341,438	-
RED-PA 068/11 Rev.1 (F)/SP/11	143,510	-	(143,510)	-	(143,510)	-	116,510	-	-	27,000	-
RED-PPD 074/12 Rev.1 (F)/SP/12	30,117	(101,117)	(101,117)	101,117	-	-	79,610	21,507	-	145,900	-
RED-SPD 075/12 Rev.1 (F)/SP/12	145,800	-	(145,800)	-	(145,800)	-	101,659	44,141	-	68,309	-
RED-SPD 077/12 Rev.1 (F)/SP/12	121,662	-	(121,662)	-	(121,662)	-	39,214	29,096	-	53,353	-
RED-SPD 079/12 Rev.1 (F)/SP/12	146,751	-	(146,751)	-	(146,751)	-	45,409	70,300	-	115,709	-
RED-SPD 084/12 Rev.1 (F)/SP/12	149,922	-	(149,922)	-	(149,922)	-	76,673	50,000	-	126,673	-
RED-SPD 092/12 Rev.1 (F)/SP/12	149,904	-	(149,904)	-	(149,904)	-	55,084	30,913	-	85,997	-
RED-SPD 093/12 Rev.3 (F)/12	297,205	-	(297,205)	-	(297,205)	-	226,013	68,141	-	294,153	-
Sub-Total (F):	9,654,733	(1,768,540)	(7,886,193)	1,768,540	(7,886,193)	-	7,067,602	1,214,251	(1,768,540)	6,513,312	60,172
<b>Forest Indirects</b>											
TRC-PA 06/11 Rev.1 (F)/SP/11	60,116	-	(60,116)	-	(60,116)	-	37,916	-	-	22,200	-
Sub-Total (F):	60,116	-	(60,116)	-	(60,116)	-	37,916	-	-	22,200	-
Total of Themes Programmes Sub-Account:	14,733,947	(3,54,855)	(14,379,092)	(9,432)	(14,379,092)	-	10,456,790	2,812,898	(2,739,373)	10,530,315	60,335



**Financial Statements of  
the Bali Partnership Fund Account**

**International Tropical Timber Organization**

*December 31, 2014 and 2013*





International Tropical Timber Organization  
Bali Partnership Fund Account

Financial Statements

December 31, 2014 and 2013

Contents

Report of Independent Auditors .....	1
Balance Sheets .....	2
Statements of Revenues and Expenditures .....	3
Statements of Changes in Fund Balance .....	4
Statements of Cash Flows .....	5
Notes to Financial Statements .....	6





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## Report of Independent Auditors (Bali Partnership Fund Account)

To the Executive Director of  
International Tropical Timber Organization

Pursuant to Article 23 of the International Tropical Timber Agreement of 2006, we have audited the accompanying balance sheet of the Bali Partnership Fund Account of International Tropical Timber Organization (the "ITTO") as of December 31, 2014, and the related statements of revenues and expenditures, changes in fund balance, and cash flows for the years then ended (herein referred to as the "financial statements") and a summary of significant accounting policies described in Note 1. The financial statements have been prepared by the ITTO Secretariat based on the provisions of the ITTA and the "Financial Rules and Rules Relating to Projects of the ITTO".

The ITTO Secretariat is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies described in Note 1 and for such internal control as Secretariat determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting policies used and significant estimates made by the Secretariat, and evaluating the overall financial statement presentation. We believe that our audit of the financial statements provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with accounting policies set out in Note 1.

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial statements are prepared to assist ITTO to comply with the provisions of the ITTA and the "Financial Rules and Rules Relating to Projects of the ITTO". As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for members of ITTO and should not be distributed to or used by anyone other than members of ITTO.

As described in Note 1 to the financial statements of ITTO, the Bali Partnership Fund Account is a part of the ITTO Accounts; accordingly, the financial statements of the Bali Partnership Fund Account should be read in conjunction with the audited financial statements of ITTO.

June 30, 2015



International Tropical Timber Organization  
Bali Partnership Fund Account

Balance Sheets

	<b>December 31,</b>	
	<b>2014</b>	<b>2013</b>
	<i>(U.S. dollars)</i>	
<b>Assets</b>		
Cash and time deposits	\$ 5,431	\$ 5,430
Arrears in voluntary contributions <i>(Note 5)</i>	–	631,802
Accounts receivable from Executing Agencies Account	30,118,766	29,293,122
	<u>\$30,124,196</u>	<u>\$29,930,354</u>
<b>Liabilities and contributions</b>		
Accounts payable to Special Account	\$28,869,201	\$28,839,878
Accounts payable to staff members and others <i>(Note 1)</i>	9,381	7,206
Accrued liabilities	793	793
Reserve for programme support <i>(Note 1)</i>	34,691	1,299
	<u>28,914,066</u>	<u>28,849,175</u>
<b>Members' funds</b>		
Appropriated for specified projects, pre-projects and activities <i>(Note 1 and 5)</i>	4,283,372	4,284,790
Unappropriated funds	(3,661,097)	(3,815,461)
Surplus from completed projects, pre-projects and activities <i>(Note 1 and 5)</i>	587,856	611,850
Total Members' funds	<u>1,210,131</u>	<u>1,081,179</u>
	<u>\$30,124,196</u>	<u>\$29,930,354</u>

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

International Tropical Timber Organization  
Bali Partnership Fund Account

Statements of Revenues and Expenditures

	<b>Year ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
	<i>(U.S. dollars)</i>	
<b>Revenues:</b>		
Voluntary contributions <i>(Notes 1, 2, 4 and 5)</i>	\$ 122,755	\$ 631,132
Pledges not received	(31,802)	-
Interest income <i>(Note 3)</i>	466,997	33,707
Dividends <i>(Note 3)</i>	-	149,804
	<u>557,949</u>	<u>814,643</u>
<b>Expenditures and others:</b>		
Project cost <i>(Note 5)</i>	443,268	216,152
Exchange gain and loss	22	(7)
Time delay (Reversal of time delay) in settling advance payments	(2,125)	17,490
Gain on securities, net <i>(Note 3)</i>	(4,142)	-
	<u>437,023</u>	<u>233,636</u>
Excess of expenditures over revenues	<u>\$ 120,926</u>	<u>\$ 581,007</u>

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

International Tropical Timber Organization  
Bali Partnership Fund Account

Statements of Changes in Fund Balance

For the years ended December 31

	Appropriated for specified projects	Unappropriated funds	Surplus from completed projects	Total
	<i>(U.S. dollars)</i>			
<b>2013</b>				
Member's funds as of January 1, 2013	\$ 4,300,019	\$(3,998,978)	\$ 591,345	\$ 892,385
Excess of expenditures over revenues	376,985	183,517	-	560,502
Transfer to surplus from completed project	-	-	20,506	20,506
Transfer to/from Executing Agencies Account	(392,214)	-	-	(392,214)
Members' funds as of December 31, 2013	<u>\$ 4,284,790</u>	<u>\$(3,815,461)</u>	<u>\$ 611,850</u>	<u>\$ 1,081,179</u>
<b>2014</b>				
Excess of expenditures over revenues	\$ (358,211)	\$ 471,117	\$ -	\$ 112,906
Transfer to surplus from completed project	-	-	8,020	8,020
Transfer to/from Special Account	-	(316,753)	(32,015)	(348,767)
Transfer to/from Executing Agencies Account	356,793	-	-	356,793
Members' funds as of December 31, 2014	<u>\$ 4,283,372</u>	<u>\$(3,661,097)</u>	<u>\$ 587,856</u>	<u>\$ 1,210,131</u>

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

International Tropical Timber Organization  
Bali Partnership Fund Account

Statements of Cash Flows

	<b>Year ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
	<i>(U.S. dollars)</i>	
Excess of expenditures over revenues	\$ 120,926	\$ 581,007
Changes in assets and liabilities:		
Arrears in contributions	631,802	(600,000)
Accounts Receivable from Executing Agencies Account	(825,644)	213,563
Advance to and received from staff members and others	–	5,540
Accounts Payable to Special Account	29,323	212,054
Accounts Payable to staff members and others	2,175	6,150
Accrued Liabilities	–	(27,399)
Reserve for programme support	33,392	1,299
Changes in members' funds:		
Transfer to/from Executing Agencies Account	356,793	(392,214)
Transfer to/from Special Account	(348,767)	–
Net increase (decrease) in cash	1	1
Cash and time deposits at beginning of year	5,430	5,430
Cash and time deposits at end of year	<u>\$ 5,431</u>	<u>\$ 5,430</u>

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

International Tropical Timber Organization  
Bali Partnership Fund Account

Notes to Financial Statements

**1. Significant Accounting Policies**

See Note 2 to the financial statements of ITTO.

**2. Contributions**

Cash received for contributions by countries for the years ended December 31, 2014 are as follows:

	<u>2014</u>
	<i>(U.S. dollars)</i>
Received from:	
Government of China	\$ 100,000
Government of Japan (MoFA)	600,000
Government of U.S.A.	22,755
	<u>\$ 722,755</u>

There were no Cash received in respect to contributions from countries for the years ended December 31, 2013.

The accumulated balance of cash received and transfers from the Special Account for contributions at December 31, 2014 are as follows:

<u>Received in</u>	<u>Cash received</u>	<u>Transfer from Special Account</u>	<u>Net contribution received</u>
		<i>(U.S. dollars)</i>	
1999	\$ 100,000	\$ 2,111,185	\$ 2,211,185
2000	1,125,000	2,542,201	3,667,201
2001	100,000	4,016,671	4,116,671
2002	—	16,753,972	16,753,972
2003	709,642	140,000	849,642
2004	709,262	1,194,600	1,903,862
2005	130,000	2,848,315	2,978,315
2006	140,000	682,360	822,360
2007	1,480,000	85,940	1,565,940
2008	76,444	544,195	620,639
2009	2,993	50,000	52,993
2010	117,649	250,000	367,649
2011	—	439,176	439,176
2012	—	177,158	177,158
2013	—	31,132	31,132
2014	722,755	—	722,755
	<u>\$5,413,745</u>	<u>\$31,866,905</u>	<u>\$37,280,650</u>

International Tropical Timber Organization  
Bali Partnership Fund Account

Notes to Financial Statements (continued)

**3. Interest Income**

For financial Bali Partnership Fund, 50 percent of interest earned as a result of activities related to Special Account is attributable to the Bali Partnership Fund. Interest income, Dividends and Gain on securities, net includes those incurred in the Special Account in the amount of \$468,802 for 2014 and \$183,076 for 2013.

International Tropical Timber Organization  
Bali Partnership Fund Account

Notes to Financial Statements (continued)

**4. Utilization of Members' Funds**

During the year ended December 31, 2014, ITTO utilized members' funds. The details are as follows:

Utilization of members' fund transferred from the Bali Partnership Fund to the Project Sub-Account:

Description	Amount transferred <i>(U.S. dollars)</i>
Transfer from BPF Sub-account B to allocate to ITTO Fellowship Programme	\$ 95,959
Transfer from BPF Sub-account B to allocate to PP-A/48-275	65,794
Transfer from BPF Sub-account B to allocate to PP-A/48-280	90,000
Transfer from BPF Sub-account B to allocate to PP-A/49-294	20,000
Transfer from BPF Sub-account B to allocate to PP-A/50-304	20,000
Transfer from BPF Sub-account B to allocate to PP-A/50-306	25,000
Total	<u><u>\$316,753</u></u>

During the year ended December 31, 2014, there was no utilization of members' funds to Projects, Pre-Projects or Activities to be recorded as revenue.

During the year ended December 31, 2013, there was no utilization of members' funds.

International Tropical Timber Organization  
Bali Partnership Fund Account

Notes to Financial Statements

5. DETAIL OF PROJECT STATUS

Detail of project status in Bali Partnership Fund for the years ended December 31, 2014 is as follows:

Title	Budget		Receipt		Expenditure		Accumulated expenditures as at 12/31/14	Surplus from completed projects at 12/31/14
	Accumulated Total 2013	2014	Accumulated Total 2013	2014	Accumulated Total 2013	2014		
<b>ECONOMIC INFORMATION &amp; MARKET INTELLIGENCE (M)</b>								
PD 12401 R.2 (M) P.I S1 C32	1,269,965	-	(1,269,965)	-	1,269,965	-	1,269,965	-
PD 12401 Rev.2 (M) P.II C42	864,070	-	(864,070)	-	864,070	-	864,070	-
PD 12401 Rev.3 (M) P.III C46	1,000,000	100,000	(800,000)	(700,000)	502,865	263,573	766,438	433,562
PD 29109 Rev.2 (M)	216,378	(216,378)	(216,378)	216,378	215,178	1,200	-	-
PD 13807 Rev.1 (M) / C4	79,844	-	(79,844)	-	79,844	-	79,844	1,200
PD 44907 Rev.2 (M) / C45	473,040	-	(473,040)	-	463,788	-	463,788	-
pd 16991.4 (m) ph.4 C51	4,445,945	-	(4,445,945)	-	4,445,489	-	4,445,489	456
Sub-Total (M):	8,449,242	(116,378)	(7,892,242)	(483,622)	7,841,159	264,774	7,889,594	1,700
<b>REFORESTATION &amp; FOREST MANAGEMENT (F)</b>								
BPF PD 5902 Rev.2 (F) C36	84,305	-	(84,305)	-	61,319	-	296,367	46,834
BPF PD 1903 Rev.3 (F) C36	343,740	-	(343,740)	-	351,705	-	72,702	-
BPF PD 2004 Rev.4 (F) C37	367,632	(367,632)	(367,632)	367,632	72,702	15,927	479,174	1,746
PPD 16804 Rev.1 (F)	75,578	-	(75,578)	-	479,174	-	553,728	15,000
BPF PD 27604 Rev.2 (F) C37	480,920	-	(480,920)	-	568,728	-	241,290	82,710
BPF PD 28804 Rev.2 (F) C38	568,728	-	(568,728)	-	335,754	8,802	500,164	21,715
PD 34605 Rev.2 (F)	324,000	-	(324,000)	-	493,637	106,507	116,343	20,000
PD 35005 Rev.3 (F)	366,271	-	(366,271)	-	762,451	7,569	298,126	-
PD 35105 Rev.1 (F)	514,653	-	(514,653)	-	447,645	15,000	76,051	3,869
BPF PD 36005 Rev.1 (F) C38	610,000	-	(610,000)	-	295,750	556	314,219	243,284
PD 37205 Rev.1 (F)	790,020	-	(790,020)	-	170,597	-	170,597	4,025
PD 37605 Rev.2 (F) C41	462,645	(462,645)	(462,645)	462,645	614,944	162,473	897,562	6,420
PPD 12306 Rev.1 (F)	594,432	-	(594,432)	-	6,314,302	-	5,285,503	-
PD 46307 Rev.1 (F) Spring 08	79,920	-	(79,920)	-	-	-	-	-
pd 20991.2 (0) C38 Sub/BPF	561,195	(561,195)	(561,195)	561,195	-	-	-	-
PD 20991.2 (0) C38 Sub/BPF	539,493	-	(539,493)	-	-	-	-	-
PD 20991.2 (0) C38 Sub/BPF	172,136	-	(172,136)	-	-	-	-	-
pd 37391.2 (0) C38 Sub/BPF	616,969	-	(616,969)	-	-	-	-	-
Sub-Total (F):	7,574,337	(1,391,472)	(7,574,337)	1,391,472	6,314,302	162,473	5,285,503	6,420

**International Tropical Timber Organization  
Bali Partnership Fund Account  
Notes to Financial Statements (continued)**

Title	Budget		Receipt		Arrears in Contributions at		Expenditure		Appropriated for future expenditures at 12/31/14	Surplus from completed projects at 12/31/14
	Accumulated Total 2013	2014	Accumulated Total 2013	2014	Accumulated Total 2013	12/31/14	Accumulated Total 2013	2014		
<b>FOREST INVENTORY</b>										
BPF PPD 97/04 Rev.1 (0) C26	94,832	(1,262)	94,832	-	94,832	-	84,119	-	10,713	-
PD 332/05 Rev.2 (0)	-	(7,765)	1,282	(22,755)	1,282	-	360,615	-	29,429	-
pd 728/06 (M.C.) Sini/02/PF	3,588,490	-	3,587,725	(3,587,725)	3,587,725	-	3,551,296	19,482	8,816	-
pd 728/06 (M.C.) Mandant/Bra	210,000	-	210,000	-	210,000	-	201,184	-	-	-
PD 13/99 Rev.2 (M.F.I) Phase 1	306,642	-	306,642	-	306,642	-	599,930	-	-	-
PD 13/99 Rev.2 (M.F.I) Ph. II	5,939,930	-	5,939,930	-	5,939,930	-	5,939,930	-	-	-
Sub-Total (0)	10,339,894	(9,027)	10,330,847	(22,755)	(10,308,092)	-	10,624,304	19,482	48,938	-
<b>Activities (A)</b>										
PP-A/76-79	661,965	-	661,965	-	661,965	-	617,854	4,560	39,572	-
PP-A/79-95	402,432	-	402,432	-	402,432	-	402,226	-	205	-
PP-A/95-103	196,000	-	196,000	-	196,000	-	196,000	-	-	-
PP-A/95-104	832,500	-	832,500	-	832,500	-	830,445	-	2,057	-
PP-A/31-111B Dec-6(OCCX)	411,300	-	411,300	-	411,300	-	393,860	-	17,440	-
pp-a/32-122 (Dec.10) e/22	649,891	-	649,891	-	649,891	-	561,165	-	88,726	-
PP-A/34-131 (Dec.4(OCCX)(W))	728,800	-	728,800	-	728,800	-	728,800	-	-	-
PP-A/35-137 27-Sep. Pance/1/04	10,000	-	10,000	-	10,000	-	10,000	-	-	-
PP-A/26-151B (Dec.4(CS)) C36	518,870	-	518,870	-	518,870	-	512,124	-	6,746	-
PP-A/99-178 Biodiversity	396,000	-	396,000	-	396,000	-	375,520	-	20,480	-
PP-A/43-193 Civil Society	300,000	-	300,000	-	300,000	-	252,967	-	47,033	-
PP-A/43-194 Timber tracking	600,000	-	600,000	-	600,000	-	570,402	-	29,598	-
PP-A/43-202 Forest tenure	200,000	-	200,000	-	200,000	-	189,619	-	10,381	-
PP-A/43-207 Assess Missions	150,000	-	150,000	-	150,000	-	150,000	-	-	-
PP-A/43-208 SFM Tropics 2010	720,000	-	720,000	-	720,000	-	685,539	-	34,461	-
PP-A/43-225 CPFLR Workshops	150,000	-	150,000	-	150,000	-	150,000	-	-	-
PP-A/43-226 Biodiv. Guidance	120,000	-	120,000	-	120,000	-	120,000	-	-	-
Sub-Total (A)	7,047,758	-	7,047,758	-	7,047,758	-	6,746,499	4,560	296,699	-
Total of Bali Partnership Fund:	33,411,251	(151,689)	31,894,333	885,095	(31,894,333)	-	31,726,304	(451,288)	1,686,488	8,020



**Financial Statements of  
the Executing Agencies Account**

**International Tropical Timber Organization**

*December 31, 2014 and 2013*





International Tropical Timber Organization  
Executing Agencies Account

Financial Statements

December 31, 2014 and 2013

Contents

Report of Independent Auditors .....	1
Balance Sheets .....	2
Statements of Revenues and Expenditures .....	3
Statements of Changes in Fund Balance .....	4
Statements of Cash Flows .....	5
Notes to Financial Statements .....	6





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## Report of Independent Auditors (Executing Agencies Account)

To the Executive Director of  
International Tropical Timber Organization

Pursuant to Article 23 of the International Tropical Timber Agreement of 2006 and Decision 3(XXXV) in the International Tropical Timber Council, we have audited the accompanying balance sheet of the Executing Agencies Account of International Tropical Timber Organization (the "ITTO") as of December 31, 2014, and the related statements of revenues and expenditures, changes in fund balance, and cash flows for the year then ended (herein referred to as the "financial statements") and a summary of significant accounting policies described in Note 1. The financial statements have been prepared by the ITTO Secretariat based on the provisions of the ITTA and the "Financial Rules and Rules Relating to Project of ITTO".

The ITTO Secretariat is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies described in Note 1 and for such internal control as Secretariat determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting policies used and significant estimates made by the Secretariat, and evaluating the overall financial statement presentation. We believe that our audit of the financial statements provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with accounting policies set out in Note 1.

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial statements are prepared to assist ITTO to comply with the provisions of the ITTA and the "Financial Rules and Rules Relating to Project of ITTO". As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for members of ITTO and should not be distributed to or used by anyone other than members of ITTO.

As described in Note 1 to the financial statements of ITTO, the Executing Agencies Account is a part of the ITTO Accounts; accordingly, the financial statements of the Executing Agencies Account should be read in conjunction with the audited financial statements of ITTO.

June 30, 2015

*BDO Toyo & Co.*



International Tropical Timber Organization  
Executing Agencies Account

Balance Sheets

	<b>December 31,</b>	
	<b>2014</b>	<b>2013</b>
	<i>(U.S. dollars)</i>	
<b>Assets</b>		
Cash and time deposits	\$ 8,115,753	\$10,016,552
Investments in securities <i>(Note 1)</i>	12,200,000	10,240,101
Accounts Receivable from Special Account	30,290,156	31,004,323
Accrued revenue	438,098	174,086
	<u>\$51,044,007</u>	<u>\$51,435,061</u>
<b>Liabilities and contributions</b>		
Accounts payable to Bali Partnership Fund Account	<u>\$30,118,766</u>	<u>\$29,293,122</u>
	<u>30,118,766</u>	<u>29,293,122</u>
<b>Members' funds</b>		
Funds committed for specified projects of Special Account and Bali Partnership Fund Account <i>(Note 2)</i>	26,892,787	28,141,940
Impairment of Investments in securities	(5,967,546)	(6,000,000)
	<u>20,925,241</u>	<u>22,141,940</u>
	<u>\$51,044,007</u>	<u>\$51,435,061</u>

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

International Tropical Timber Organization  
Executing Agencies Account

Statements of Revenues and Expenditures

	<b>Year ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
	<i>(U.S. dollars)</i>	
Revenues:		
Interest income <i>(Note 3)</i>	\$ 929,319	\$ 57,694
Dividends <i>(Note 3)</i>	-	299,607
Other income	32,454	-
	<u>961,773</u>	<u>357,301</u>
Expenditures and others:		
Transfer of interest to Special Account and Bali Partnership Fund Account <i>(Note 3)</i>	937,603	357,301
Gain on securities <i>(Note 3)</i>	(8,284)	-
Impairment of Investments in securities	-	6,000,000
	<u>929,319</u>	<u>6,357,301</u>
Excess of revenues over expenditures	<u>\$ 32,454</u>	<u>\$ (6,000,000)</u>

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

International Tropical Timber Organization  
Executing Agencies Account

Statements of Changes in Fund Balance

For the years ended December 31

	<i>(U.S. dollars)</i>
<b>2013</b>	
Members' funds as of January 1, 2013	\$32,509,107
Transfer of funds committed for specified projects to Special Account	(4,759,382)
Transfer of funds committed for specified projects from Bali Partnership Fund Account	392,214
Excess of revenues over expenditures	(6,000,000)
Members' funds as of December 31, 2013	<u>\$22,141,940</u>
 <b>2014</b>	
Transfer of funds committed for specified projects to Special Account	\$ (892,361)
Transfer of funds committed for specified projects to Bali Partnership Fund Account	(356,793)
Excess of revenues over expenditures	32,454
Members' funds as of December 31, 2014	<u>\$20,925,241</u>

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

International Tropical Timber Organization  
Executing Agencies Account

Statements of Cash Flows

	<b>Year ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
	<i>(U.S. dollars)</i>	
Excess of revenues over expenditures	\$ 32,454	\$ (6,000,000)
Changes in assets and liabilities:		
Advances to Special Account	714,167	4,674,207
Account payable to Bali Partnership Fund Account	825,644	(213,563)
Held to maturity securities	-	15,061,660
Investments in securities	(1,959,899)	(16,240,101)
Advance to Other	-	210
Accrued revenue	(264,012)	(42,406)
Impairment of Investments in securities	-	6,000,000
Changes in members' funds:		
Transfer to/from Special Account and Bali Partnership Fund Account	(1,249,153)	(4,367,168)
Net decrease in cash	(1,900,798)	(1,127,160)
Cash and time deposits at beginning of year	10,016,552	11,143,712
Cash and time deposits at end of year	<u>\$ 8,115,753</u>	<u>\$ 10,016,552</u>

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

International Tropical Timber Organization  
Executing Agencies Account

Notes to Financial Statements

**1. Significant Accounting Policies**

See Note 2 to the financial statements of ITTO.

**2. Funds Committed for Specified Projects**

The funds committed for specified projects of the Project Sub-Account, Thematic Programmes Sub-Account and the Bali Partnership Fund are composed as below.

	December 31, 2013	Movement <i>(U.S. dollars)</i>	December 31, 2014
Project Sub-Account	\$21,848,486	\$ (490,965)	\$21,357,521
Thematic Programmes	4,250,173	(401,396)	3,848,778
Special Account Total	26,098,659	(892,361)	25,206,299
Bali Partnership Fund Account	2,043,280	(356,793)	1,686,488
Total	<u>\$28,141,940</u>	<u>\$ (1,249,153)</u>	<u>\$26,892,787</u>
Impairment of Investments in securities	(6,000,000)	32,454	(5,967,546)
Total	<u>\$22,141,940</u>	<u>\$ (1,216,699)</u>	<u>\$20,925,241</u>

These amounts are included under the heading "Appropriated for future expenditures at December 31, 2014" of "Note 4 Detail of Project Status" in the respective financial statements of Special Account" and "Note 5 Detail of Project Status" in those of Bali Partnership Fund Account.

**3. Interest income**

In accordance with the Decision 3 (XXXV) of ITTC, 50 percent of Interest income, Dividends and Gain on securities, net earned, \$468,802 was transferred to both the Special Account and the Bali Partnership Fund Account for the year ended December 31, 2014 while \$178,651 was transferred to both accounts for the year ended December 31, 2013.

