

# FINANCIAL OPERATING

REPORT FOR **2014**

ITU

IPSAS



## **FINANCIAL OPERATING REPORT FOR THE FINANCIAL YEAR 2014**

In accordance with No. 101 of the ITU Convention, I have the honour to submit to Member States of the Union the financial operating report for the financial year 2014, covering the audited accounts of the Union, the situation of ITU TELECOM accounts for 2014, as well as the audited accounts for 2014 for technical cooperation projects, voluntary contributions and the ITU Staff Superannuation and Benevolent Funds, drawn up with the assistance of the Coordination Committee and approved by the Council in its Resolution 1376.

Geneva, May 2015





## Financial operating report

In accordance with Article 30 of the Financial Regulations of the Union, this financial operating report on the audited accounts gives the financial results at 31 December 2014 for accounts held by the International Telecommunication Union (ITU), and covers the following:

- the Union's financial year 2014
- the ITU Staff Superannuation and Benevolent Funds for 2014
- the United Nations Joint Staff Pension Fund for 2014
- world and regional telecommunication exhibitions, forums and related activities at 31 December 2014
- technical cooperation projects funded by the United Nations Development Programme (UNDP) for 2014
- trust funds for 2014
- voluntary contributions for 2014
- the ICT Development Fund for 2014.



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## Foreword by the Secretary-General

1 I have the honour to present to the Council for approval, in accordance with Article 30 of the Financial Regulations of the Union, the financial statements for the financial year which closed on 31 December 2014.

2 The Report of the External Auditor on the financial statements for 2014, as well as his opinion on the financial statements, as required by Article 28 of, and Annex 1 to, the Financial Regulations of the Union, will also be submitted to the Council in a separate document.

3 The financial statements for 2014 were drawn up in accordance with the International Public Sector Accounting Standards (IPSAS).

4 Until 2009, the financial statements were drawn up and submitted to the Council on a biennial basis. At its 2009 session, the Council decided to amend the Financial Regulations of the Union such that the accounts would henceforth no longer be presented on a biennial basis but annually, thereby enabling the full application of IPSAS as from the date of their adoption, i.e. 1 January 2010.

5 Document [C11/INF/9](#) sets out the definitions of several key financial terms that will facilitate the reader's use and understanding of the financial statements.

### Financial operating report

6 The financial statements are drawn up in accordance with Article 30 of the Financial Regulations of the Union – 2010 Edition.

### Key events during the 2014 financial period

7 The programme of activities carried out by the Union in 2014 included among numerous meetings and conferences, the following main events:

8 From 30 March to 10 April 2014, the sixth World Telecommunication Development Conference was held in Dubai. This conference set the agenda for Telecommunication and information and communication technologies development over the next four years.

9 In April 2014, ITU celebrated "Girls in ICT day". Currently in its 4th year, global momentum around Girls in ICT Day continues to grow with over 100 countries holding events hosted by governments, private sectors and NGOs.

10 In May 2014, the WTISD, with as theme for 2014, "Broadband for sustainable development" focused attention on multi-stakeholder commitment to achieve universal access to broadband connectivity and content and foster political will on achieving this objective.

11 In June, the Global Symposium for regulators which took place in Manama, Bahrain, celebrated 15 years of GSR with the theme "Capitalizing on the potential of the digital world", fostering debates on ways to ensure that the full array of benefits of the digital world is brought to all citizens of the world in an informed, responsive and safe manner.

12 From 20 October to 7 November 2014, ITU Plenipotentiary Conference was held in Busan, South Korea, hosted by the Republic of Korea. The Plenipotentiary Conference is the key event at which ITU Member States decide on the future role of the organization, thereby determining the organization's ability to influence and affect the development of information and communication technologies (ICTs) worldwide.

13 The Plenipotentiary Conference is the top policy-making body of the ITU. Held every four years, the Conference sets the Union's general policies, adopts four-year strategic and financial plans; and elects the senior management team of the organization, the members of Council, and the members of the Radio Regulations Board.

14 In December, the 15th ITU TELECOM WORLD 2014 was held in Doha, Qatar from 7 to 10 December 2014 following the invitation of the Government of the State of Qatar, with the support of the leading international telecommunications company Ooredoo, with as theme "Future in Focus".

15 These achievements and implementations have been possible thanks to consistent and optimum management of the Union's financial resources.

16 The financial implications of the decisions taken by the Plenipotentiary Conference (Guadalajara, 2010) and the financial limitations established have prompted ITU to take measures aimed at enhancing efficiency and to make cost reductions so as to be able to implement its programme of activities throughout the budgetary period while endeavouring to maintain quality of service. This trend has been reinforced and the achievements reached since the previous Plenipotentiary Conference acknowledged during the Busan 2014 Plenipotentiary conference.

17 During 2014, the Union has continued its coordinated process improvements and cost saving efforts.

18 ITU is an active participant in the United Nations Jointly Financed Activities. Recent initiatives have resulted in cost reductions for participating entities, i.e. lower costs for electricity, office supplies, fuel and postal services, and negotiated prices with airline companies.

### **Financial Operating report highlights**

19 The Union's accounts are kept in Swiss francs. The financial statements presented are including the Extra-budgetary activities of the Union.

20 Regarding the regular budget, decreased Member State, Sector Member, Associate and Academia contributions (CHF 126.8 million and CHF 126.9 million in 2013), and continuously low investment revenue (CHF 0.3 million in 2014 and CHF 0.4 million in 2013) are confirming the 2013 trend. Activities subject to cost recovery (CHF 39.8 million in 2014 and CHF 44.7 million in 2013) have decreased, despite an increase in sales of publication, mainly due to a decrease in sponsorship revenue related to World Telecom and satellite network fillings requests received in December 2014 with publication and related revenue recognition in 2015.

21 Publication sales increased by CHF 1 million (CHF 19.8 million in 2014 and CHF 18.8 million in 2013), confirming the positive trend initiated in the past few years.

22 The Union presents a CHF 3.9 million surplus on a budgetary basis for the year 2014. Resolution 1359 adopted by the Council at its 2013 session provides for a withdrawal of CHF 4 million in the 2014-2015 biennium. Due to the above-mentioned surplus, no withdrawal from the Reserve Account had to be made despite the available amount. According to the Financial Regulations and Financial Rules, Article 10, paragraphs 5 and 12, the following allocation of the 2014 budgetary surplus were authorized: CHF 1 million were allocated to the After-Service Health Insurance (ASHI) fund in order to build up a reserve for the long-term funding of ITU actuarial obligation in relation to ASHI, CHF 2 million were allocated to the CMIP (Collective Medical Insurance Plan) fund.

23 One of the major events in 2014 was the transition to the CMIP, following the termination of the current Health Insurance scheme under the Staff Health Insurance Fund covering insured staff from ITU and from the International Labor Organization as at 30 April 2014. From 1 May 2014, ITU staff has been covered by the CMIP, a health insurance scheme dedicated exclusively to ITU staff, which mirrors the SHIF benefits. The CMIP fund will aim at ensuring the funding of the CMIP on a pay-as-you-go basis.

24 It is to be noted that certain expenses were not budgeted. These include mostly depreciation, unrealized exchange-rate losses and gains, and adjustment of the provision for After-Service Health Insurance (ASHI). These expenses are mostly statistical and do not represent cash-outflows during the year. An overview of these positions is provided in Table V - Comparison of budgeted amounts and actual amounts for the 2014 financial period - in this document.

25 The main indicators show the Union's immediate financial situation to be healthy, despite a level of debtors with 12 months or more overdue payments (arrears, special arrears accounts and cancelled special arrears accounts) totaling CHF 52.9 million at 31 December 2014 (CHF 57.3 million at 31 December 2013).

26 It is worth emphasizing that, since the implementation of IPSAS, a provision of 100 per cent has been recognized for all arrears, special arrears accounts and cancelled special arrears accounts. The situation with respect to arrears in the Union's regular budget at 31 December 2014 is set out in Annex B hereto.

27 The Reserve Account shows a balance of CHF 27.2, corresponding to 16.4 per cent of the budget for 2014 (CHF 30.3 million, corresponding to 19.3 per cent of the budget for 2013). This decrease is mainly due to the payment of CHF 4 million from the reserve account into the ASHI fund as instructed by Council 2013. The financial year 2014 ended with a budgetary surplus of CHF 3.897 million, of which CHF 0.897 million was allocated to the Reserve Account, CHF 1 million to the ASHI fund and 2 million to the CMIP fund. The composition of the Reserve Account is given in Note 4 to this document. It is to be noted that the strong decrease of net assets is due to the decrease in the discount rate used to calculate ITU's obligation related to ASHI, which resulted in CHF 187.445 million actuarial losses in 2014, impacting negatively the net assets. ITU net assets thus decreased from CHF -196.0 million in 2013 to CHF -386 million as shown in the statement of financial position.

28 The 2014 budgetary surplus was achieved throughout the continuous rigorous management of ITU resources, which also enabled to proceed with a limited number of early separation packages, on a case-by-case basis with the non-replacement of the position held by the staff, when beneficial for the Union.

29 Extra-budgetary activities are showing a strong trend in delivering projects initiated in prior years, while voluntary contributions increased significantly compared to 2013.

30 Third-party funds allocated to fund in trust and voluntary contributions projects increased by CHF 15.5 million in 2014 (CHF 7.5 million in 2013), whereas own funds allocated to Extra-budgetary projects increased by CHF 2 million (CHF 4.1 million in 2013). The increase in third party funds is mainly due to a few significant donor agreements signed in 2014 as well as to own funds allocated to the preparation of the WRC 15 and WSIS +10.

31 A sum of CHF 1.8 million was transferred from the ITU TELECOM Exhibition Working Capital Fund into the ICT Development Fund in order to finance various national and regional development projects. The balance of the ICT Development Fund stood at CHF 1.4 million at 31 December 2014 (CHF 0.4 million at 31 December 2013).

32 In 2014, total expenses for UNDP projects amounted to CHF 0.4 million, and for trust funds to CHF 10.6 million. Total expenses under these projects thus amount to CHF 11 million, generating CHF 0.7 million of project support revenue.

33 After withdrawal of CHF 1.8 million into the ICT Development fund and allocation of the TELECOM World 2014 surplus of CHF 0.8 million, the balance of the Exhibition Working Capital Fund stood at CHF 8.90 million at 31 December 2014 (CHF 9.92 million at 31 December 2013).

34 Annex C hereto shows changes in arrears with respect to TELECOM events.

35 The accompanying notes to the financial statements provide relevant information on financial aspects pertaining to the 2014 period.

36 As already indicated, the financial statements are drawn up on the basis of accrual accounting. Revenue is recognized at the beginning of each period for membership contributions (regular budget), or when contributions are confirmed in writing (voluntary contributions). Expenses are recognized when the underlying services or goods are provided or received.

### **Going concern**

37 I have assessed the implications of any potential fall in contributions stemming from global economic and financial crises and have looked into whether this would result in a cutback in the Union's activities. Having regard to projected activities and the associated risks, I can affirm that the Union has adequate resources to maintain its operations in the medium term. We shall therefore continue to draw up the Union's financial statements on the basis of the going concern principle.

38 I am aware of my responsibility with regard to the transparency and accessibility to the public, after the approval by Council, of the IMAC annual report, the external audit annual report and the internal audit annual report.

39 The Statement of Internal Control for 2014 has been included in this financial operating report.

### **Responsibility**

40 As provided for in Article 30 of the Financial Regulations of the Union, I have the pleasure in submitting the following financial statements, drawn up in accordance with IPSAS. I certify that, to the best of my knowledge, all operations during the period in question were properly recognized in the books and that those operations, as well as the financial statements and notes thereto, which form an integral part of this document, present an accurate view of the Union's financial situation at 31 December 2014.

- I. Statement of financial position - Balance sheet at 31 December 2014
- II. Statement of financial performance for the period which closed on 31 December 2014
- III. Statement of changes in net assets for the period which closed on 31 December 2014
- IV. Table of cash flows for the period which closed on 31 December 2014
- V. Comparison of budgeted amounts and actual amounts for 2014

## Management Report 2014

Geneva, 30 April 2015

### **Management report from the senior management of the International Telecommunication Union (ITU)**

In connection with the audit of the annual accounts of the International Telecommunication Union (ITU) for the 2014 financial year at 31 December 2014, we hereby submit this management report.

We have prepared the annual accounts for submission to the External Auditor and subsequent transmission and approval by the ITU Council. We are aware of our responsibility with regard to the transparency of and accessibility to the annual accounts, and the establishment and maintenance of sustainable accounting and internal control systems, including measures to prevent and detect significant errors and fraud.

1. The annual accounts and related notes and associated disclosures comply with IPSAS, the Financial Regulations and Financial Rules and the relevant resolutions adopted by the Governing Bodies of the Organization.
2. All transactions have been properly documented. We have made available to the ITU External Auditor all the relevant information, provided him and his colleagues access to our books and accounting vouchers as well as business correspondence and have informed them of any decisions that could have a significant impact on the annual accounts. Unrestricted access has been granted to our External Auditors to persons within the entity from whom it was determined as necessary to obtain audit evidence.
3. All transactions pertaining to 2014 have been recorded in the statement of financial performance at appropriated amounts. All the assets, liabilities and equity balances have been recorded in the statement of the financial situation at appropriated amounts. As ITU holds sufficient legal rights over all the assets entered in the balance sheet, there is no pledge or encumbrance on any ITU asset that is not mentioned in the annex. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IPSAS requirements. There are no other contracts, credit agreements, litigation or other disputes liable to significantly alter the assessment of the annual ITU accounts.
4. All events subsequent to the date of the financial statements and for which IPSAS require adjustment or disclosure have been adjusted or disclosed.
5. The main assumptions made for valuations and the information on fair values are in our opinion appropriate, reflect our intention and comply with the accounting principles applied.

6. We confirm that an internal control system relating to financial reporting is in place to provide reasonable assurance regarding the reliability of financial reporting and the preparation of annual accounts for external purposes in accordance with the Financial Regulations and Financial Rules. This system includes relevant policies and procedures that:
  - pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction;
  - provides reasonable assurance that transactions are recorded as necessary to enable the preparation of the annual accounts and that receipts and expenditures are made in accordance with the authorizations of management in compliance with the Financial Regulations and Financial Rules;
  - provides reasonable assurance regarding the prevention or timely detection of unauthorized acquisitions, use or disposition of assets.
7. We confirm that risks identified and recommendations issued by Internal Audit, the External Auditor and the Independent Management Advisory Committee (IMAC) are taken into account and acted upon, as appropriate. The Council Working Group on Financial and Human Resources is informed annually on the status of the implementation of these recommendations.
8. We are of the opinion that the impact of non-adjusted differences identified during the audit – taken individually or together – is negligible in terms of the overall financial statements.
9. There were no known cases of fraud or suspected fraud in 2014 as well as during the completion of the external audit. To the best of our knowledge and belief, the annual accounts present fairly the financial position at 31 December 2014. We have no knowledge of any events that might raise due doubt as to ITU's capacity as a going concern.
10. All circumstances having an impact on the accounts that have arisen prior to the conclusion of the external audit work have been duly taken into consideration in drawing up these annual accounts. We shall not fail to inform the External Auditor immediately of any new event liable to affect the annual accounts retrospectively that might come to our attention between now and the date of the next Council session.



Secretary-General



Chief of the Financial Resources  
Management Department

## STATEMENT ON INTERNAL CONTROL FOR 2014

### Scope of responsibility

As Secretary-General of the International Telecommunication Union (ITU), I shall act as the legal representative of the Union. I take all the actions required to ensure economic use of the Union's resources and be responsible to the Council for all the administrative and financial aspects of the Union's activities, in accordance with the responsibilities assigned to me, in particular in paragraphs 73 bis and 75 of Article 11 of the Constitution, and in Articles 1, 10, 16, 28, 29 and 30 of the Financial Regulations and Financial Rules.

### Purpose of the system of internal control

The system of internal control is designed to reduce and manage rather than eliminate the risk of failure to achieve the organization's policies, aims and objectives. Therefore, it can only provide a reasonable and not absolute assurance of effectiveness. It is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. ITU management is charged with the responsibility of establishing a network of processes with the objective of controlling the operations of ITU in a manner that provides the governing bodies' reasonable assurance that:

- The Organization's plans, programmes, goals, and objectives are achieved,
- Resources are acquired economically and employed profitably; quality business processes and continuous improvement are emphasized,
- The Organization's resources (including its people, system, data/information) are adequately protected,
- The actions of Elected Officials, Senior Counsellors, Professionals and General Services Staff are in compliance with the Organization's policies, standards, plans and procedures, and all relevant laws, rules and regulations,
- Data and information published either internally or externally is accurate, reliable, and timely.

Risk management and the management of internal controls are functions of management and are an integral part of the overall process of managing operations. As such, it is the responsibility of ITU managers at all levels to:

- Identify and evaluate the exposures to possible risks that relate to their particular sphere of operations,
- Specify and propose policies, plans, and operating standards, procedures, systems, and other guidelines to be used to minimize, mitigate, and/or mitigate the risks associated with the exposures identified,
- Establish practical controlling processes that require and encourage employees to carry out their duties and responsibilities in a manner that helps achieve the five control objectives outlined in the preceding paragraph,
- Maintain the effectiveness of the controlling processes that have been established and foster continuous improvement to these processes.

## Capacity to handle risk

As an integral part of its system of internal control, the ITU Management is committed to implement an Integrated Risk Management (IRM) process throughout the organization.

ITU's system of internal control is centred on the use of SAP as integrated information management system:

- Mirroring the Organization's structure, work and accountability flows,
- Capturing the budget allocation of resources allocated to the Organization as described in the Organization's Basic Texts adopted by the Plenipotentiary Conference,
- Enabling system integrated controls and four eyes principle,
- Enabling the direction, monitoring and measurement of resource utilization through IPSAS accounting and reporting, periodical stocktaking and documented procurement processes and controls.

ITU financial reporting reliability and follow-up of resource consumption according to strategic goals is based on the integrated information management system and on the strong control of resources commitment.

Moreover, the Contracts Committee, the Legal Affairs Unit, the Ethics Officer as well as the Internal Audit Unit assist the Secretary-General in ensuring the efficient use of ITU resources in line with the best-interests of the Union, the respect for laws, rules and regulations and the communication and promotion of ITU ethics policies.

Strategic risk management is integrated in the ITU strategic planning through the identification of strategic risks and related mitigation measures. This risk management framework is part of the ITU Strategic Plan 2016-2019, which has been approved during the 2014 Plenipotentiary Conference, as reflected in Resolution 71. The risk management framework will continue to be developed to ensure the systematic management and monitoring of identified risks.

## Review of effectiveness

My review of the effectiveness of the system of internal control is informed by the work of the executive managers who have the responsibility for the identification and maintenance of the internal control framework in their areas of responsibility. I derive assurance from internal letters of representation signed by key ITU managers and officers, confirming the respect of the following requirements for the financial period 2014:

- The conformity of commitments or obligations and expenses with the appropriations or other financial provisions approved by the Council or with the purposes, rules and provisions relating to the funds concerned,
- The effective, efficient and economical use of the resources of the Union,
- The regularity of the receipt, custody and disbursement of all funds and other resources of the Union,
- The timelines, completeness and accuracy of financial and other administrative data.

Basic Texts of the Union, Regulations, Rules, Service Orders, Office Memoranda and Information Circulars comprise the ITU Regulatory Framework.

All ITU systems, processes, operations, functions and activities can be subject to internal audit by the Internal Audit Unit. The Internal Audit Unit strives, whilst conducting its work, to comply with the International Standards for the Professional Practice for Internal Auditing. I rely on the audit and investigations work for obtaining assurance that internal controls are adequate and functioning effectively. From the internal audit work conducted in 2014 no critical deficiencies were reported. Implementation and follow-up of internal audit recommendations also did not highlight any outstanding critical items that may indicate ineffective internal controls.

I also receive the reports from the External Auditor, which may contain recommendations relating to internal control issues. All the recommendations made by the External Auditor are considered and action plans established as appropriate to address any identified weaknesses, so as to ensure continuous improvement. All the External Auditor's recommendations included in his reports have been taken into account.

I am further advised by the Independent Management Advisory Committee (IMAC) that serves in an expert advisory capacity and assists the Secretary-General and the Council in fulfilling their governance responsibilities, including ensuring the effectiveness of ITU's internal control system, risk management and governance processes.

## **Significant internal control matters arising during the year**

No significant internal control matters arising during the year require additional reporting.

### **Statement**

I am committed to ensure continuous improvement of the system of internal control. However, even effective internal control, no matter how well designed, has inherent limitations – including the possibility of circumvention – and therefore can provide only reasonable but not absolute assurance. Furthermore, because of changes of conditions, the effectiveness of internal control may vary over time.

Management seeks to address any weaknesses encountered in internal controls during the normal course of ITU operations or identified in oversight recommendations. This is primarily ensured by the process enstaured to follow up the implementation of oversight recommendations during the past year. Based on the above, I conclude that the ITU Secretariat had an effective system of internal control for the year ended 31 December 2014, and up to the date of the approval of the financial statements.



Houlin Zhao  
ITU Secretary-General

(30 April 2015)

## NOTES TO THE FINANCIAL STATEMENTS

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**I – Statement of financial position – Balance sheet at 31 December 2014 with comparative figures as at 31 December 2013**

<b>(in thousands of CHF)</b>	<b>Notes</b>	<b>31.12.2014</b>	<b>31.12.2013</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	75'430	59'616
Investments	8	87'074	88'244
Receivables – exchange transactions	9	7'361	6'385
Receivables – non-exchange transactions (Contributions)	9	79'448	77'046
Inventories	10	650	815
Other receivables	11	8'831	8'974
<b>Total current assets</b>		<b>258'794</b>	<b>241'080</b>
<b>Non-current assets</b>			
Property, plant and equipment	12	107'449	112'098
Intangible assets	13	4'077	2'862
<b>Total non-current assets</b>		<b>111'526</b>	<b>114'960</b>
<b>TOTAL ASSETS</b>		<b>370'320</b>	<b>356'040</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Suppliers and other creditors	14	9'154	9'686
Deferred revenue	15	129'486	127'951
Borrowings and financial debts	16	1'493	1'493
Employee benefits	17	484	481
Provisions	18	845	897
Other debts	19	2'977	1'614
<b>Total current liabilities</b>		<b>144'439</b>	<b>142'122</b>
<b>Non-current liabilities</b>			
Borrowings	16	45'286	46'779
Employee benefits	17	534'358	335'096
Allocated third-party funds	20	30'027	26'114
Third-party funds in process of allocation	20	2'233	2'097
<b>Total non-current liabilities</b>		<b>611'904</b>	<b>410'086</b>
<b>TOTAL LIABILITIES</b>		<b>756'343</b>	<b>552'208</b>
<b>NET ASSETS</b>			
Effect of transition to IPSAS		-125'100	-125'100
Reserve Account before reallocation of the surplus/Deficit of the period	4	26'325	28'221
Other allocated reserves	4	33'129	24'408
Extra-budgetary funds	4	12'688	11'469
ASHI actuarial losses	17	-312'708	-125'263
Cumulated non budgetary result		-14'817	-12'720
Surplus/Deficit for the period		-5'541	2'817
<b>TOTAL NET ASSETS</b>		<b>-386'024</b>	<b>-196'168</b>

**II – Statement of financial performance for the period which closed on  
31 December 2014 with comparative figures as at 31 December 2013**

<b>(in thousands of CHF)</b>	<b>Notes</b>	<b>31.12.2014</b>	<b>31.12.2013</b>
<b>REVENUE</b>			
Assessed contributions	21	126'786	126'949
Voluntary contributions	22	11'740	17'295
Other operating revenue	22	39'824	44'623
In-kind contributions		938	955
Finance revenue	22	817	7'178
<b>Total revenue</b>		<b>180'105</b>	<b>197'000</b>
<b>EXPENSES</b>	23		
Employee expenses		143'701	146'299
Mission expenses		6'549	8'028
Contractual services		17'010	20'834
Rental and maintenance of premises and equipment		6'410	6'422
Equipment and supplies		4'781	3'805
Depreciation and impairment losses		5'718	6'138
Shipping, telecommunication and service expenses		2'499	2'191
Other expenses		-2'425	-1'015
In-kind expenses		938	955
Finance expenses		465	526
<b>Total expenses</b>		<b>185'646</b>	<b>194'183</b>
<b>Surplus (deficit) for the period</b>		<b>-5'541</b>	<b>2'817</b>

### III – Statement of changes in net assets for the period which closed on 31 December 2014

(in thousands of CHF)	31.12.2014	Surplus deficit 2014	Other adjustments	01.01.2014
<b>IPSAS transition</b>	-125'100	0	0	-125'100
<b>Reserve Account</b>	<b>27'222</b>	<b>897</b>	<b>-4'000</b>	<b>30'325</b>
<b>Other allocated reserves</b>	<b>35'314</b>	<b>2'185</b>	<b>6'221</b>	<b>26'908</b>
Investment fund	7'180	-815	1'681	6'314
Welfare fund	492	0	-29	521
Centenary fund	308	0	-10	318
SS&B Complement fund	6'267	0	1	6'266
SS&B Provident fund	1'510	0	-3	1'513
SS&B Assistance fund	183	0	1	182
Ashi fund	7'000	1'000	4'000	2'000
Health Insurance fund	5'877	2'000	1'877	2'000
Extra budgetary allocated reserves	5'685	0	-1'006	6'691
<b>Currency exchange translation</b>	812	0	-291	1'103
<b>Extra-budgetary activities related funds</b>	<b>12'058</b>	<b>-630</b>	<b>909</b>	<b>11'779</b>
<b>ASHI actuarial losses</b>	<b>-312'708</b>	0	-187'445	-125'263
<b>IPSAS cumulated deficit (statistical)</b>	<b>-22'810</b>	<b>-7'993</b>	0	-14'817
<b>Total net assets</b>	<b>-386'024</b>	<b>-5'541</b>	<b>-184'315</b>	<b>-196'168</b>

#### IV – Table of cash flows for the period closed on 31 December 2014

(in thousands of CHF)	31.12.2014	31.12.2013
Surplus (deficit) for the period	-5'541	2'817
<b>Non-monetary movements</b>		
Depreciation	6'485	6'136
ASHI provision	11'089	11'967
Provisions for repatriation (LT)	1'324	742
Provisions for employee benefits (ST)	62	463
Provisions for accrued leave (LT)	865	200
Other provisions	469	351
Provision for doubtful receivable release	-4'355	-5'635
Net loss on sales of fixed assets	1	2
Inventory depreciation	42	-36
Unrealized exchange-rate losses (gains)	-334	-6'548
Interest received	-329	-423
<b>Restated surplus (deficit) from non-monetary movements</b>	<b>9'778</b>	<b>10'036</b>
(Increase) decrease in inventories	123	-46
(Increase) decrease in short-term receivables	977	4'699
(Increase) decrease in other short-term receivables	143	-1'020
Increase (decrease) in suppliers	-532	2'604
Increase (decrease) in deferred revenue	1'535	-4'289
Increase (decrease) in other debts	1'363	-182
Use of provisions for employee benefits (ST)	-481	-1'134
Use of provision for repatriation (LT)	-771	-685
Use of provision for accrued leave (LT)	-268	-309
Increase (decrease) – Other provisions	-521	-644
Increase (decrease) in third-party funds	4'053	-10'372
Changes in own funds	3'459	2'257
<b>Cash flow from operating activities</b>	<b>9'081</b>	<b>-9'121</b>
<b>Net cash flows from investment activities</b>		
(Increase) / decrease – Investments	1'170	-16'201
Interest from short-term investments	320	423
(Acquisition) / sale of property, plant and equipment	-1'142	-3'578
(Acquisition) / sale of intangible assets	-1'909	-235
<b>Net cash flows from investment activities</b>	<b>-1'552</b>	<b>-19'591</b>
<b>Cash flows from finance activities</b>		
Repayment of FIPOI loan	-1'493	-1'493
<b>Cash flows from finance activities</b>	<b>-1'493</b>	<b>-1'493</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>15'814</b>	<b>-20'169</b>
<b>Cash and cash equivalents at opening of period</b>	<b>59'616</b>	<b>79'785</b>
<b>Cash and cash equivalents at closure of period</b>	<b>75'430</b>	<b>59'616</b>

## V – Comparison of budgeted amounts and actual amounts for the 2014 financial period

(in thousands of CHF)

Revenue	Budgeted amounts			Actual amounts on a comparable basis	Difference between final budget and actual amounts
	Initial budget	Budget transfers	Final budget		
	2014	2014	2014		
<i>Assessed contributions</i>	129'677	-	129'677	126'786	-2'891
<i>Cost recovery</i>	32'750	-	32'750	32'144	-606
<i>Other revenue</i>	1'100	-	1'100	372	-728
<i>Withdrawal from Reserve Account</i>	2'784	-	2'784	-897	-3'681
<b>Total revenue</b>	<b>166'311</b>	<b>-</b>	<b>166'311</b>	<b>158'405</b>	<b>-7'906</b>
Expenses	Budgeted amounts			Actual amounts on a comparable basis	Difference between final budget and actual amounts
	Initial budget	Budget transfers	Final budget		
	2014	2014	2014		
<i>General Secretariat</i>	93'662	-272	93'390	87'320	6'070
<i>Radiocommunication Sector</i>	30'162	72	30'234	26'805	3'429
<i>Telecommunication Standardization Sector</i>	12'793	-	12'793	12'200	593
<i>Telecommunication Development Sector</i>	29'694	200	29'894	28'970	924
<i>Expenses not foreseen in approved budget</i>	-	-	-	110	
<b>Total expenses</b>	<b>166'311</b>	<b>-</b>	<b>166'311</b>	<b>155'405</b>	<b>10'906</b>
<b>Result</b>					
<i>ASHI</i>				-11'089	
<i>Recognition of inventories</i>				-51	
<i>Capitalization of fixed assets</i>				2'262	
<i>Depreciation</i>				-4'629	
<i>Exchange-rate gains/losses</i>				165	
<i>Provision for doubtful debts release</i>				5'348	
<i>Inventory impairment</i>					
<i>Sale of assets</i>				1	
<i>In-kind revenue</i>				-938	
<i>In-kind expense</i>				938	
<b>Total IPSAS differences</b>				<b>-7'992</b>	
<i>Decrease in Investment fund Reserve</i>				-815	
<b>Total losses covered by reserves</b>				<b>-815</b>	
<i>Perimeter differences</i>				-631	
<b>Surplus/Deficit as shown in the statement of financial performance</b>				<b>-5'541</b>	

For further information, see Note 25.

## Notes to the financial statements

### Note 1. General information

The International Telecommunication Union (ITU) is the [United Nations](#) specialized agency for information and communication technologies (ICTs). As a global focal point bringing together governments and private sector, ITU assists the world in communicating through its three key Sectors: [Radiocommunication](#), [Telecommunication Standardization](#) and [Telecommunication Development](#). ITU fully recognizes each State's sovereign right to regulate its telecommunications.

ITU, which also organizes the ITU [TELECOM](#) events, was the entity with prime responsibility for organizing the [World Summit on the Information Society](#).

With its headquarters at Place des Nations, 1211 Geneva 20, Switzerland, ITU has 193 [Member States](#) and over 700 [Sector Members](#) and [Associates](#). It has four regional offices, eight area offices, a United Nations liaison office in New York and a coordination unit at headquarters for Europe.

The purposes of the Union are:

- to maintain and extend international cooperation among all its Member States for the improvement and rational use of telecommunications of all kinds;
- to promote the development of technical facilities and their most efficient operation with a view to improving the efficiency of telecommunication services, increasing their usefulness and making them, so far as possible, generally available to the public;
- to promote the extension of the benefits of the new telecommunication technologies to all the world's inhabitants;
- to promote the use of telecommunication services with the objective of facilitating peaceful relations;
- to harmonize the actions of Member States and promote fruitful and constructive cooperation and partnership between Member States and Sector Members in the attainment of those ends;
- to promote, at the international level, the adoption of a broader approach to the issues of telecommunications in the global information economy and society, by cooperating with other world and regional intergovernmental organizations and those non-governmental organizations concerned with telecommunications.

To this end, the Union shall in particular:

- effect allocation of bands of the radio-frequency spectrum, the allotment of radio frequencies and the registration of radio-frequency assignments and, for space services, of any associated orbital position in the geostationary-satellite orbit or of any associated characteristics of satellites in other orbits, in order to avoid harmful interference between radio stations of different countries;
- coordinate efforts to eliminate harmful interference between radio stations of different countries and to improve the use made of the radio-frequency spectrum for radiocommunication services and of the geostationary-satellite and other satellite orbits;

- facilitate the worldwide standardization of telecommunications, with a satisfactory quality of service;
- foster international cooperation and solidarity in the delivery of technical assistance to the developing countries and the creation, development and improvement of telecommunication equipment and networks in developing countries by every means at its disposal, including through its participation in the relevant programmes of the United Nations and the use of its own resources, as appropriate;
- coordinate efforts to harmonize the development of telecommunication facilities, notably those using space techniques, with a view to full advantage being taken of their possibilities;
- foster collaboration among Member States and Sector Members with a view to the establishment of rates at levels as low as possible consistent with an efficient service and taking into account the necessity for maintaining independent financial administration of telecommunications on a sound basis;
- promote the adoption of measures for ensuring the safety of life through the cooperation of telecommunication services;
- undertake studies, make regulations, adopt resolutions, formulate recommendations and opinions, and collect and publish information concerning telecommunication matters;
- promote, with international financial and development organizations, the establishment of preferential and favorable lines of credit to be used for the development of social projects aimed, *inter alia*, at extending telecommunication services to the most isolated areas in countries;
- promote participation of concerned entities in the activities of the Union and cooperation with regional and other organizations for the fulfillment of the purposes of the Union.

The Plenipotentiary Conference is ITU's supreme organ. Convened every four years, the conference:

- determines the Union's general policies;
- adopts four-year strategic and financial plans;
- elects the senior management team of the organization, Member States of the [Council](#) and members of the [Radio Regulations Board](#).

The Plenipotentiary Conference is the key event at which ITU Member States decide on the future role of the organization, thereby determining the organization's ability to influence and affect the development of ICTs worldwide.

Sector Members, regional telecommunication organizations and intergovernmental organizations, as well as the United Nations and its specialized agencies, likewise participate in the conference as observers.

## **Note 2. Principles governing preparation of the financial statements**

Pursuant to the United Nations General Assembly resolution on implementation of the International Public Sector Accounting Standards (IPSAS) in the organizations of the United Nations system, ITU is now drawing up and presenting its financial statements under IPSAS (Decision 550, adopted by the Council at its 2008 session).

The first financial statements drawn up and audited under IPSAS were those concerning the 2010 financial period. The financial statements have since then been drawn up on an annual basis, using the accrual method of accounting.

The 2014 financial statements were drawn up in line with the going concern principle and the accounting principles have been applied consistently throughout the financial period.

In order to enhance the transparency of ITU financial operating report, the presentation of the net assets in the Statement of financial situation has been changed. This will enable a clearer representation of the movements in net assets, specifically in the Reserve Account. The Reserves as disclosed in the Balance sheet appear before allocation of the surplus or deficit of the year to enable the reconciliation with the surplus/deficit as shown in the Statement of financial performance.

Preparation of the financial statements under IPSAS calls for the use of estimates which have a significant impact on the financial statements, as well as the exercise of critical judgment on the part of the Union's management when applying the accounting standards. Areas in which the management is called upon to take a critical stance, as well as those resulting from assumptions and estimates having a significant impact on the Union's financial statements, are detailed in Note 5.

ITU has applied the IPSAS standards in force at 1 January 2013, and the accounting principles applied are described in Note 3. The only derogation made in the financial statements presented at 31 December 2013 is the non-capitalization of direct labor costs in the valuation of publication, contrary to the requirements of IPSAS 12. The capitalization of labour costs might result in a valuation of publications significantly above net realizable value based on current publication pricing and thus in an impairment to apply the lower of cost or net realizable value, respectively current replacement cost.

### **Note 3. Main accounting principles**

#### **Foreign currencies**

The Swiss franc (CHF) is ITU's functional currency and the one used in the presentation of the financial statements.

Transactions in currencies other than the Swiss franc are converted into Swiss francs at the United Nations operational rate of exchange (UNORE) at the date of the transaction. Monetary assets and commitments denominated in foreign currencies are converted into Swiss francs at the UNORE rate of exchange in force at the date of closure of the financial period. Exchange-rate losses and gains, realized or unrealized, resulting from the settlement of such transactions and from conversion of the assets and commitments denominated in foreign currencies at the date of closure are recorded in the statement of financial performance. ITU applies the UNORE communicated by the United Nations, as follows:

CHF for	December 2014	December 2013
1 US Dollar	0.969	0.90700
1 Euro	1.20074	1.23233
1 BBD (Barbados)	0.48450	0.45350
1 BRL (Brazil)	0.38698	0.39281
1 CLP (Chile)	0.00162	0.00172
1 ETB (Ethiopia)	0.04820	0.04786
1 HNL (Honduras)	0.04495	0.04411
1 IDR (Indonesia)	0.00008	0.00007
1 EGP (Egypt)	0.13551	0.13166
1 RUB (Russia)	0.01744	0.02737
1 VND (Viet Nam)	0.00005	0.00004
1 XOF (Senegal)	0.00183	0.00188
1 XAF (Cameroon)	0.00183	0.00188
1 THB (Thailand)	0.02957	0.02821

## **Financial instruments**

ITU's financial instruments include: cash and short term deposits, investments, receivable from exchange and from non-exchange transactions, trade payable, bank overdrafts, loans and borrowings.

### **Cash and cash equivalents**

Cash and cash equivalents are held at nominal value and comprise cash on hand, postal accounts, bank accounts and deposit accounts with the Swiss Confederation's Federal Department of Finance.

### **Investments**

Fixed-term deposits with a term of three to nine months that are highly liquid, convertible into a known cash amount and subject to a negligible risk of change in value are designated as financial assets at fair value through surplus or deficit at initial recognition. Investment revenue is recognized on a quarterly basis on the basis of actual return.

Investments are initially recognized when ITU becomes a party to the contractual provisions of the instrument. All purchase and sales of investments are recognized on the basis of their trade date. Investments are initially recognized at their fair value, taking into account any directly attributable transaction costs.

Financial assets are derecognized once ITU has transferred its rights to receive the cash flows from the financial assets and the associated risks.

Investments are presented in the balance sheet as current or non-current assets and liabilities according to whether their due date is less than or more than one year away.

The derecognition of financial instruments occurs when ITU's contractual rights to the cash flows from the financial asset expire or have been transferred and all risks and rewards of ownerships have been substantially transferred.

### Other financial liabilities and FIPOI loan

Other financial liabilities comprise borrowings, other financing, bank overdrafts, suppliers and trade payables. They are shown on the balance sheet as current or non-current liabilities according to whether they fall due in less than or more than one year.

Interest-bearing financial liabilities are subsequently valued at amortized cost using the effective interest rate method with the exception of liabilities for which the recognition of interest would be immaterial.

ITU borrowed capital from the Building Foundation for International Organizations (FIPOI) for the construction and renovation of its premises in Geneva. Those borrowings were originally subject to interest. However, the Federal Department of Foreign Affairs (DFAE) ceased charging interest as from 1996. ITU therefore has to reimburse only the principal.

The loan is measured at its amortized cost using a long-term interest rate of 3.25 per cent, which corresponds to the interest rate associated with the loans granted by FIPOI but not charged. The difference between the nominal value and amortized cost represents an in-kind contribution which, at 31 December 2014, amounted to an overall sum of CHF 18.5 million. ITU has opted not to present this amount under "Borrowings and financial debts" in the statement of financial position. ITU is, however, showing in the statement of financial position expenses and revenue by way of an in-kind contribution corresponding to the reduction in the discount from 1 January to 31 December of the past year.

### Receivables and loans

ITU's receivables and loans are non-derivative financial assets with fixed or determinable maturity dates that are not traded on an active market. They originate when ITU enters into a contractual arrangement with a third party and remain so until the cash transfers associated with those financial assets have been executed and the associated risks and benefits have likewise been transferred to ITU. Such assets come under current assets, except those having maturity dates beyond 12 months after the date of closure, which are categorized as non-current assets.

Receivables are divided into two distinct categories: receivables from exchange transactions, such as those resulting from the sale of publications; and non-exchange receivables, notably those relating to contributions made to ITU. Assessed contributions are incorporated in the financial plan once the level of Member State contributions has been set by the Plenipotentiary Conference for a four-year period. These contributions are recognized on an annual basis.

Voluntary contributions are initially recognized when there is a signed agreement between ITU and the donor.

Receivables and loans are recognized at fair value at the time of their initial recognition. The fair value is adjusted when reviewing doubtful debts at the time of the annual closure of the accounts.

## **Determination of the provision for impairment of receivables**

An assessment of the need to establish or adjust a provision for asset impairment is carried out according to the nature of the receivable, on the basis of the following categories of receivable:

### 1 – Member States

In accordance with Article 28, No. 169, of the ITU Constitution, a Member State which is in arrears in its payments to the Union shall lose its right to vote as defined in Nos 27 and 28 of the Constitution for so long as the amount of its arrears equals or exceeds the amount of the contribution due for the two preceding years.

On the basis of this rule, a provision is established for Member States having arrears of over two years. Assessment and follow-up are carried out on the basis of the financial notification, which is produced quarterly. The provision is calculated on the basis of the notification for the final quarter of the year, which is produced at the beginning of the following year.

The amount of the provision is equal to 100 per cent of the debt that has remained unpaid for over two years, plus the interest on arrears charged since payment first became overdue.

### 2 – Sector Members, Associates and Academia

Where Sector Members and Associates are concerned, Resolution 152 (Rev. Busan, 2014) of the Plenipotentiary Conference provides, in *resolves* 6, that in the event of late payment, suspension of participation in ITU shall occur six months (180 days) after the date on which payment of the annual contribution was due, and in the absence of a negotiated and agreed repayment schedule, exclusion of a Sector Member or an Associate on grounds of non-payment shall occur three months (90 days) after the date of receipt of the notification of suspension.

All unpaid debts, including interest on arrears, dating back beyond two years are 100 per cent provisioned.

### 3 – Satellite Network Filings (SNF) revenue

The Union establishes a provision for SNF invoices, arrears being subject to interest at 6 per cent as from the due date in the case of late payment. Since such invoices are payable within six months, a 100 per cent provision will be established at 31 December of the year following their presentation.

### 4 – Publications

Publications are for the most part paid for in advance, except when the client is a Member State administration. This provision is established following exactly the same principle as for Member State and Sector Member contributions.

### 5 – Other debtors (e.g. voluntary contributions)

The amount of the provision is equal to 100 per cent of the debts remaining unpaid at 31 December of the year following presentation of the invoices.

### 6 – ITU TELECOM

Receivables for ITU TELECOM events are 100 per cent provisioned at the time of closing of the exhibition accounts, when there is an uncertainty about the payment.

### **Use and release of a provision for asset impairment**

Where a debt is deemed to be uncollectable (for example, certificate of lack of assets or debt write-off approved by Council), the debt is written off. The related provision is then used to offset the balance in the accounts. If, in a subsequent period, the amount of the impairment decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (for example, signature of a debt repayment schedule), the previously recognized impairment loss is reversed, wholly or in part, by a release of provision.

In the case of Member States or Sector Members, the provision is reduced by the annual installments settled under a debt repayment schedule, following the payment of each installment. The interest on arrears is written off once the capital of the debt has been repaid, subject to approval by the Council. This amount includes receivables relating to publications.

If, in a subsequent period, new receivables meet the impairment criteria set out in the above paragraph, the establishment of a provision must be recognized at 31 December of that year.

### **Inventories**

Inventories comprise publications and souvenirs bearing the ITU logo, consumable stores, maintenance materials and stocks of spare parts not allocated to the maintenance of specific assets.

For consumables, inventories values are calculated using the weighted average cost method. The same method is used for all inventories whose nature and usage are similar within the organization.

Publications are valued according to a standard cost based on a scale that is updated annually. The standard cost does not include direct staff costs; however, the cost of paper is increased by 253 per cent, representing the direct costs associated with reprography. The net realizable value represents the estimated sale price less the estimated costs of producing, marketing, selling and distributing the publications.

Where stocks of publications are distributed at zero or a symbolic cost, they are assigned the value that the organization would have to pay to obtain the economic benefits or service potential to achieve the organization's objectives. If the economic benefits or service potential cannot be acquired on the market, the stocks are valued at their replacement value.

An annual physical stocktaking is made of all inventories. At each closure date, if there is any indication that inventories may have fallen in value, they are depreciated. Publications are valued in two stages: first, on the basis of any damage identified during the annual physical stocktaking, then with regard to the obsolescence of publications. The organization also determines whether an impairment loss previously recognized has diminished or is extinguished. If so, the net realizable value or replacement cost of the inventories is estimated and updated.

Publications and articles no longer to be offered for sale or intended for free-of-charge distribution will have their net carrying amount reduced to zero.

### **Property, plant and equipment**

Property, plant and equipment held by ITU are valued at historical cost less accumulated depreciation and accumulated impairment losses. Buildings were recognized in the opening statement of financial position under IPSAS on 1 January 2010 at their intrinsic value, on the basis of the study conducted by an external consultancy. Recognition of the buildings value was carried out using the component-based approach. Land is not taken into account when calculating

the intrinsic value of the buildings. The land rights (right of superficies) concerning the land areas made available by the State of Geneva is without cost to the Union.

In-kind gifts are measured at fair value estimated at the date of receipt of the movable assets. Recognition of revenue associated with in-kind gifts intended for the creation or purchase of a specific asset is spread over a period equal to the depreciation time of the concerned asset as from the date of its bringing into use.

Goods with a value equal to or higher than CHF 5'000 are capitalized at the time of receipt and subsequently depreciated on a straight-line basis.

Goods with a cost lower than CHF 5'000 (low-value goods) are capitalized during the month of acquisition and fully recognized as expenses in the statement of financial performance at the monthly closure following acquisition.

Property, plant and equipment acquired in connection with projects conducted under Extra-budgetary activities (in particular projects of the United Nations Development Programme, nationally-executed projects and voluntary contributions) are fully recognized as expenses in the statement of financial performance at the monthly closure following acquisition.

Subsequent costs related to fixed assets are capitalized and depreciated when they bring about an increase in service potential associated with use of the fixed asset and do not concern maintenance or repair costs for the concerned fixed asset, these being recognized in the statement of financial performance.

Where a fixed asset comprises several significant components having different useful lives, each component is recognized separately. Depreciation is calculated on a straight-line basis according to the estimated useful life of each item, with a final residual period, if applicable. The residual values and useful lives of assets, as well as the depreciation methods, are reviewed, and adjusted if necessary, at each annual closure.

Average useful lives are taken to be as follows:

<b>Categories and subcategories of assets</b>	<b>Estimated useful life (in years)</b>
Buildings	
Structure	100
Envelope (flat roof, insulation, sealing...)	60
Envelope (metal façades, aluminum window-frames...)	50
Interior finishing (raised flooring, partitions...)	50
Interior finishing (floor, wall and ceiling coverings...)	40
Special equipment	40
Technical installations (electricity)	50
Technical installations (plumbing)	40
Technical installations (heating, ventilation)	30
Transport facilities	40
Machinery and equipment	5
Furniture and fixtures	5
Vehicles	5
Computer hardware	3
Licences and software packages	3

At each annual closure date, ITU assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss is recorded in the statement of financial performance when the carrying amount exceeds the recoverable amount.

The recoverable amount is the higher of the fair value less the costs of disposal, and the value in use. The recoverable amount of an asset is calculated individually. The value in use of fixed assets used for non-commercial purposes corresponds to the present value of the service potential expected from their use.

An impairment loss recognized in prior periods is reversed if there has been change in the estimates of the recoverable amount since the last estimate. The net carrying amount of the asset is increased, but shall not exceed the net carrying amount that would have applied to the asset had no impairment loss been recognized in the first place. The reverse is recorded in the statement of financial performance.

### **Fixed assets acquired under lease**

Within the framework of its activities, ITU may use leased assets. Leases were analyzed with respect to the situations described and indicators provided in IPSAS 13 in order to determine whether they were operating leases or finance leases. As at 31 December 2014, leases concluded by ITU correspond to the definition of operating leases and are recognized as such. Payments made in respect of such leases are recognized as expenses in the statement of financial performance on a straight-line basis over the term of the lease.

### **Intangible assets**

Intangible assets, IT licences and software, with a value higher than CHF 50'000, are recognized on the basis of their historical cost less any accumulated depreciation and impairment losses, except in the opening balance sheet where the net value has been used. Licenses, software packages, patents and rights are amortized on a straight-line basis over a period of three years.

All costs equal to or lower than CHF 50'000 are capitalized at the time of receipt of the goods and fully recognized as expenses in the statement of financial performance at the monthly closure following acquisition.

Licences, software packages and patents developed in house are capitalized if it is probable that ITU will benefit from future economic benefits or service potential attributed to them. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Union are recognized as intangible assets when the following criteria are met at the closing date:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives, which does not exceed three years.

Costs associated with maintaining computer software programmes are recognized as an expense as incurred.

### **Provisions**

Provisions cover obligations for which the outcome, due date or payable amount is uncertain. They are recognized when ITU has a legal or constructive obligation resulting from a past event, when it is probable that an outflow of resources will be required in order to settle the obligation and when the amount of the obligation can be reliably estimated.

Where an outflow of resources is not probable or cannot be reliably estimated, the obligation is not recorded in the statement of financial position but disclosed in the Notes.

### **Contingent assets and liabilities**

Contingent assets and liabilities are possible rights and obligations arising from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within ITU's control. Such items are disclosed in the Notes.

### **Employee benefits**

The following employee benefits are recognized:

- Short-term benefits due to be settled within twelve months after the end of the accounting period in which employees render the related service;
- Long-term benefits resulting from the possible deferral of benefits acquired during the prior period or periods;
- Long-term post-employment benefits.

Long-term benefits cover:

- Obligations associated with the possibility of accruing unused leave days and having them taken into account when establishing the date of retirement;
- Obligations associated with repatriation;
- Obligations associated with the pension plan of the United Nations Joint Staff Pension Fund;
- Obligations concerning the After-Service Health Insurance (ASHI), as specified under the United Nations ASHI programme;
- Obligations relating to the former pension plan in order to define ITU's obligations at the date of closure of the period.

These last two benefits come under the heading of defined-benefit plans and, as is also the case for repatriation obligations, are the subjects of actuarial studies.

ITU is a member organization participating in the United Nations Joint Staff Pension Fund (UNJSPF), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Pension Fund is a funded, multi-employer defined benefit plan. As specified by Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets, and costs to individual organizations participating in the plan. ITU and the UNJSPF, in line with the other participating organizations in the Fund, are not in a position to identify ITU's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence ITU has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 25. ITU's contributions to the plan during the financial period are recognized as expenses in the statement of financial performance.

On 30 April 2014, ITU ended its participation in the Staff Health Insurance Fund (SHIF) created at the ILO. As from 1 May 2014, the ITU implemented a staff health insurance scheme called the ITU Collective Medical Insurance Plan (CMIP). The plan, administered by the ITU, is based on a contract signed with the Companies Cigna/Vanbreda International, Cigna being the insurer and Cigna/Vanbreda being the claims administrator. ASHI obligations are the subject of an actuarial study pursuant to IPSAS 25 in order to identify and recognize the amount of ITU's future liability in relation to the corresponding benefits. An independent actuarial valuation was contracted by ITU to evaluate the ASHI obligation as of end of December. Recognition of the actuarial gains and losses of this plan follows the Other Comprehensive Income (OCI) method, which calls for recognition of actuarial gains and losses during the period as net assets in the statement of financial position.

The assumptions concerning ITU are described in the Notes relating to employee benefits.

## **Recognition of funds**

### ***Allocated third-party funds***

This refers to funding provided by third parties to support the Union in implementing projects in and for developing countries. Such contributions are tied to contractual conditions. Funding of this kind is recognized as revenue only where the donors have made a commitment in writing and as the expenses are incurred. Funded projects begin only once the funds have been paid to ITU. At the closure of the financial period, the unused balance of such funding is recognized in the balance of allocated funds in the statement of financial position. In some specific cases, the funds are paid to ITU as a reimbursement of expenses already incurred.

Such allocated third-party funds are distributed as follows:

#### **– United Nations Development Programme**

ITU has entered into an agreement with the United Nations Development Programme (UNDP) and may be the sole executing agency, or joint executing agency with UNDP, for different projects. For projects that are either partially or entirely executed by ITU, the Union receives a budgetary allocation from UNDP. In general, there are three categories of UNDP projects, namely: projects executed by ITU; projects executed by governments; and projects executed by SPPD

(Support Services for Policy and Programme Development), the activities of which came to an end on 31 December 2003.

At the end of each year, on the basis of the project delivery report (PDR), UNDP reimburses ITU for all expenses incurred, within the allocation. For the support that ITU provides to the projects, ITU receives an allocation calculated on a pro rata basis of the expenses recorded in the PDRs.

– **Trust funds**

Trust funds are used to execute projects financed by earmarked contributions, by the ICT Development Fund (ICTDF) or by governments. In all cases the funds have to be credited to the projects before the expenses are committed. Trust funds are voluntary contributions with specific and restrictive utilization. These contributions generate support costs during the execution and implementation of the projects.

– **Voluntary contributions**

Voluntary contributions are received from donors to complement specific regular budget activities such as for example seminars, working groups, study groups, training and fellowships. Voluntary contributions can finance long-term activities. Voluntary contributions do not generate any support costs.

The Union keeps accounts for voluntary contributions in the currency of the contribution and manages the projects based on the budget allocated in the currency of the funding, unless otherwise specified.

***Third-party funds in the process of allocation***

These are funds received from third parties and not yet fully allocated, which therefore cannot yet be spent.

***Allocated own funds***

**Reserve Account**

In accordance with No. 485 of the Convention and Article 27 of the Financial Regulations, the Reserve Account is maintained mainly from unused appropriations. Variations in the Reserve Account are detailed in the statement of changes in the net assets of the Union. It is made up of:

- a) the positive or negative net balance from the regular budget implementation for each financial year;
- b) transfers from other reserves/funds as decided by the Council;
- c) any amounts to be credited to the Reserve Account as prescribed by the accounting standards common to the organizations of the United Nations system.

The Reserve Account also includes funds derived from those activities in respect of which ITU applies the cost-recovery principle pursuant to Council Resolution 1113 (Document C97/133). The products and services to which ITU applies cost recovery are currently:

- Registration of universal international freephone numbers (UIFN);
- Memorandum of Understanding on global mobile personal communication systems (GMPCS MoUs);
- Processing of satellite network filings;

- Registration of universal international premium-rate numbers (UIPRN) and universal international shared-cost numbers (UISCN);
- TELECOM;
- Publication sales;
- Project support revenue.

Notwithstanding the provisions of Article 13, § 4 b) of the Financial Regulations, bearing in mind the need to maintain the Reserve Account at a minimum level determined by the Plenipotentiary Conference, withdrawals may be made from the Reserve Account by special decision of the Council, *inter alia*, for:

- a) reducing the amount of the contributory unit;
- b) balancing the budget of the Union;
- c) transfers to other reserves/funds; or
- d) any amounts to be debited to the Reserve Account as prescribed by the accounting standards common to the organizations of the United Nations system.

### **Other funds**

Other funds include the ITU Staff Superannuation and Benevolent Funds and well as the Pension and Intervention funds and the ASHI fund.

The ITU Staff Superannuation and Benevolent Funds comprise three funds:

- Provident Fund;
- Reserve and Complement Fund;
- Assistance Fund.

They are the set of funds that guarantee the pensions of employees who were in service prior to 1 January 1960, the date on which ITU became affiliated to the United Nations Joint Staff Pension Fund. In 2014, the Reserve and Complement Fund paid out 40 retirement pensions and 30 survivor's pensions; and the Assistance Fund served to assist staff members and pensioners in difficult financial situations. The Provident Fund used to cover one widow of a retired staff member, who was subject to the regime in force prior to 1 January 1949, until her death in 2014. The most recent calculation of the obligations to be provisioned for beneficiaries of the ITU Staff Superannuation and Benevolent Funds was made on 31 December 2011.

Pursuant to Resolution 7 (Geneva, 1959) of the Plenipotentiary Conference, the staff of ITU is affiliated, as from 1 January 1960, to the United Nations Joint Staff Pension Fund. Under Article 86 of the Regulations of the ITU Staff Superannuation and Benevolent Funds, those Funds are managed by the Union. The assets of the Funds must be invested in trustee securities. The accounts of these Funds are verified by the External Auditor as part of the periodic audits of the accounts of the Union. By Resolution 1211, adopted at its additional session in October 2003, the Council resolved that, with retroactive effect as from 1 January 2003, the statutory rate of interest of the Funds was removed from Article 86 of the Regulations of the Funds.

Other funds also include since 2013, a fund dedicated to the long-term funding of the ASHI unfunded liability as well as the new health insurance fund, which will constitute the guaranty fund for ITU new health Insurance scheme which replaced the current scheme as of 1 May 2014.

## **Extrabudgetary activities related funds**

### **– ICT Development Fund**

In line with ITU's mission of fostering the expansion of modern communication services worldwide, the Council assigns a share of the surplus revenue derived from ITU TELECOM events to the ICT Development Fund (ICTDF), which serves to finance various national and regional development projects. In the case of project financing through the ICTDF, only the expenses are recognized in the statement of financial performance. At the closure of each financial period, the allocated own funds appearing on the balance sheet are reduced by the total amount of the expenses incurred during the same period. This same principle applies for projects financed under the development action plan, the funds available for these programmes having already been recognized as revenue in prior financial periods.

The ICTDF also registers contributions paid by members or third parties for the financing of ICT development projects.

### **– ITU TELECOM Exhibition Working Capital Fund**

ITU TELECOM organizes world telecommunication events and forums. As a partnership between Member States, companies and organizations, ITU TELECOM is in a unique position to organize such events on a global scale. The mission of these events is to bring together the most influential representatives of government and the telecommunication industry to exchange ideas, knowledge and technology for the benefit of the global community, and in particular the developing world.

Moreover the financial results of these events can be used to finance specific telecommunication development projects, primarily in the UN-designated least developed countries (LDCs).

Any surplus revenue or deficit resulting from these events is recognized in the Exhibition Working Capital Fund. With the Council's approval, withdrawals are made for payment into the ICTDF.

### **– Reserves related to Extra-budgetary projects**

The Union has set up a reserve to receive any remaining balances from closed projects. This reserve will be used to finance new projects or regional initiatives, as well as to cover certain projects in deficit.

## **Recognition of revenue**

Revenue comprises assessed contributions, voluntary contributions and other recovered revenues.

Assessed contributions: This refers mainly to contributions from Member States, Sector Members and Associates. The Plenipotentiary Conference establishes the upper limit of the contributory unit to serve as the basis for calculating the Union's revenue for the biennial budgets for the next four years. Member States and Sector Members are free to choose their class of contribution for defraying Union expenses in accordance with the relevant provisions of the ITU Constitution, and pay, in respect of the year of their accession or admission, a contribution calculated as from the first day of the month of accession or admission. This revenue is used for the purpose of implementing the Union's activities as defined by the Plenipotentiary Conference.

Other recovered revenues comprise the products and services for which ITU applies the principle of cost recovery, namely:

- registration of universal international freephone numbers (UIFN);
- Memorandum of Understanding on global mobile personal communication systems (GMPCS-MoU);
- processing of satellite network filings;
- publication sales;
- project support revenue.

ITU receives contributions upfront for providing services for the registration of universal international freephone numbers (UIFN) and the registration of universal international premium-rate numbers (UIPRN) and universal international shared-cost numbers (UISCN).

Parties requesting these services must deposit upfront a sum of CHF 200 per number in the Union's accounts. As the numbers are used, ITU invoices its services. It is at the stage when the numbers are used that the Union recognizes revenue in its accounts. The corresponding invoices are settled from the account containing the customers' deposits.

Voluntary contributions are recognized when there is an agreement signed by the donors. Contributions received which relate to future financial periods are recognized under deferred revenues. The balance of unused voluntary contributions at the date of closure is recognized under third-party funds. Other revenue pertaining to future financial periods is recognized under deferred revenues.

Revenue from sales of publications is recognized at the time when the publications are dispatched, and revenue from sales of services involving access to ITU statistics and data in electronic form is recognized at the time when the data become accessible.

### **Segment reporting**

Segment reporting is based on ITU's main activities and sources of financing, and is done in a manner consistent with the structure of the financial information provided to the Chief of the Financial Resources Management Department. The segments reflect the ITU's work programme for 2014-2015, with no structural changes compared to 2012-2013 work programme:

- General Secretariat;
- Radiocommunication Sector (ITU-R): Management of international resources, namely the radio-frequency spectrum and satellite orbits;
- Telecommunication Standardization Sector (ITU-T): Shaping harmonized working methods and establishment of flexible collaboration mechanisms to meet market needs;
- Telecommunication Development Sector (ITU-D): Provision, under affordable conditions, of equitable and sustainable access to ICTs;
- Projects: UNDP funds, trust funds, ICT Development Fund and voluntary contributions;
- ITU TELECOM.

On account of the nature of ITU's activities, its tangible and intangible fixed assets are used jointly by all its Sectors and are not managed by the individual Sectors. The Union's assets and liabilities, other than those representing its net assets, fall under the ownership or responsibility of the organization as a whole and do not constitute assets and liabilities of its component parts.

Extra budgetary funds do not have any fixed assets. Assets and liabilities represent a wide range of activities that are common to the constituent parts of the Union. Any allocation of assets and liabilities to the different Sectors would inevitably be arbitrary and incoherent. It would thus run counter to the principles of IPSAS 18. It is for this reason that individual assets and liabilities will not be segmented.

### **Budget comparison**

The draft budget of the Union for 2014-2015 is based on Decision 5 (Rev. Guadalajara, 2010) entitled "Income and expenditure for the Union for the period 2012-2015" and the strategic plan for the Union for 2012-2015 set out in Resolution 71 (Rev. Guadalajara, 2010) of the Plenipotentiary Conference. Furthermore, the programme budget is coordinated with the operational plans of the Sectors and the General Secretariat.

Pursuant to IPSAS 24, the annual financial statements must include a comparison between budgeted amounts and actual amounts. The draft budget of the Union for 2013-2014 is composed of two annual budgets. A budget estimate has been made for each of the financial years.

The final budget for 2014, which takes account of subsequent budget transfers as illustrated in Statement V (Comparative statement of budgeted amounts and actual amounts) and in Note 24, was approved by the Council at its 2013 session by Resolution 1359. Statement V contains a comparison of the final budget and actual amounts. Since the budget and the financial statements were not drawn up on the same basis, Statement V contains a reconciliation of the amounts in the budget and the amounts in Statement II (Statement of financial performance). Perimeter differences reflect the incorporation of extra budgetary funds in the Union's financial statements.

### **Note 4. Management of net assets**

The Union's net assets consist of own funds allocated to the organization or set aside for projects as well as unallocated own funds set aside for projects.

The table below shows the changes in the Reserve Account.

<b>Movements in the Reserve Account in the 2013 and 2014 financial years</b>	<b>2014</b>	<b>2013</b>
<b>In thousands CHF</b>		
ITU Reserve Account (Fund 1000)		
Position at 1 January 2014-2013	30'325	28'221
Withdrawal from the Reserve Account authorized by the Council for the ASHI fund	-4'000	-
Payment into the Reserve Account of the 2014 surplus	897	2'104
Total movements in 2014-2013	-3'103	2'104
Position at 31 December 2014-2013	27'222	30'325

Resolution 1359, adopted by the Council at its 2013 session provided for a withdrawal of CHF 4 million for the biennium 2014-2015 in order to provide for the agreed programme of activities, which include the organization of WRC-15 and RA-2015 as decided by Council Resolution 1343 in 2012. Moreover Resolution 1349 instructed the Secretary-General to withdraw CHF 4 million from the Reserve Account to set-up the ASHI fund in order to take a first step towards addressing the unfunded long-term liabilities.

As 2014 closed with a budgetary surplus amounting to CHF 0.897 million after allocation for the ASHI and CMIP fund, this amount was paid into the Reserve Account.

In accordance with the Financial Regulations and Financial Rules, Article 10, paragraph 5 and Article 12 paragraph 4, the Secretary-General authorized the following allocation of the 2014 budgetary surplus.

<b>Allocation of the 2014 budgetary surplus</b>	<b>In thousands CHF</b>
Allocation to the Reserve Account	897
ASHI fund	1'000
Health Insurance guaranty fund	2'000
<b>Total amount allocated to ITU reserves</b>	<b>3'897</b>

At 31 December 2014, the assets of the Reserve Account stood at CHF 27.2 million after allocation of the 2014 surplus allocated to the Reserve Account (as against CHF 26.3 million before allocation). The assets of the Reserve Account represent 16.4 per cent of the 2014 budget, which is significantly above the six per cent threshold stipulated in Decision 5 (Rev. Busan, 2014) of the Plenipotentiary Conference.

The ASHI fund was established in order to constitute a reserve dedicated to the long-term funding of the ASHI liability. This fund will be credited with revenue from future budgetary surpluses and monitored in order to take into account future variations of ITU obligations due to changes in actuarial assumptions.

The Health Insurance guaranty fund will be dedicated to the financing of ITU's new Health Insurance scheme on a pay-as-you-go basis and will be credited with surpluses of contributions over claims.

The table below shows the details of the Union's own funds allocated to the organization according to the statement of changes in ITU's net assets and the Reserve Account at 31 December 2014 after allocation of the surplus of the year.

In thousands CHF	31.12.2014	31.12.2013
<b>Reserve Account (Fund 1000)</b>	27'222	30'325
<b>Other allocated reserves</b>	<b>28'827</b>	<b>19'114</b>
Investment Fund	7'180	6'314
Welfare Fund	492	521
Centenary Fund	308	318
ASHI fund	7'000	2'000
Health Insurance guaranty fund	5'877	2'000
Staff Superannuation & Benevolent Complement Fund	6'267	6'266
Staff Superannuation & Benevolent Provident Fund	1'510	1'513
Staff Superannuation & Benevolent Assistance Fund	183	182
<b>Own funds allocated to the organization according to the statement of changes in net assets</b>	<b>56'039</b>	<b>49'439</b>

Regarding the Staff Superannuation and Benevolent Funds, interest revenue decreased in 2014 due to historically low interest rates, and although the Reserve and Complement fund as well as the Assistance fund show a surplus of CHF 452.75 respectively CHF 764.50, the Provident fund shows a deficit of CHF 2'571.15. A current account for each of the three Funds is held with the Finance and Accounting Division of the Swiss Confederation, in accordance with the Funds' Regulations. See Annex A2.

## Note 5. Financial risk management

In the course of its work, ITU is exposed to a number of financial risks including credit risk, market risk (Foreign exchange currency risk), interest rate risk and liquidity risk. This Note presents information on ITU exposure to each of the above risks and outlines the principles adopted by ITU to manage financial risks and preserve its capital. The management of financial risks is centralized under the responsibility of the Secretary-General.

## Fair value

Set out below is a comparison by class of the carrying amounts and fair value of ITU's financial instruments.

In thousands of CHF	Carrying amount	Fair value
Financial assets 2014		
Cash and cash equivalent	75'430	75'430
Financial instruments at fair value through surplus/deficit	87'074	87'074
Receivable from exchange transactions – current	7'361	7'361
Receivable from non-exchange transaction- current	79'448	79'448

In thousands of CHF	Carrying amount	Fair value
Financial assets 2013		
Cash and cash equivalent	59'616	59'616
Financial instruments at fair value through surplus/deficit	88'244	88'244
Receivable from exchange transactions – current	15'359	15'359
Receivable from non-exchange transaction- current	77'046	77'046

In thousands of CHF	Carrying amount	Fair value
Financial liabilities 2014		
Borrowings	46'779	46'779
Payables from exchange transactions	5'793	5'793

In thousands of CHF	Carrying amount	Fair value
Financial liabilities 2013		
Borrowings	48'272	48'272
Payables from exchange transactions	9'685	9'685

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation.

The following methods and assumptions were used to estimate the fair value:

- Cash and cash equivalents, short term deposits, receivables from exchange transactions, other receivables, payables from exchange transactions, and other payables approximate their carrying amounts largely due to the short-term maturities of these investments;
- Short- and long-term receivables are valued as disclosed in Note 3;
- Borrowings are valued as disclosed in Note 3.

### Fair value hierarchy

ITU uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices in active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: Techniques, which use inputs that have a significant effect on the recorded fair value, that are not based on observable market data.

At 31 December 2014, all investments are bank deposits and short-term bank investments and valued at their fair value in the Statement of Financial Situation.

## a) Credit risk

Credit risk is the risk of financial loss to ITU if customers or counterparties to financial instruments fail to meet their contractual obligations, and arises principally from investments, receivables and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 December was:

In thousands of CHF	31.12.2014	31.12.2013
Investments	87'074	88'244
Receivables	95'640	92'405
Cash and cash equivalents	75'430	59'616
Maximum exposure to credit risk	258'144	240'265

## b) Credit quality

Credit quality is the assessed risk of default attached to counterparties to which ITU extend credit as well as those parties with whom ITU invests.

Measures such as the sending of quarterly statements and suspension of participation in the work of ITU have been introduced to ensure that Member States, Sector Members and Associates settle their arrears. Furthermore, the loss of voting right has been introduced for Member States to encourage a timely settling of their arrears.

ITU mitigates credit risks on cash and cash equivalents and on investments by spreading them among several banking institutions with high grade credit ratings. According to Article 16 of the Financial Regulations and Financial Rules, the Secretary-General chooses the banks or other institutions in which the Union's funds are to be deposited. In this respect, the Secretary-General shall ensure that funds are invested in such a way as to place primary emphasis on minimizing the risk to principal funds while ensuring the liquidity necessary to meet the Union's cash-flow requirements. ITU does not make deposits with banks with a credit rating below A3.

In addition to these criteria, investments shall be selected on the basis of achieving the highest reasonable rate of return and shall accord with the principles of the United Nations.

The Secretary-General designates the banks in which the funds of the Union shall be kept, shall establish all bank accounts required for the Union and shall designate those officials to whom signing authority is delegated for the operation of those accounts. The Secretary-General also authorizes all bank account closures.

## c) Interest rate risk

ITU is exposed to interest rate risks through its short term investments. However, due to low interest rates in 2014, the impact of a variation of interest rates of an estimated 0.5 per cent on the Situation of Financial performance has been considered as not significant.

## d) Liquidity risk

Liquidity risk is the risk of ITU not being able to meet its obligations as they fall due. ITU approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due. ITU ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts.

Liquidity risk may be considered negligible as, in accordance with Article 17 of the Financial Regulations, advances of funds from the Government of the Swiss Confederation will be granted under conditions to be stipulated to meet temporary cash requirements of the Union.

The primary objective of managing ITU's capital is to ensure that there is sufficient cash available to support ITU's funding requirements, including capital expenditure, to ensure that ITU remains financially sound.

e) Currency risk

ITU receives Member States and regular budget contributions in CHF and Extra-budgetary contributions in other currencies than the CHF. ITU does not have recourse to fixed-term exchange contracts, futures, swaps or currency options to hedge realized or unrealized foreign exchanges gains or losses. When possible, natural hedging is applied by assigning the necessary currencies directly to the appropriate bank accounts.

It is to be noted that while the Staff Health Insurance Fund (SHIF) was managed in USD, the new Health Insurance scheme is managed in CHF, which is significantly reducing exposure to exchange rates fluctuations. The Union is still exposed to foreign exchange gains or losses arising from the payment of contributions to the UNJSPF in USD. However, since the Professional staff contributions are defined in USD and the General Staff contribution are defined in CHF, as the number of staff in these two categories is equally distributed, the exchange rates fluctuations tend to counterbalance.

Extra-budgetary contributions are managed in the currency of the contribution and converted in CHF for presentation purposes.

f) Market risk

Market risk is the risk of changes in market prices, such as foreign-exchange rates and interest rates, affecting ITU's income or the value of its financial instruments holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk.

The maturity profiles on financial instruments as at 31 December 2014 are as follows:

In thousands of CHF	Weighted average interest rate	1 year or less	<10 years	>10 years	Total
<b>Financial assets</b>					
Investments		87'074	0	0	87'074
Cash and cash equivalent		75'430	0	0	75'430
<b>Total financial assets</b>		162'504	0	0	162'504
<b>Financial liabilities</b>					
Borrowings	0%	1'493	12'497	31'295	45'286
<b>Total liabilities</b>		1'493	12'497	31'295	45'286

## Note 6. Judgment and accounting estimates

Preparation of the financial statements under IPSAS calls for the use of estimates and/or assumptions having a bearing, on the one hand, on the amounts of the assets and liabilities disclosed and the disclosure of contingent assets and obligations at the date of the balance sheet and, on the other hand, on the amount of the revenues and expenses for the accounting period. Although the estimates are based on past experience and on various other factors deemed reasonable in the prevailing circumstances, the results actually obtained may differ from those foreseen when the estimates were made.

Areas entailing a high degree of judgment and complexity or in which assumptions and estimates have a negative impact on the establishment of the financial statements are:

- post-employment benefits, particularly where the ASHI plan is concerned;
- useful lives of fixed assets and their possible impairment;
- provisions for receivables;
- probability of sale in stocks of publications;
- deferred revenue from satellite network filings.

## Note 7. Cash and cash equivalents

In thousands of CHF	31.12.2014	31.12.2013
Cash in CHF	16	7
Cash in foreign currency	122	66
Postal accounts in CHF	94	20
Bank current accounts in CHF	57'133	40'426
Bank current accounts in foreign currency	10'016	11'046
Sight accounts in CHF	8'049	8'051
<b>Cash and cash equivalents</b>	<b>75'430</b>	<b>59'616</b>

Cash deposits are held in bank and postal accounts and remunerated at the market rates. The fair value of the cash deposits is equivalent to the carrying amount.

At 31 December 2014, ITU has no credit line. The available cash is subject to the following restrictions:

- Sight accounts in favor of beneficiaries of the ITU pension funds which have been operating as closed funds since the organization's affiliation to UNJSPF and the Staff Health Insurance Fund, in the amount of CHF 8.49, as against CHF 8.05 million at 31.12.2013;
- An amount of CHF 14.9 million representing available cash for executing projects financed by external funds, as against CHF 9.2 million in 2013.

## Note 8. Investments

Fixed-term investments are remunerated at market rates and classified as financial instruments at fair value through surplus/deficit. The fair value of the cash deposits is equivalent to the carrying amount.

In thousands of CHF	31.12.2014	31.12.2013
Fixed-term investments	87'074	88'244
<b>Investments</b>	<b>87'074</b>	<b>88'244</b>

A breakdown of fixed-term investments by date of maturity (period remaining) and by currency is shown below:

In thousands for each currency	31.12.2014			31.12.2013		
	CHF	USD	EUR	CHF	USD	EUR
Maturity:						
0-3 months	61'249	7'745	9'113	61'098	9'545	9'708
4-6 months	-	7'000	-	-	3'000	-
7-9 months	-	-	-	-	3'700	-
over 9 months	-	-	-	-	-	-
<b>Investments</b>	<b>61'249</b>	<b>14'745</b>	<b>9'113</b>	<b>61'098</b>	<b>16'245</b>	<b>9'708</b>

In 2014, restricted investments allocated to Extra-budgetary projects amount to CHF 23 million, as against CHF 22.8 million in 2013.

## Note 9. Receivables

Receivables represent as yet uncollected revenue that Member States, Sector Members and Associates have committed to pay to ITU in respect of annual contributions, purchase of publications, satellite network filings or other invoices. Amounts due on contributions bear interest from the beginning of the fourth month of each financial year of the Union at three per cent per annum during the following three months, and at six per cent per annum as from the beginning of the seventh month. Interest is credited to the Reserve for debtors' accounts in accordance with Article 24 of the Financial Regulations.

Non-current, non-exchange receivables represent receivables from the debt repayment schedules applicable to members having undertaken to repay such debts under an agreement spanning several financial periods.

Other receivables represent uncollected revenue for services associated with TELECOM and voluntary contributions.

In thousands of CHF	31.12.2014	31.12.2013
Current receivables – exchange transactions	8'417	7'367
Provision for losses on current receivables – exchange transactions	-1'056	-982
<b>Current receivables – exchange transactions: net value</b>	<b>7'361</b>	<b>6'385</b>
Current receivables – non-exchange transactions	113'821	123'916
Provision for losses on current receivables – non-exchange transactions	-34'373	-46'870
<b>Current receivables – non-exchange transactions: net value</b>	<b>79'448</b>	<b>77'046</b>
Non-current receivables – exchange transactions	20	32
Provision for losses on non-current receivables – exchange transactions	-20	-32
<b>Non-current receivables – exchange transactions: net value</b>	<b>-</b>	<b>-</b>
Non-current receivables – non-exchange transactions	17'474	9'394
Provision for losses on non-current receivables – non-exchange transactions	-17'474	-9'394
<b>Non-current receivables – non-exchange transactions: net value</b>	<b>-</b>	<b>-</b>

## Note 10. Inventories

In thousands of CHF	31.12.2014	31.12.2013
Publications – gross value	357	448
Depreciation	-213	-160
<b>Publications – net value</b>	<b>144</b>	<b>288</b>
Souvenirs – gross value	138	143
Depreciation	-75	-86
<b>Souvenirs – net value</b>	<b>63</b>	<b>57</b>
Supplies – gross value	443	470
Depreciation	-	0
<b>Supplies – net value</b>	<b>443</b>	<b>470</b>
<b>Inventories – net value</b>	<b>650</b>	<b>815</b>

Publications include publications for sale and publications distributed free of charge. Supplies include paper to be used for the printing of ITU publications and documents, items handled by the Supplies and Stores Service and various consumables.

**Note 11. Other receivables**

In thousands of CHF	31.12.2014	31.12.2013
Employee advances	1'999	1'950
Yugoslavia	1'189	1'189
Provision for debt Yugoslavia	-1'189	-1'189
Tax at source	1'940	1'451
Pensions	304	309
Accrued interest	37	11
Accounts receivable	4'551	5'253
<b>Other receivables</b>	<b>8'831</b>	<b>8'974</b>

Employee advances mainly comprise the payment of 75 per cent of education expenses for staff members' children.

Tax at source comprises the withholding tax that is reimbursable by the Swiss Confederation's Federal Tax Administration as well as the income tax to be recovered from the Government of the United States of America. The balance to be recovered from that administration stands at CHF 1.9 million at the end of 2014.

The debt of the former Federal Republic of Yugoslavia has been provisioned at 100 per cent. The amounts due have not yet been settled. The Union is awaiting a decision by the United Nations General Assembly regarding the handling of this debt.

Accounts receivable mainly represent expenses recognized in advance for preparation of the ITU TELECOM World 2015 event.

**Note 12. Property, plant and equipment**

The ITU buildings comprise the following:

- Tower building, rue de Varembé, Geneva;
- Varembé building, rue de Varembé, Geneva;
- Extension C and Cafeteria, rue de Varembé, Geneva;
- Montbrillant building, rue de Varembé, Geneva.

These buildings were valued at an amount determined independently by external consultants for the IPSAS first financial statements in 2010. This value represented the estimated value of the buildings at their completion as well as the estimated value of renovations and repairs accomplished since the occupation of the buildings, after deduction of accumulated depreciation.

Since the transition to IPSAS, two major projects have been implemented and initially valued at costs. The first project was the renovation of the Popov meeting room, carried out thanks to a donation of CHF 5 million from the Russian Federation's National Radiotechnical Bureau, according to the memorandum between the Union and the Ministry of Telecommunications of the Russian Federation. The second project, funded through a donation of USD 2 million from the Government of the United Arab Emirates, was the creation of the ICT Discovery museum designed to inform the public about the rich and multifaceted nature of information and communication technologies. The project was completed in 2012. A holdback representing ten per cent of the total costs paid has been released in June 2013.

The changes in the net carrying amount of property, plant and equipment, including low value assets, during the 2014 period are explained below.

Categories of asset (in thousands of CHF)	Buildings	Mach. & equip.	Furniture & fixtures	Computer equipment	Vehicles	Donations	Under constr.	Low value assets	Total
<b>Cost at 1 January 2014</b>	<b>122'536</b>	<b>2'950</b>	<b>1'561</b>	<b>10'055</b>	<b>299</b>	<b>630</b>	<b>779</b>	<b>15'405</b>	<b>154'215</b>
Additions		30	23	68	1	2	316	702	1'142
Gifts									
Disposals		-79		-2'029	-1	-5		-944	-3'058
Impairment losses									
Reclassifications & corrections	100						-100		
Revaluations									
<b>Cost at 31 December 2014</b>	<b>122'636</b>	<b>2'901</b>	<b>1'584</b>	<b>8'094</b>	<b>299</b>	<b>627</b>	<b>995</b>	<b>15'163</b>	<b>152'299</b>
<b>Depreciation at 1 January 2014</b>	<b>13'890</b>	<b>2'762</b>	<b>1'024</b>	<b>8'165</b>	<b>241</b>	<b>630</b>	<b>-</b>	<b>15'405</b>	<b>42'117</b>
Recognized during the year	3'370	74	190	1'427	25	2		702	5'790
Disposals		-79		-2'029		-5		-944	-3'057
Impairment losses									
Reclassifications & corrections									
Revaluations									
<b>Depreciation at 31 December 2014</b>	<b>17'260</b>	<b>2'757</b>	<b>1'214</b>	<b>7'563</b>	<b>266</b>	<b>627</b>	<b>-</b>	<b>15'163</b>	<b>44'850</b>
<b>Net carrying amount at 1 January 2014</b>	<b>108'646</b>	<b>188</b>	<b>537</b>	<b>1'890</b>	<b>58</b>	<b>-</b>	<b>779</b>	<b>-</b>	<b>112'098</b>
<b>Net carrying amount at 31 December 2014</b>	<b>105'376</b>	<b>144</b>	<b>370</b>	<b>531</b>	<b>33</b>	<b>-</b>	<b>995</b>	<b>-</b>	<b>107'449</b>

As of December 2014, no property, plant or equipment had been pledged as security for debt.

Machinery and equipment items not present in the physical stock checking at the end of the year 2014 amount to CHF 67'393. Work is in progress to ascertain these items' existence and write them off, if needed, in 2015.

**Note 13. Intangible assets**

Category of asset (in thousands of CHF)	Internal developments	Software	Developments	Low value assets	Total
<b>Cost at 1 January 2014</b>	<b>459</b>	<b>1'738</b>	<b>2'047</b>	<b>454</b>	<b>4'698</b>
Additions	231	1'183	429	66	1'909
Gifts					
Disposals				-8	-8
Impairment losses					
Reclassifications & corrections	327	1'723	-2'047	-3	
Revaluations					
<b>Cost at 31 December 2014</b>	<b>1'017</b>	<b>4'644</b>	<b>429</b>	<b>509</b>	<b>6'599</b>
<b>Depreciation at 1 January 2014</b>	<b>137</b>	<b>1'245</b>	<b>-</b>	<b>454</b>	<b>1'836</b>
Recognized during the year	168	463		63	694
Disposals				-8	-8
Impairment losses					
Reclassifications					
Revaluations					
<b>Depreciation at 31 December 2014</b>	<b>305</b>	<b>1'708</b>	<b>-</b>	<b>509</b>	<b>2'522</b>
<b>Net carrying amount at 1 January 2014</b>	<b>322</b>	<b>493</b>	<b>2'047</b>		<b>2'862</b>
<b>Net carrying amount at 31 December 2014</b>	<b>712</b>	<b>2'936</b>	<b>429</b>	<b>-</b>	<b>4'077</b>

According to IPSAS 31, internal developments related to the improvement of services offered to members, specifically for the access, management and archiving of the Union documentation have been capitalized.

Software capitalized are standard software and upgrade packages used in the Union's operating activities.

**Note 14. Suppliers and other creditors**

In thousands of CHF	31.12.2014	31.12.2013
Suppliers	5'793	3'756
Deposits received	2'878	3'625
Down payments received	483	2'305
<b>Suppliers and other creditors</b>	<b>9'154</b>	<b>9'686</b>

The amount shown for suppliers relates mainly to unpaid invoices, staff accounts and IOV invoices open for settlement with UNDP.

Deposits have been received for satellite network filings and for future publication purchases. These sums will be refunded to the beneficiaries or used to settle future contributions and/or invoices for satellite network filings and publications.

The down payments are advance payments made to the Union's accounts by the host countries for the organization of the 2014 Plenipotentiary Conference in Busan, Connect Summits and GSR events.

**Note 15. Deferred revenue**

In thousands of CHF	31.12.2014	31.12.2013
Contributions – Member States	109'750	109'750
Contributions – Sector Members	14'698	15'186
Contributions – Associates	1'562	1'596
Contributions – Academia	225	198
Publications & miscellaneous	36	34
SNF	3'217	1'187
<b>Deferred revenue</b>	<b>129'486</b>	<b>127'951</b>

The Member State, Sector Member, Associate and Academia contributions represent the revenue associated with the second year of the biennium 2014-2015 for which the budget was adopted by Council. The deferred revenue for satellite network filings relates to publications currently being processed, with significant requests prepared at the end of 2014 with publication in 2015.

**Note 16. Borrowings and other financial debts**

In thousands of CHF	Due date	31.12.2014	31.12.2013
<u>Amounts initially borrowed from FIPOI</u>			
CHF 2 634 780 – in 1990	2020	612	714
CHF 19 627 590 – in 1990	2039	11'070	11'513
CHF 45 427 250 – in 2002	2051	33'617	34'525
CHF 2 000 000 – in 2002	2051	1'480	1'520
Borrowings		46'779	48'272
of which short term		<b>1'493</b>	<b>1'493</b>
of which long term		<b>45'286</b>	<b>46'779</b>

The present value of borrowings at 31.12.2014 is CHF 28.3 million, as against CHF 28.9 million at 31.12.2013. The difference in relation to the gross amount represents the present value of total unpaid interest up to the end of the borrowing term.

**Note 17. Employee benefits**

Employee benefits refer to all forms of consideration given by ITU in return for services rendered by its employees. They are recognized as and when they are earned by employees.

## 17.1 Short-term employee benefits

Figures at 31.12.2014

In thousands of CHF	Employee benefits – short term		
	Overtime	Accrued leave	Total employee benefits – short term
<b>Opening balance 1.1.2014</b>	<b>39</b>	<b>442</b>	<b>481</b>
- Increase	62		62
- Utilization	-39	-442	-481
- Decrease			
- Transfers		422	422
<b>Closing balance 31.12.2014</b>	<b>62</b>	<b>422</b>	<b>484</b>

Overtime is calculated according to the category of employee. Staff members in the General Service category who are required to work in excess of any normal working week shall be given compensatory time off, or may receive additional payment, under the conditions established in the Staff Regulations and Staff Rules, on the basis of local conditions and practices of local organizations of the United Nations common system.

Should the exigencies of the service permit, and subject to the prior approval by the Secretary-General or the Director of the Bureau concerned, as appropriate, occasional compensatory time off may be granted to staff members in the Professional category who have been required to work substantial or recurrent periods of overtime.

For General Service category staff serving in offices away from headquarters, overtime provisions shall be determined on the basis of local conditions and practices of local organizations of the United Nations common system.

Accrued leave refers to leave accrued during the financial period.

## 17.2 Long-term employee benefits

Figures at 31.12.2014

In thousands of CHF	Employee benefits – long term				
	ASHI	Pensions	Installation/ repatriation	Accrued leave	Total employee benefits – long term
<b>Opening balance 1.1.2014</b>	<b>314'127</b>	<b>90</b>	<b>11'804</b>	<b>9'075</b>	<b>335'096</b>
- Increase	198'534	-	1'324	895	200'753
- Used during year	-	-	-771	-226	-997
- Decrease	-	-	-	-72	-72
- Transfer to short term	-	-	-	-422	-422
<b>Closing balance 31.12.2014</b>	<b>512'661</b>	<b>90</b>	<b>12'357</b>	<b>9'250</b>	<b>534'358</b>

Long-term benefits are post-employment benefits, namely the ASHI plan, repatriation grant, accrued leave giving entitlement to a modification of retirement conditions, and obligations under former pension and health insurance plans for some former ITU employees.

#### *17.2.1 Actuarial valuation of post-employment benefits under the ASHI plan*

The accounting for the ASHI related obligations is based on an annual actuarial study carried out by an independent consultancy. The most recent valuation, carried out in January 2015, established at CHF 512.7 million ITU's obligations in respect of post-employment sickness benefits due to employees meeting the specified conditions at 31 December 2014. The actuarial study was carried out based on data provided by the SHIF and by the ITU as ITU transitioned from the SHIF to the CMIP during the 2014 financial period.

#### *17.2.2 Actuarial valuation – assumptions and methods*

Within the framework of the valuation of obligations relating to the ASHI plan at 31 December 2014 and of the contribution for the 2014 period, ITU validates the assumptions and methods used by the actuaries. The assumptions and methods used for the valuation covering the 2014 period are described below.

Discount rate	1.51% for 2014 and 2.76% for 2013
Increase in medical costs	5.10% for 2014, falling by 0.30% per year to 3.00%
Expected accounting rate of return on assets	2.40% for 2014 and 2013
Salary increases	3,86% for Professionals and 3.32% for General for 2014 and for 2013
Pension increases	2.00% for 2014 and 2013
Estimated annual average cost of claims for reimbursement of medical expenses in 2014 and variation in medical expenses according to age	The 2014 actuarial report is based on average cost of claims for reimbursement in CHF estimated at the end of the 2014 period as an average per age range of 50, 55, 60, 65, 70, 75 and 80 years at CHF 5'344, CHF 6'286, CHF 7'502, CHF 9'215, CHF 11'233, CHF 12'795, CHF 13'770 respectively, for men, and CHF 5'019, CHF 5'903, CHF 7'045, CHF 8'655, CHF 10'550, CHF 12'017, CHF 12'933, respectively, for women.
Administrative expenses	The annual average administrative cost per person was estimated at CHF 204
Mortality	The mortality rate corresponds to that calculated in the 31 December 2013 valuation of the SHIF plan and is based on United Nations Mortality Tables respectively for current Actives, for Service Pensioners, Widows and Widowers and for Disability Pensioners. Base year is 2007 with generational improvement scale applied through 2033 for Current Healthy Inactives. No generational improvement scale is applied for Current Disabled Inactives.
Valuation of assets	Valuation of assets is the sum of two components: on the one hand, use of a rate of return of 1.51% (prior year, 2.40%) including the impact of inflation.
Disability rate	Varies according to age and gender and for Professional Staff and General Service staff and increases with age. The rate is based on the United Nations Disability table.
Rates of conversion of benefit rights	Vary according to age and number of years of service, with requests for conversion being more frequent in the first year.
Employee turnover	The separation rate for employees leaving the organizations considered in the valuation varies according to age and gender.
Retirement rate	Varies according to age, with a higher probability for employees aged 60 and over.
Participation	97.5% of future retirees will opt to participate in the SHIF plan.
Spouse coverage	75% and 25% of male and female retirees have a spouse having requested affiliation to the SHIF insurance plan. Men are assumed to be five years older than their spouse.
Actuarial method	Projected unit credit method with an allocation period beginning at 45 years of age to reflect the fact that employees must be at least 55 years old and have completed 10 years of service in order to be eligible.
OCI approach	Net gains and losses resulting from variations due to the gap between assumptions and actual values and to changes in calculation assumptions are a component of net assets, in accordance with the option proposed in IPSAS 25.

Staff members (and their spouses, dependent children and survivors) separating from service at age 55 or over are entitled to after-service health insurance coverage provided they have completed at least ten years' service with the United Nations or a specialized agency and were insured under the Staff Health Insurance Fund (ITU and ILO) during the five years immediately preceding their separation from service. The same benefits apply to staff members in receipt of a disability allowance from the United Nations Joint Staff Pension Fund. This regime is jointly financed, with ITU contributing 2/3 and the insured persons 1/3.

The following tables provide additional information and analyses concerning the liabilities arising from employee allowances, as well as valuation of the assets held by the Fund according to the actuarial study performed to obtain the amounts at 31 December 2014.

<b>Amount of obligations under the ASHI plan at 31 December 2014 and 2013 in the statement of financial position</b>	<b><i>In thousands of CHF</i></b> <b>31.12.2014</b>	<b><i>In thousands of CHF</i></b> <b>31.12.2013</b>
Balance at 31 December 2013-2012	314'127	335'206
Total expenses recognized in the statement of financial performance	16'530	16'596
Actuarial losses recognized in net assets	187'445	-26'498
Contributions during the period	-5441	-4'629
Unrealized exchange-rate loss / (gain)	0	-6'548
Amount of obligations under the ASHI plan at 31 December 2014-2013	512'661	314'127

Actuarial losses recognized in net assets at 31 December 2014 are mostly due to the strong decrease of the discount rate based on long-term corporate bonds, due to historically low interest rates (1.51 per cent in 2014, 2.76 per cent in 2013), as well as to the conversion in CHF of USD medical claim costs due to the change in the Health Insurance Plan operational currency.

The actuarial loss due to changes in actuarial estimates is recognized in net assets using the OCI method.

<b>Analysis of actuarial losses recognized in net assets</b>	<b><i>In thousands of CHF</i></b>	
	<b>31.12.2014</b>	<b>31.12.2013</b>
Obligation due to changes in assumptions	131'826	-29'951
Obligation due to trends during the period	55'486	5'198
Gains in plan assets	133	-1'745
Variation over the period	187'445	26'498
Cumulative amount recognized in net assets at 31 December 2014-2013	312'708	125'263

The following table shows the change in the net amount of the obligation at the end of the financial period.

<b>Net amount of the obligation under the ASHI plan, as recognized in the statement of financial position</b>	<b><i>In thousands of CHF</i></b>	
	<b>31.12.2014</b>	<b>31.12.2013</b>
Present value	513'720	317'748
Fair value of assets under the plan	-1'059	-3'621
Obligation recognized in balance sheet at 31 December 2014-2013	512'661	314'127

Although the assets under the ASHI plan are also used to reimburse the medical expenses of active employees, they represent the totality of the available assets of ITU's Staff Health Insurance Fund. These assets are still managed by the SHIF as of 31 December 2014, as reimbursements related to claims having occurred before 1 May 2014 will be processed by the SHIF until spring 2015. The calculation of ITU assets and liabilities in the SHIF will be finalized in 2015.

The proportion of the assets that relates to active employee reimbursements cannot be estimated with sufficient reliability.

<b>Valuation of assets</b>	<b><i>In thousands of CHF 31.12.2014</i></b>	<b><i>In thousands of CHF 31.12.2013</i></b>
Balance at 31 December 2013-2012	-3'621	6'326
Contributions by ITU	5'441	4'629
Reimbursements made under the ASHI plan	-7'903	-9'130
Expected return on assets	33	123
Actuarial gains arising from the difference between active employee contributions and reimbursements made	-133	1'744
Exchange-rate difference		-71
Balance at 31 December 2014-2013	1'059	3'621

<b>Amounts recognized in the statement of financial performance</b>	<b><i>In thousands of CHF</i></b>	
	<b>31.12.2014</b>	<b>31.12.2013</b>
Updating of obligation and contributions for the period		
Service costs	7'919	9'040
Finance charge	8'644	7'592
Expected return on assets under the ASHI plan	-33	-123
Correction 2012 service costs		87
<b>Total</b>	<b>16'530</b>	<b>16'596</b>

### *17.2.3 ASHI plan, cost estimates for the 2015 period*

A 1 per cent increase in healthcare costs would result in a rise in the aggregate of service cost and interest costs of CHF 9.188 million and have an impact on the defined-benefit obligation of CHF 129.911 million. A 1 per cent decrease would result in a reduction of CHF 6.711 million in service cost and interest costs and of CHF 96.583 million in the defined-benefit obligation.

### *17.2.4 Repatriation*

In principle, a repatriation grant shall be payable to staff members whom the Union is obliged to repatriate. Detailed conditions and definitions relating to eligibility and requisite evidence of relocation shall be determined by the Secretary-General.

Length of service, base salary and any language allowances were taken into account in calculating the total amount of the obligation at 31 December 2014. The economic assumptions used are a discount rate of 1.69 per cent (2.5 per cent in 2013) and a rate of salary increase of 2.5 per cent (2.5 per cent in 2013) based on the actual variation of the last past years.

### 17.2.5 *Payment of the repatriation grant*

Payment of the repatriation grant is governed by the conditions and definitions set out in the Staff Regulations and Staff Rules.

This provision is funded by a deduction of 1 per cent from the remuneration of staff members other than those engaged for conferences and other short-term service.

An IPSAS-compliant actuarial valuation is carried out each year by an independent consultancy.

### 17.2.6 *Employee benefits under the United Nations staff pension plan*

The Pension Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the Open Group Aggregate Method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Pension Fund will be sufficient to meet its liabilities.

ITU's financial obligation to the UNJSPF consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9 per cent for participants and 15.8 per cent for member organizations) together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Pension Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.

The actuarial valuation performed as of 31 December 2013 revealed an actuarial deficit of 0.72 per cent (1.87 per cent in the 2011 valuation) of pensionable remuneration, implying that the theoretical contribution rate required to achieve balance as of 31 December 2013 was 24.42 per cent of pensionable remuneration, compared to the actual contribution rate of 23.7 per cent. The actuarial deficit was primarily attributable to the lower than expected investment experience in recent years. The next actuarial valuation will be conducted as of 31 December 2015.

At 31 December 2013, the funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, was 127.5 per cent (130 per cent in the 2011 valuation). The funded ratio was 91.2 per cent (86.2 per cent in the 2011 valuation) when the current system of pension adjustments was taken into account.

After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as of 31 December 2013, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the Fund. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of Article 26.

In December 2012 and April 2013, the General Assembly authorized an increase to age 65 in the normal retirement age and in the mandatory age of separation respectively for new participants of the Fund, with effect not later than from 1 January 2014. The related change to the Pension Fund's Regulations was approved by the General Assembly in December 2013. The increase in the normal retirement age is reflected in the actuarial valuation of the Fund as of 31 December 2013.

During 2014, contributions paid to UNJSPF by ITU amounted to USD 26.2 million (USD 27.1 million in 2013).

The United Nations Board of Auditors carries out an annual audit of the UNJSPF and reports to the UNJSPF Pension Board on the audit every year. The UNJSPF publishes quarterly reports on its investments and these can be viewed by visiting the UNJSPF at [www.unjspf.org](http://www.unjspf.org).

In accordance with the Administrative Rules of UNJSPF, the Union submits a statement at the end of each financial year to the Secretariat of the Fund showing, in respect of each participant, the total contributions of every kind paid into the Fund, the total pensionable remuneration earned and any changes made in the amount of pensionable remuneration, with the dates on which they became effective. The movements of employees participating in the Fund during the year in question (including staff engaged for technical assistance projects) and the number of benefits granted and contributions paid are shown below.

The figures are taken from the Union's files and accounts.

**POSITION AT 31 DECEMBER 2014**  
**NUMBER OF PARTICIPANTS AT 31 DECEMBER 2014**

Number of participants at 31.12.2013	New participants	Transfers		Withdrawals	Number of participants at 31.12.2014
		to ITU	to another organization		
794	28	1	3	37	783

**Number of benefits paid during the financial year ending 31 December 2014**

Retirement benefits	Disability benefits	Survivor's benefits	Child's benefits	Other benefits		
					Deferred life annuities	TOTAL
806	22	214	51	0	132	1'225

**Recapitulation of contributions to the Fund for the period 1 January to 31 December 2014**  
**- United States dollars -**

Nature of contributions	Normal contributions	Service validation contributions	Balance of previous period	Total
Contributions by participants	8'679'527.13	74'160.94	-	8'753'688.07
Contributions by the Union	17'359'054.26	39'647.92	-	17'398'702.18
Other contributions	700.55	1'401.10	18'602.47	20'704.12
Total	26'039'281.94	115'209.96	18'602.47	26'173'094.37

### Obligations related to other employee benefits

Before the establishment of UNJSPF and SHIF and ITU's affiliation thereto, the Union had set up funds to provide retirement, death, disability and health insurance benefits to its staff members. Since ITU's affiliation to the above-mentioned funds, the funds previously created have functioned as a closed fund. Obligations thereunder are shown as long-term liabilities. Agreements have been concluded between ITU and its funds to ensure the latter's financing.

In 2014, the Union did not consider it necessary to request a new actuarial study for the Staff Superannuation and Benevolent Funds. At 31 December 2014, the provision for the obligations arising from pensions currently being paid to former employees affiliated to the Staff Superannuation and Benevolent Funds, recognized in 2010 in the amount of CHF 90 000, remains unchanged. A new actuarial study will be conducted in 2015.

The assumptions and methods used in the last actuarial study at 31 December 2010 are as follows:

Discount rate	2.30% for 2010 and 2.50% for 2009
Pension indexation rate	2.0%
Capital indexation rate	2.5%
Pension adjustment rate	2.0%. Variations of 3.2% to 5.2% since 1990, adjustments made every two to three years. On average, annually, these adjustments are slightly lower than 2%.
Fund administration expenses	2.0%
Mortality	For demographic assumptions, the bases commonly used in Switzerland have been employed, namely the LPP 2005 bases, with an additional margin to reflect the 0.5% annual increase in life expectancy since the last survey in 2004, i.e. a 3% addition to the calculated provisions.
Disability rate	Varies according to age and gender and increases with age. The rate is based on ILO data.

### **Note 18. Provisions**

In thousands of CHF	Provision for litigation	SNF provision	Total
<b>Opening balance 1.1.2014</b>	<b>517</b>	<b>380</b>	<b>897</b>
- Increase	131	551	682
- Used during year	-164	-308	-472
- Release	-190	-72	-262
<b>Closing balance 31.12.2014</b>	<b>294</b>	<b>551</b>	<b>845</b>

The provisions for risks and expenses comprise the provision for litigation which represents a valuation at the date of closure of future obligations associated with a past event in respect of various disputes to which ITU is a party, as well as the average cost for the administrative expenses in respect of each case brought before the tribunal.

The latter provision is based on best estimates at closing date, due to the uncertain outcome of the open cases and, in particular, the uncertainties stemming from the recent fluctuations in ILOAT (ILO Administrative Tribunal) case law.

The provision for satellite network filings (SNF) comprises the amount corresponding to the free-of-charge publication that Administrations are entitled to request in the course of any given year. The entirety of this provision was used in the course of the financial period.

#### Note 19. Other debts

In thousands of CHF	31.12.2014	31.12.2013
Accounts payable	1'784	799
Employees miscellaneous	564	720
Goods receipt/Invoice receipt	-	90
UNDP	629	5
<b>Other debts</b>	<b>2'977</b>	<b>1'614</b>

Services provided under Special Service Agreement contracts in 2014 for which the invoicing will be completed in 2015 are included in the "Employees miscellaneous" debts.

#### Note 20. Allocated and unallocated extra budgetary funds

In accordance with IPSAS 23, the balance of funds at the date of closure represents financing received and not yet expensed. Balances are presented in the corresponding line of the balance sheet and the movements in these funds are illustrated in the following table, which indicates whether or not the financing is allocated to a project from third party sources or from ITU funding.

In thousands of CHF	Third-party funds allocated	Third-party funds awaiting allocation	Total third-party funds	Own Funds allocated to the Extra-budgetary projects
<b>Balance at 31.12.2013</b>	26'114	2'097	<b>28'211</b>	<b>6'691</b>
Increase	15'446	538	<b>15'984</b>	<b>1'969</b>
Decrease	-11533	-402	<b>-11'935</b>	<b>-2'974</b>
<b>Closing balances 31.12.2014</b>	30'027	2'233	<b>32'260</b>	<b>5'686</b>

The increase in third parties funds represents mainly funds pledged for earmarked projects, for which an agreement was signed in 2014. The decrease of the balance reflects expenses related to the implementation of earmarked projects during the year.

The increase of ITU own funds allocated to projects is mostly related to funds transferred from the ICT Development Fund (ICTDF), while the decrease is mainly related to voluntary contributions dedicated to the preparation of the WRC-15 and to the WSIS+10.

## Note 21. Assessed contributions

The following table shows the contributions actually posted to account during the 2014 period.

In thousands of CHF	31.12.2014	31.12.2013
Contributions by Member States	109'750	109'710
Contributions by Sector Members	15'072	15'384
Contributions by Associates	1'608	1'675
Contributions by Academia's	207	180
Other recovered revenue	149	-
<b>Assessed contributions</b>	<b>126'786</b>	<b>126'949</b>

By its Resolution 1359, adopted at its 2013 session, the Council approved the budget of the Union for the period 2014-2015.

The Council set the amount of the contributory unit for Member States at CHF 318'000 for 2014 and 2015, on the basis of 354 units. In the same Resolution, it set at CHF 63'600 the amount of the contributory unit for Sector Members for 2014 and 2015, this being 1/5 of the contributory unit for Member States. The financial contribution of Associates was set as follows: CHF 10'600 for Associates participating in the work of ITU-R and ITU-T, CHF 3'975 for Associates participating in the work of ITU-D, and CHF 1'987.50 for Associates participating in the work of ITU-D in the case of Associates from developing countries. The financial contribution for Academia, universities and their associated research establishments is set as follows: CHF 3'975 for developed countries and CHF 1'978.50 for developing countries participating in the work of the three sectors.

## Note 22. Revenue

### Voluntary contributions

Voluntary contributions are sources of funding from third parties to support the Union in implementing development projects in favor of the UN-designated least developed countries. The total of voluntary contributions amounted to CHF 11.74 million in 2014 (CHF 17.29 million in 2013).

### Other operating revenue

In thousands of CHF	31.12.2014	31.12.2013
Extrabudgetary revenue	9'496	11'448
Publication sales	19'832	18'848
Satellite network filings	9'905	13'451
UIFN	151	196
GMPCS-MoUs	15	11
Recovery – publications	1	0
Other revenue		669
<b>Other operating revenue</b>	<b>39'824</b>	<b>44'623</b>

Other operating revenue includes mostly cost recovery activities. The products and services for which ITU applies cost recovery are primarily registration of universal international freephone numbers (UIFN), Memorandum of Understanding on global mobile personal communication systems (GMPCS MoUs), publication sales. Project support revenue is included in inter-funds eliminations to provide a consolidated view of the financial performance of the Union. Total other operating revenue decreased by 10.6 per cent to CHF 39.82 million in 2014, despite an increase of CHF 1 million of the publication sales. This decrease is mainly due to decrease of Extra-budgetary revenues as well as of satellite network filings mostly due to the fact that a significant number of publications were prepared at the end of 2014 with related revenue recognition following their publication in 2015.

### Finance revenue

In thousands of CHF	31.12.2014	31.12.2013
Investment interest	329	423
Realized	126	133
Unrealized exchange-rate gain	362	6'622
<b>Finance revenue</b>	<b>817</b>	<b>7'178</b>

Investment interests have decreased in 2014 mainly due to the historically low interest rates offered by financial institutions especially on CHF investments. The decrease in unrealized exchange-rate gains is due to the fact that the ASHI plan is managed in CHF from 1 May 2014, whereas in past years the scheme was managed in USD, which was triggering the recognition of significant unrealized exchange gain and losses due to the presentation of the obligation in CHF in the Union financial statements.

### Note 23. Expenses

#### Employee expenses

Employee expenses cover all remuneration paid to staff members on permanent posts and all staff recruited for conferences or holding short-term contracts, such as base salary, post adjustment, language allowance, non-resident allowance, dependency allowance and overtime, as well as other employee expenses.

In thousands of CHF	31.12.2014	31.12.2013
Salaries and allowances	97'737	99'111
Other employee expenses	<b>45'963</b>	<b>47'188</b>
Installation and repatriation	2'018	1'420
Education grant	3'461	3'452
Home leave	1'124	1'110
Accrued leave	1'012	991
Health & accident insurance	10'630	9'128
UNJSPF contributions	15'879	16'698
Other expenses	751	2'423
ASHI adjustment	11'089	11'967
<b>Employee expenses</b>	<b>143'701</b>	<b>146'299</b>

The decrease of the total of employee expenses in 2014 amounted to CHF 143.70 million (CHF 146.30 million in 2013) is due to staff retirement, a continuous strict management of recruitments as well as a prolonged vacancy period.

### **Mission expenses**

Mission expenses cover travel by experts and staff members sent on mission or participating in conferences or meetings. Mission expenses decreased to CHF 6.55 million in 2014 from CHF 8.03 million in 2013.

### **Contractual services**

This category covers all emoluments, fees and expenses paid to companies providing consultants within the framework of agreements and contractual arrangements. It also covers special service agreements, expenses pertaining to language courses as part of training, and costs in respect of subcontracted services. Contractual contracts amounted to CHF 17.01 million in 2014, a decrease from CHF 20.83 million in 2013 mostly due to strong diminution of costs related to Special Service Agreement contracts.

### **Rental and maintenance of premises and equipment**

This category covers the rental of conference premises and meeting rooms, storage areas and parking spaces, IT equipment and other office equipment. It also covers the maintenance of buildings, green spaces, vehicles, technical and IT equipment and insurance against fire, flooding and other types of damage. Rental and equipment expenses amounted to CHF 6.41 million in 2014 (CHF 6.42 million in 2013).

### **Equipment and supplies, shipping, telecommunication and service expenses**

Equipment and supplies includes office supplies, printer supplies, forms, cards, journals, books and bindings, IT supplies and software products that are not recorded as assets. Equipment and supplies amounted to CHF 4.78 million in 2014 (CHF 3.80 million in 2013). The decrease in equipment and supply costs is mainly due to the further application of the paperless policy and increasing use of digital support for the Union documentation. Shipping, telecommunication and service expenses amounted to CHF 2.50 million in 2014 (CHF 2.19 million in 2013).

### **Other expenses**

<b>In thousands of CHF</b>	<b>31.12.2014</b>	<b>31.12.2013</b>
External audit expenses	73	81
Participation in United Nations expenses	393	417
Legal expenses	-65	33
Adjustment of provisions and other expenses	-2'826	-1546
<b>Other expenses</b>	<b>-2'425</b>	<b>-1'015</b>

Other expenses relate to the statutory annual audit of ITU's books and accounts, carried out by the Corte dei Conti, as well as to the Union's participation in the inter-organizational committees and services of the United Nations such as the Joint Inspection Unit, the United Nations High-Level Committee on Management and the Office for Information and Communications Technology.

Legal expenses include estimated costs for the outcome of open legal cases as well as the average cost for the administrative expenses in respect of each case brought before the tribunal.

The "Adjustment of provisions and other expenses" results mainly from the dissolution of the provision for doubtful debts due to the payment of overdue receivables in 2014 (CHF 5.2 million) as well as expenses allocated, in compliance with ITU Financial Regulations and Financial Rules, to the modernization of the registration, badging and automated access control to ITU premises, the development of the Equivalent power-flux density (EPFD) software, the translation of ITU WEB and the renewal of the Independent Management Advisory Committee members.

### Finance expenses

In thousands of CHF	31.12.2014	31.12.2013
Bank charges	262	257
Realized	175	141
Unrealized exchange-rate losses	28	128
<b>Finance expenses</b>	<b>465</b>	<b>526</b>

The realized and unrealized exchange losses stem essentially from the revaluation of open items in other currencies at the time of the annual closure.

**Note 24. Segment reporting – Statement of financial performance 2014**

In thousands of CHF	Gen. Secret.	Radioc. Sector	Telec. Stand. Sector	Telec. Dev't Sector	Not attributable to a segment	Total Funds 1000+1010	Insurance fund	Voluntary contribs	FIT	ICTDF	UNDP	TELECOM	Interfund eliminations	Total
<b>REVENUE</b>														
Assessed contributions	149	6'567	8'562	1'724	109'783	126'785	-	-	-	-	-	-	-	126'785
Voluntary contributions	1'718	29'246	238	937	1'121	33'260		2'328	9'041	-	404	9'454	-	54'487
Other revenue	45	200	-	8	-	253	24		96	4	0	71	-2'213	-1'765
<b>Total revenue</b>	<b>1'912</b>	<b>36'013</b>	<b>8'800</b>	<b>2'669</b>	<b>110'904</b>	<b>160'298</b>	<b>24</b>	<b>2'328</b>	<b>9'137</b>	<b>4</b>	<b>404</b>	<b>9'525</b>	<b>-2'213</b>	<b>179'507</b>
<b>EXPENSES</b>														
Employee expenses	70'396	24'729	10'885	21'727	11'089	138'796	25	475	1'142	-	365	3'168	-	143'971
Mission expenses	1'012	1'010	644	2'662	-	5'328	-	159	732	-	-	329	-	6'548
Contractual services	4'059	186	472	2'756	315	7'788	-	588	6'249	-	-	2'456	-	17'081
Rental and maintenance of premises and equipment	5'127	61	29	316	2	5'535	-	120	-	-	-	754	-	6'409
Equipment and supplies	1'200	596	100	1'064	23	2'983	-	35	1'630	-	-	161	-	4'809
Depreciation					4'796	4'796	-	921	-	-	-	-	-	5'717
Shipping, telecommunication and services expenses	1'803	231	96	312	-	2'442	-	1	28	-	-	-	-	2'471
Auditing of accounts and inter-organizational contributions	426	-	-	40	-65	401	-	-	-	-	-	-	-	401
Other expenses	1'752	280	1	32	-5'299	-3'234	-	23	715	-	39	1'847	-2'213	-2'823
Finance expenses	197	5	4	32	135	373	-	6	59	-	-	26	-	464
<b>Total expenses</b>	<b>85'972</b>	<b>27'098</b>	<b>12'201</b>	<b>28'941</b>	<b>10'996</b>	<b>165'208</b>	<b>25</b>	<b>2'328</b>	<b>10'555</b>	<b>-</b>	<b>404</b>	<b>8'741</b>	<b>-2'213</b>	<b>185'048</b>
<b>Surplus / (deficit) for the period</b>	<b>-84'060</b>	<b>8'915</b>	<b>-3'401</b>	<b>-26'272</b>	<b>99'908</b>	<b>-4'910</b>	<b>-1</b>	<b>-</b>	<b>-1'418</b>	<b>4</b>	<b>-</b>	<b>784</b>	<b>-</b>	<b>-5'541</b>

## Segment reporting – Statement of financial performance 2013

In thousands of CHF	Gen. Secret.	Radioc. Sector	Telec. Stand. Sector	Telec. Dev't Sector	Not attributable to a segment	Total Funds 1000+1010	Insurance fund	Voluntary contribs	FIT	ICTDF	UNDP	TELECOM	Interfund eliminations	Total
<b>REVENUE</b>														
Assessed contributions	-	6'591	8'896	1'752	109'710	126'949	-	-	-	-	-	-	-	126'949
Voluntary contributions	-	-	-	-	4	4	-	2'653	13'777	-	861	-	-	17'295
Other revenue	2'657	32'306	289	1'341	7'574	44'167	45	20	164	20	-	11'398	-3'602	52'212
<b>Total revenue</b>	<b>2'657</b>	<b>38'897</b>	<b>9'185</b>	<b>3'093</b>	<b>117'288</b>	<b>171'120</b>	<b>45</b>	<b>2'673</b>	<b>13'941</b>	<b>20</b>	<b>861</b>	<b>11'398</b>	<b>-3.602</b>	<b>196'456</b>
<b>EXPENSES</b>														
Employee expenses	70'135	26'631	11'413	22'042	11'968	141'189	39	240	1'315	73	644	3'096	-	146'596
Mission expenses	997	994	597	2'929	-	5'517	-	459	1'315	-	24	713	-	8'028
Contractual services	3'496	344	527	2'751	127	7'245	-	812	10'481	-	116	2'292	-	20'946
Rental and maintenance of premises and equipment	5'734	69	64	66	14	5'947	-	28	-	-	-	448	-	6'423
Equipment and supplies	1'356	465	92	436	29	2'378	-	73	1'211	-	-	144	-	3'806
Depreciation	-	-	-	-	5'163	5'163	-	975	-	-	-	-	-	6'138
Shipping, telecommunication and services expenses	1'571	202	99	272	-	2'144	-	9	14	-	-	23	-	2'190
Auditing of accounts and inter-organizational contributions	442	-	-	57	33	532	-	-	-	-	-	-	-	532
Other expenses	103	1'010	12	55	-3'072	-1'892	-	53	1'028	-	77	2'790	-3'602	-1'546
Finance expenses	182	5	3	25	195	410	-	10	67	-	-	39	-	526
<b>Total expenses</b>	<b>84'016</b>	<b>28'720</b>	<b>12'807</b>	<b>28'633</b>	<b>14'457</b>	<b>168'633</b>	<b>39</b>	<b>2'659</b>	<b>15'431</b>	<b>73</b>	<b>861</b>	<b>9'545</b>	<b>-3'602</b>	<b>193'639</b>
<b>Surplus / (deficit) for the period</b>						<b>2'487</b>	<b>6</b>	<b>14</b>	<b>-1'490</b>	<b>-53</b>	<b>-</b>	<b>1'853</b>	<b>-</b>	<b>2'817</b>

**Note 25. Reconciliation between budgeted amounts and actual amounts**

The financial statements are including:

- ITU regular budget;
- ITU TELECOM events;
- Voluntary contributions;
- SS&B funds;
- UNDP, trust funds and ICTDF projects.

The Union's budget and financial statements are established on different bases. The 2014-2015 budget is established on a mixed basis, with a number of specific items that are not dealt with on an accrual basis. Furthermore, the ITU budget deals solely with the Union's core activity and not with activities financed by voluntary contributions, projects and funds.

The Union's financial statements are drawn up on an accrual basis using a classification based on the nature of the expenses recorded in the statement of financial performance (see Table II).

The perimeter differences are due to the Extra-budgetary funds, which are not part of the regular budget. In order to reconcile the final result for budgetary control of the net result of the period after IPSAS adjustments, account has to be taken of the differences between the budget presentation and the accrual accounting (see Table V). In the budget, expenses relating to non-expendable equipment are recognized as investment expenses. In accrual accounting, non-expendable equipment (items over CHF 5'000) are entered in the accounts as fixed assets and depreciated over their probable period of use, with the exception of fixed assets acquired with Extra-budgetary funds and transferred to the beneficiary of the project. The depreciation expense associated with the fixed assets is recognized in the statement of financial performance and is not taken into account in the budget.

In the budget, expenses corresponding to employee benefits are taken into account as and when they are paid, whereas in accrual accounting a part of the expenses is estimated by an actuary using a methodology set out in the accounting standards. After-service health insurance obligations are recognized in the statement of financial position, as indicated in Note 17. Realized and unrealized exchange-rate differences are not taken into account in the budget but reflected in the statement of financial performance. The same goes for the provision for doubtful debts and recognition of inventories. Repayment of the FIPOI loan was not considered as an expense in the statement of financial performance, even though it had been budgeted.

Interest associated with the interest-free loans granted by FIPOI was calculated under normal market conditions and was not paid but was recognized as an in-kind contribution and expense in the statement of financial performance.

In the 2014 financial year, revenue and expenses of CHF 166.3 million were budgeted. A constant monitoring of expenses as well as increase revenue from cost recovery activities resulted in a budgetary surplus of CHF 3.8 million before allocation to ASHI and CMIP funds and adjustment for IPSAS differences.

	2014			
	Operating	Investment	Finance	Total
	in thousands of CHF			
<b>Results on a comparable basis</b>	3'897			<b>897</b>
Changes in and use of provision for doubtful debts	5'348			<b>5'348</b>
Recognition of inventories	-51			<b>-51</b>
Inventory impairment	0			<b>0</b>
Capitalization of fixed assets		2'262		<b>2'262</b>
Depreciation	-4'629			<b>-4'629</b>
Exchange-rate gains and losses	165			<b>165</b>
ASHI	-11'089			<b>-11'089</b>
Repayment of FIPOI loan not considered as expense	1'493		-1'493	<b>1'493</b>
In-kind revenue	938			<b>938</b>
In-kind expenses	-938			<b>-938</b>
Sale of assets	2			<b>2</b>
<b>Total IPSAS differences</b>	<b>-8'762</b>	<b>2'262</b>	<b>-1'493</b>	<b>-7'992</b>
Total surplus on an IPSAS basis	-4'864	2'262	-1'493	<b>-4'095</b>
Decrease of Fund 1010 reserves	-815			<b>-815</b>
<b>Total surplus</b>	<b>-5'679</b>	<b>2'262</b>	<b>-1'493</b>	<b>-4'910</b>
<b>Perimeter differences</b>	<b>-631</b>			<b>-631</b>
<b>Surplus as shown in the statement of financial performance</b>	<b>-6'310</b>	<b>2'262</b>	<b>-1'493</b>	<b>-5'541</b>

## Revenue

Revenue from assessed contributions is budgeted at CHF 129.7 million a year for the biennium 2014-2015. Total contributions actually posted to account amounted to CHF 126.8 million in 2014 (CHF 126.9 million in 2013).

Publication sales revenue were estimated at CHF 17 million for 2014. Actual revenue amounted to CHF 19.8 million, i.e. 16.7 per cent above budget. This increase in publications revenue is due to the constant active marketing policy but also to the application of a differentiated pricing policy for customers in accordance with Resolution 66 (Rev. Guadalajara, 2010).

Products and service under cost-recovery revenue was forecast at CHF 14.8 million in the regular budget 2014 (CHF 11.3 million in 2013). Actual revenue came to CHF 11.6 million (CHF 16.2 million in 2013). This decrease in cost-recovery revenue is attributable mainly to cost recovery in respect of satellite network filings (CHF 9.9 million, representing actual revenues by 23.8 per cent below budgeted revenues).

Moreover cost recovery from ITU TELECOM activities amounted to CHF 1.5 million as budgeted.

Project support cost revenue for 2014 was budgeted at CHF 1 million. Actual revenue amounted to CHF 0.7 million, i.e. a decrease of 32.9 per cent compared to 2013.

Interest revenue was budgeted at CHF 0.8 million. Actual revenue came to CHF 0.2 million (CHF 0.3 million in 2013). In accordance with Article 16 of the Financial Regulations, ITU funds are deposited in such a manner as to minimize the risks while ensuring sufficient liquidity to meet the Union's cash needs. The low interest revenue against forecast results from the continuously low market interest rates in 2014, especially regarding CHF deposits.

A budget of CHF 1.3 million was allocated for the Building (CHF 0.8 million) and ICT projects (CHF 0.5 million) for 2014. In December 2014, the fund deficit amounted to CHF 0.8 million. The related expenses for 2014 (CHF 2.1 million) are included in the total expenses of the General Secretariat.

## Reserve for debtors

Following the payment of receivables amounting to CHF 6 million for which a provision had been constituted in past years, the provision for doubtful debt has been reduced accordingly. At year end, an adjustment was recorded amounting to CHF 0.6 million for the regular budget and CHF 0.2 million for Telecom World 2014 related doubtful debts.

## Expenses

Information related to expenses is provided in Note 23.

An amount of CHF 11.1 million was recognized as expenses for adjustment of the After-Service Health Insurance (ASHI) provision for employees.

An in-kind contribution was recognized as both expense and revenue. This recognition of the in-kind contribution is further to the Swiss Parliament's decision, which took effect on 1 January 1996, to cease charging interest on loans granted by the Building Foundation for International Organizations (FIPOI). At 31 December 2013, this contribution represents a saving for the Union of some CHF 0.938 million, based on the long-term interest rate of 3.25 per cent previously charged.

An amount of CHF 4.8 million was recognized as expenses for depreciation during the 2014 period.

The total budget allocated for fellowships for 2014 amounts to CHF 2.172 million. Actual expenses come to CHF 1.236 million in 2014 for the regular budget and CHF 0.399 million for fellowship expenses from Extra-budgetary funds, remaining well under budget.

**Table in thousands of CHF**

	<b>Budget 2014</b>	<b>Expenses 2014</b>	<b>Available</b>	<b>Utilization rate</b>
Regular budget	1'369	1'236	133	90.2%
Extra-budgetary funds	803	399	404	49.69%
<b>TOTAL</b>	<b>2'172</b>	<b>1'635</b>	<b>537</b>	<b>75.28%</b>

The total utilization rate of the budget allocated for fellowships is 75.3 per cent for 2014 (76.7 per cent in 2013).

Where expenses are concerned, the continuation of process rationalization and the paperless policies resulted in savings in the rental and maintenance costs as well as in equipment and supply purchases.

The 2014 unspent balance of CHF 0.586 million in the Telecommunication Standardization Sector mainly comes from savings on staff expenses and interpretation, due to the postponing of the recruitment of two positions and to requests for interpretation lower than planned.

For 2014, the activities undertaken by the ITU-D were delivered within its budgetary appropriations. An overall budgetary surplus of 3% was realized. This was achieved mainly through the continuation of measures to reduce expenses such as: delayed recruitment and freezing of vacant positions, reduction of the Bureau mission budget and reduction in the activities and programme budget.

During 2014, ITU-R has generated economies for the Union through the applications of conditions recommended by both membership and the ITU management in an effort to contain expenditures within the approved budget envelope for the year 2014. It is to be noted that a significant reduction in the number of staff positions occurred and as a result, management was compelled to review the working methods applied with relevant adjustments to meet membership incremental demand for

assistance and advisory services on spectrum including matters relating to digital migration and orbital related subjects.

## Note 26. Related-party disclosures

The following entities are to be considered as related parties:

- the Staff Health Insurance Fund (SHIF) with ILO;
- the United Nations Joint Staff Pension Fund (UNJSPF).

The ITU Council comprises 48 Member States, without specific individuals being designated.

The Union is managed by the Secretary-General, as executive head, assisted in that task by the Deputy Secretary-General and the Directors of the Union's three Sectors (high-ranking officials sitting on the Coordination Committee): Radiocommunication Sector (ITU-R), Telecommunication Standardization Sector (ITU-T) and Telecommunication Development Sector (ITU-D). The five elected officials are assisted by five Senior Officials at grade D.2 (three deputies to the elected directors and two chief of department (SPM and BDT), and by 22 other management officials at grade D.1 (chiefs of department or heads of unit).

The total remuneration paid to key management officials comprises net salary, post adjustment, allowances such as representation expenses, installation grant, repatriation grant, accrued leave, rental subsidy and removal of personal effects. In 2014, miscellaneous expenses include the end-of-service compensation for the departing elected official. The previous Secretary-General received an amount of CHF 79'698.39 at the end of his mandate for services to the Union in the course of his 16 years mandate.

Key management officials are also entitled to the same benefits as staff in the Professional category, namely:

- home leave;
- education grant;
- post-employment benefits.

These benefits cannot be separately quantified in a reliable manner.

Key management officials are ordinary participants in the United Nations Joint Staff Pension Fund.

In 2014, the Union did not grant any loan or pay any other remuneration to the main management officials or to members of their families.

In thousands of CHF	31.12.2014		31.12.2013	
	Number of persons	Total remuneration	Number of persons	Total remuneration
5 elected officials	5	2'036	5	2'079
<b>Main management officials</b>	<b>5</b>	<b>2'036</b>	<b>5</b>	<b>2'079</b>
D.2 directors	5	1'256	4	1'165
D.1 directors	22	4'584	19	4'567
<b>Total chiefs of department</b>	<b>27</b>	<b>5'840</b>	<b>23</b>	<b>5'732</b>
<b>Total main management officials – ITU</b>	<b>32</b>	<b>7'876</b>	<b>28</b>	<b>7'811</b>

## Note 27. Obligations

ITU has concluded a contract with a third-party provider for the rental, installation and maintenance of digital black/white and color printing systems. This contract entered into force in April 2014 and will run until March 2016. ITU has no finance leases. Rentals payable under operating leases are recognized as expenses in the statement of financial performance. ITU will bear additional costs according to the number of photocopies actually processed, on the basis of a contractually defined cost per page.

Future minimum payments to be effected under this contract are as follows:

In thousands of CHF	31.12.2014	31.12.2013
Less than one year	278	90
Between one and five years	70	-
Over five years	-	-
<b>Leasing obligations</b>	<b>348</b>	<b>90</b>

The Union has contractual obligations with different service providers. These contracts, which can be terminated at short notice, do not represent a predefined financial commitment.

An estimation of repair costs of ITU buildings has been made by the external expert commissioned at the time of the IPSAS valuation of the buildings as of 1 January 2010 and amounted to CHF 39.5 million over a twenty-year period. The estimation of future repairs does not constitute a present obligation from a past event and thus does not trigger the recognition of a provision according to IPSAS 19. Costs to ensure the current ITU buildings' conformity with current Swiss regulations for building envelope performance have been estimated at an additional CHF 40 million for the site.

These estimated costs are taken into account in the current discussions related to the future of the Union's Headquarters premises over the long term and would have to be updated according to any related strategic decision that did not involve renovation of the existing buildings.

## Note 28. Events after the reporting date

No event after the date of closure having a significant impact on the financial statements for the 2014 financial year is to be noted subsequent to the signature of the financial statements and their submission to the Council by the Secretary-General for approval on 30 April 2015.

## I REGULAR BUDGET (ANNEX A1)

### Regular budget

- 41 In the 2014 financial year, revenue and expenses of CHF 166.3 million were budgeted.
- 42 Statement II sets out the financial results for 2014, and Statement V contains a comparison between the budget of the Union and actual amounts for 2014 (Note 25).
- 43 In accordance with Article 11 of the Financial Regulations, the following budget transfers were carried out in 2014:
- a) Transfer of post, pursuant to the Secretary-General's decision 15335 of 1<sup>st</sup> May 2013, from the Infrastructure Service Division in the Information Services Department of the General Secretariat to the Terrestrial Applications Software Division to the Informatics, Administration and Publications Department of the Radiocommunication Bureau. This transfer amounts to CHF 214 473.84 for 2014.
  - b) Transfer of post, pursuant to the Secretary-General's decision 15336 of 1<sup>st</sup> May 2013, from the Administration Division in the Informatics, Administration and Publications Department of the Radiocommunication Bureau to the Enterprise Resource Planning Division in the Information Services Department of the General Secretariat. This transfer amounts to CHF 142 548.47 for 2014.
  - c) Transfer of post, pursuant to the Secretary-General's decision 16029 of 1<sup>st</sup> January 2014, from the Recruitment Service in the Human Resources Management Department of the General Secretariat to the LCD'S, SIDS, Landlocked developing countries and countries with economies in transition & Emergency Telecommunications Division of the Telecommunication Development Bureau. This transfer amounts to CHF 200 331.62 for 2014.
  - d) Transfer of appropriations, pursuant to the Director of BDT's memorandum of 13 May 2014 and the Secretary-General's approval of 29 May 2014 from the Telecommunication Development Sector's activities and programmes, staff costs, mission expenses, contractual services , purchase of equipment and supplies, utilities and services, auditing, inter-agency expenses categories and lesser-value investment project, acquisition of premises, furniture and material category to the Telecommunication Development Sector's activities and programmes, other staff costs, contractual services, rental and maintenance premises and equipment, purchase of equipment and supplies, utilities and services categories and the Telecommunication Development Bureau, other staff costs category. This transfer amounts to CHF 1 614 100 for 2014.
  - e) Transfer of appropriations, pursuant to the Director of BDT's memorandum of 13 May 2014 and the Secretary-General's approval of 29 May 2014 from the Telecommunication Development Bureau, mission expenses category to the Telecommunication Development Bureau, other staff costs and mission expenses categories. This transfer amounts to CHF 185 000 for 2014.
  - f) Transfer of appropriations, pursuant to the Director of BDT's memorandum of 13 May 2014 and the Secretary-General's approval of 29 May 2014 from the Telecommunication Development Bureau, contractual services, rental and maintenance premises and equipment, purchase of equipment and supplies, utilities and services and auditing, inter-agency expenses categories to the Telecommunication Development Bureau , other staff costs category. This transfer amounts to CHF 161 400 for 2014.

- g) Transfer of appropriations, pursuant to the Director of BDT's memorandum of 13 May 2014 and the Secretary-General's approval of 29 May 2014 from the Telecommunication Development Bureau's lesser-value investment project, acquisition of premises, furniture and material category to the Telecommunication Development Bureau , other staff costs category. This transfer amounts to CHF 60 000 for 2014.
- h) Transfer of appropriations, pursuant to the Chief of Information Services Department's memorandum of 4 July 2014 and the Secretary-General's approval of 4 July 2014 from the Common expenditure of the Information Services Department, rental computer systems, to the ICT Security Project, purchase IT equipment. This transfer amounts to CHF 30 000 for 2014.
- i) Transfer of appropriations, pursuant to the Director of BDT's memorandum of 14 October 2014 and the Secretary-General's approval of 14 October 2014 from the World Telecommunications Development Conference, staff costs, other staff costs, purchase of equipment and supplies, auditing, inter-agency expenses categories to the Telecommunication Development Sector's activities and programmes 4601505, Action 14200, rental and maintenance premises and equipment category. This transfer amounts to CHF 300 000 for 2014.
- j) Transfer of appropriations, pursuant to the Director of BR's memorandum of 13 January 2015 and the Secretary-General's approval of 14 January 2015 from the Radiocommunication Bureau's Common expenditure, contractual services to the investment project, acquisition of premises, furniture and equipment category. This transfer amounts to CHF 19 300 for 2014.
- k) Transfer of appropriations, pursuant to the Director of BDT's memorandum of 19 January 2015 and the Secretary-General's approval of 27 January 2015 from the Telecommunication Development Bureau's lesser-value investment project, acquisition of premises, furniture and material category to the investment project, acquisition of premises, furniture and equipment category. This transfer amounts to CHF 26 500 for 2014.

### **Project support cost revenue**

44 Project support cost revenue for 2014 was budgeted at CHF 1 million. Actual revenue amounted to CHF 0.7 million, i.e. a decrease of 32.9 per cent compared to 2013.

### **Publication sales**

45 Publication sales revenue was estimated at CHF 17 million for 2014. Actual revenue amounted to CHF 19.8 million, i.e. 16.7 per cent above budget. This increase in publications revenue is due to the constant active marketing policy but also to the application of a differentiated pricing policy for customers in accordance with Resolution 66 (Rev. Guadalajara, 2010).

### **Products and services under cost recovery**

46 Products and service under cost-recovery revenue was forecast at CHF 14.8 million in the regular budget 2014 (CHF 11.3 million in 2013). Actual revenue came to CHF 11.6 million (CHF 16.2 million in 2013). This decrease in cost-recovery revenue is attributable mainly to cost recovery in respect of satellite network filings (CHF 9.9 million, representing actual revenues by 23.8 per cent below budgeted revenues).

## Interest revenue

47 Interest revenue was budgeted at CHF 0.8 million. Actual revenue came to CHF 0.2 million (CHF 0.3 million in 2013). In accordance with Article 16 of the Financial Regulations, ITU funds are deposited in such a manner as to minimize the risks while ensuring sufficient liquidity to meet the Union's cash needs. This is managed in accordance with the rules and principles of the United Nations common system.

48 The low interest revenue against forecast results from the continuously low market interest rates in 2014, especially regarding CHF deposits.

## Expenses

49 Information related to expenses is provided in Note 23.

### Expenses not foreseen in the budget

50 An amount of CHF 11.089 million was recognized as expenses for adjustment of the after-service health insurance (ASHI) provision for employees.

51 An in-kind contribution was recognized as both an expense and a revenue. This recognition of the in-kind contribution is further to the Swiss Parliament's decision, which took effect on 1 January 1996, to cease charging interest on loans granted by the Building Foundation for International Organizations (FIPOI). At 31 December 2014, this contribution represents a saving for the Union of some CHF 0.938 million, based on a long-term interest rate of 3.25 per cent.

52 An amount of CHF 4.8 million was recognized as expenses for depreciation registered during the 2014 period.

53 Saving reached in 2014, enabled the Secretary-General to decide, in accordance with the ITU Financial Regulations and Financial Rules to allocate a portion of these savings to specific projects related to the modernization of the registration, badging and automated access control to ITU premises, meetings, conferences and events (CHF 1.2 million), to the translation of ITU WEB (CHF 0.3 million), to the development of the Equivalent power-flux density EPFD software (CHF 0.290 million) and to four projects in the field of telecommunications development (CHF 0.729 million).

## Reserve for debtors

54 Following the payment of receivables amounting to CHF 6 million for which a provision had been constituted in past years, the provision for doubtful debt has been reduced accordingly. At year end, an adjustment was recorded amounting CHF 0.6 million for regular budget and CHF 0.2 million for Telecom World 2014 related doubtful debts.

## Fellowships

Table in thousands of CHF

	Budget 2014	Expenses 2014	Available	Utilization rate
Regular budget	1'369	1'236	133	90.2%
Extra-budgetary funds	803	399	404	49.69%
<b>TOTAL</b>	<b>2'172</b>	<b>1'635</b>	<b>537</b>	<b>75.28%</b>

55 The total budget allocated for fellowships for 2014 amounts to CHF 2.172. Actual expenses come to CHF 1.236 million in 2014 for the regular budget and CHF 0.399 million for fellowship expenses from Extra-budgetary funds, remaining well under budget.

56 The total utilization rate of the budget allocated for fellowships is 75.3 per cent for 2014 (76.7 per cent in 2013).

### **Reserve Account**

57 In accordance with No. 485 of the Convention and Article 27 of the Financial Regulations, the Reserve Account is maintained mainly from unused appropriations. It is thus made up of ITU's own funds.

58 The Reserve Account also includes funds derived from those activities in respect of which ITU applies the cost-recovery principle pursuant to Council Resolution 1113 (Document C97/133). The products and services to which ITU applies cost recovery are currently:

- registration of universal international freephone numbers (UIFN);
- Memorandum of Understanding on global mobile personal communication systems (GMPCS MoUs);
- processing of satellite network filings;
- registration of universal international premium-rate numbers (UIPRN) and universal international shared-cost numbers (UISCN);
- TELECOM;
- publication sales;
- project support revenue.

59 At 31 December 2014, the assets of the Reserve Account stood at CHF 27'221'302.75. The assets of the Reserve Account represent 16.4 per cent of the 2014 budget, which is significantly above the 6 per cent threshold stipulated in Decision 5 (Rev. Busan, 2014) of the Plenipotentiary Conference.

## **II STAFF SUPERANNUATION AND BENEVOLENT FUNDS (ANNEX A2)**

60 The ITU Staff Superannuation and Benevolent Funds are the set of funds that guarantee the pensions of employees who were in service prior to 1 January 1960, the date on which ITU became affiliated to the United Nations Joint Staff Pension Fund. They originally comprised several individual funds and accounts. At the end of 2014, the Reserve and Complement Fund paid out 31 retirement pensions and 26 survivor's pensions; and the Assistance Fund served to assist staff members and pensioners in difficult financial situations. The Provident Fund used to cover one widow of a retired staff member, who was subject to the regime in force prior to 1 January 1949, until her death in 2014. The most recent calculation of the obligations to be provisioned for beneficiaries of the ITU Staff Superannuation and Benevolent Funds was made on 31 December 2011.

61 Pursuant to Resolution 7 (Geneva, 1959) of the Plenipotentiary Conference, the staff of ITU is affiliated, as from 1 January 1960, to the United Nations Joint Staff Pension Fund. Under Article 86 of the Regulations of the ITU Staff Superannuation and Benevolent Funds, those Funds are managed by the Union. The assets of the Funds must be invested in trustee securities. The accounts of these Funds are verified by the External Auditor as part of the periodic audits of the accounts of the Union. By Resolution 1211, adopted at its additional session in October 2003, the Council resolved that, with retroactive effect as from 1 January 2003, the statutory rate of interest of the Funds was

removed from Article 86 of the Regulations of the Funds. Regarding the Staff Superannuation and Benevolent Funds, interest revenue decreased in 2014 due to historically low interest rates, and although the Reserve and Complement fund as well as the Assistance fund show a surplus of CHF 452.75 respectively CHF 764.50, the Provident fund shows a deficit of CHF 2'571.15. A current account for each of the three Funds is held with the Finance and Accounting Division of the Swiss Confederation, in accordance with the Funds' Regulations.

### III UNITED NATIONS JOINT STAFF PENSION FUND

62 In accordance with the Administrative Rules of the United Nations Joint Staff Pension Fund (UNJSPF), the Union submits a statement at the end of each financial year to the secretariat of the Fund showing, in respect of each participant, the total contributions of every kind paid into the Fund, the total pensionable remuneration earned and any changes made in the amount of pensionable remuneration, with the dates on which they became effective. The movements of employees participating in the Fund during the year in question (including staff engaged for technical assistance projects) and the number of benefits granted and contributions paid are shown below.

63 The figures below are taken from the Union's files and accounts (see Note 17.2.6 to the Financial Statements).

#### POSITION AT 31 DECEMBER 2014 NUMBER OF PARTICIPANTS AT 31 DECEMBER 2014

Number of participants at 31.12.2013	New participants	Transfers		Withdrawals	Number of participants at 31.12.2014
		to ITU	to another organization		
794	28	1	3	37	783

#### Number of benefits paid during the financial year ending 31 December 2014

Retirement benefits	Disability benefits	Survivor's benefits	Child's benefits	Other benefits	Deferred life annuities	TOTAL
806	22	214	51	0	132	1'225

#### Recapitulation of contributions to the Fund for the period 1 January to 31 December 2014 United States dollars

Nature of contributions	Normal contributions	Service validation contributions	Balance of previous period	Total
Contributions by participants	8'679'527.13	74'160.94	-	8'753'688.07
Contributions by the Union	17'359'054.26	39'647.92	-	17'398'702.18
Other contributions	700.55	1'401.10	18'602.47	20'704.12
<b>Total</b>	<b>26'039'281.94</b>	<b>115'209.96</b>	<b>18'602.47</b>	<b>26'173'094.37</b>

#### **IV UNITED NATIONS DEVELOPMENT PROGRAMME (ANNEX A3)**

64 Within the various categories of UNDP projects, ITU can be the executing agency either on an exclusive basis or jointly with UNDP.

65 In general, there are three categories of UNDP projects, namely: projects executed by ITU; projects executed by governments; and projects executed by SPPD (Support Services for Policy and Programme Development), the activities of which came to an end on 31 December 2003.

66 For projects that are either partially or entirely executed by ITU, the Union has a budgetary allocation from UNDP. At the end of each year, on the basis of the project delivery report (PDR), UNDP reimburses ITU for all expenditure incurred, within the allocation. For the support that ITU provides to the projects, ITU has an allocation that is based pro rata on the expenditure recorded in the PDRs.

67 In 2014, the operating fund with UNDP shows a balance of CHF 628'759 in UNDP's favor (CHF 1'305'691 in ITU's favor in 2013). This decrease of CHF 1'934'450 compared to 2013 is mainly due to the total amount of Inter Office Vouchers for 2014 exceeding the last transfer to UNDP made in December 2014.

68 In 2014, UNDP project expenses amounted to CHF 365'254 (including CHF 38'406.38 for support costs).

#### **V TRUST FUNDS (ANNEX A4)**

69 Trust funds are used to execute projects financed by earmarked contributions, by the ICT Development Fund (ICTDF) or by governments. In all cases the funds have to be credited to the projects before the expenses are committed.

70 By way of reminder, the Special Fund for Technical Cooperation (SFTC) was designed to meet the needs of developing countries requesting urgent assistance. It is based on voluntary contributions, either in cash in any currency or in some other form.

71 Interest yielded on the ICTDF project in 2014 amounted to CHF 16'299.58 as against CHF 22'680.36 in 2013. For 2014, an amount of CHF 886' was allocated to the financing of ICT development projects.

72 Unused appropriations for all types of projects from third parties as well as ITU funds amount to CHF 26'851'753 in 2014, as against CHF 25'125'237 in 2013. The balance of third-party funds in the process of allocation, which stood at CHF 841'038 at the end of 2014 (CHF 766'781) at the end of 2013), represents newly received funds for projects about to start as well as residual funds from closed projects, which balance will either be returned to donors or allocated to new projects.

73 In 2014, liquid assets amounts to CHF 8'162'886.18 (CHF 7'873'757.70 in 2013). Investments amount to CHF 22'982'005.27 at the end of 2014 (CHF 22'755'370.58 in 2013). These deposits yielded interest in the order of CHF 74'819.25 in 2014 (CHF 95'346.48 in 2013).

74 In 2014, the trust funds/ITU zero clearing balance account stood at CHF 4'279'331.80 (CHF 3'668'476.55 in 2013). The support costs amounted to CHF 674'900.28 in 2014 (CHF 979'051.84 in 2013).

75 The external contributions recorded on the basis of the contracts signed with donors for trust fund projects in 2014 amount in total to CHF 9'362'467 (CHF 6'042'833.55 in 2013), of which CHF 186'163 is awaiting settlement.

## **Project delivery and support costs 2014**

76 In 2014, expenses for all types of trust fund projects amounted to CHF 10'554'862.81, as against CHF 15'431'341.43 in 2013.

## **VI VOLUNTARY CONTRIBUTIONS (ANNEX A5)**

77 Voluntary contributions are received from donors for specific activities complementing the regular budget activities such as seminars, working groups, study groups, etc. In some cases, voluntary contributions are used for long-term activities. Voluntary contributions do not generate any support costs.

78 The Union keeps accounts for voluntary contributions in the currency of the contribution and manages the projects based on the budget allocated in the currency of the funding, unless otherwise specified.

79 Voluntary contributions recorded on the basis of the contracts signed with donors in 2014 amount to CHF 2'712'716 (CHF 5'178'263 and USD 191'114), of which CHF 1'172'539 is awaiting settlement.

80 In 2014, revenue from voluntary contributions increased in comparison with 2013 due to agreements signed with the Bill & Melinda Gates Foundation, as well as Contributions dedicated to the WRC 15, the WSIS + 10 and to IU 150<sup>th</sup> Anniversary.

## **VII ICT DEVELOPMENT FUND (ANNEX A6)**

81 At the end of 2014, the available funds of the ICT Development Fund (ICTDF) amounts to CHF 2'626'706.52 (CHF 1'512'596.08 in 2013). For 2014, an amount of CHF 886'964 (CHF 2'039'289.36 in 2013) was allocated to the financing of ICT development projects.

82 In 2014, interest from projects financed by the ICTDF was calculated on total appropriations. The interest amounted to CHF 16'299 and was transferred to the ICTDF.

## **VIII EXTERNAL AUDIT OF THE UNION'S ACCOUNTS**

83 Pursuant to Article 28 of the Financial Regulations, the External Auditor of the Union's accounts is the supreme audit institution of Italy which has been appointed by Council at its 2011 session, in a manner decided by the Plenipotentiary Conference and for a four-year term. The audit was carried out in accordance with generally accepted common auditing standards and, subject to any special directions of the Council, in accordance with the Additional terms of reference governing external audit set out in Annex 1 to the Financial Regulations.

84 Pursuant to the United Nations accounting standards, the information submitted for auditing is presented in the form of statements or tables.

## INDEPENDENT AUDITOR'S REPORT

*Corte dei conti***AUDIT CERTIFICATE****Independent Auditor's Report**

We audited the financial statements as at 31 December 2014 of the International Telecommunication Union (ITU). They comprise, for the year then ended, the statement of financial position, the statement of financial performance, the statement of changes in net assets, the comparison of budgeted and actual amounts and the cash-flow statement for the year ending on that date, as well as a summary of the main accounting policies and other explanatory notes.

**Responsibility of the ITU Secretary-General for the financial statements**

The Secretary-General is responsible for the preparation and fair presentation of the financial statements in accordance with the International Public Sector Accounting Standards (IPSAS). Furthermore, the Secretary-General is also responsible for the transparency of and accessibility to the financial statements, as well as for establishing and maintaining sustainable accounting, internal control and separate internal audit systems, including measures to prevent and detect fraud and significant errors.

**Responsibility of the auditor**

Our responsibility is to express an opinion on the ITU's financial statements based on our audit, which we conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAI), and the Financial Regulations and Financial Rules of the ITU. The ISSAI standards require that we comply with ethical requirements, and plan and perform the audit in such a way as to obtain reasonable assurance about the amounts and the disclosure in the financial statements.

The selected procedure depends on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or errors. In making this risk assessment, the auditor considers the internal control system relating to the entity's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate to the circumstances, but not with the aim of expressing an opinion on the efficiency and effectiveness of the entity's internal control. The audit also includes an assessment of the appropriateness of the accounting policies adopted and of whether the accounting estimates made by the Secretary-General are reasonable, as well as an appraisal of the overall presentation of the financial statements.

We ascertained that the financial statements had been prepared in accordance with the stated accounting policies and that these policies had been applied on a basis which was consistent with those applied for the preceding financial period. We also ascertained that the transactions complied with the Financial Regulations and Rules of the ITU.

According to Article 28 of the Financial Regulations and Rules of the ITU and the Additional terms of reference governing External Audit (Annex I to these Financial Regulations and Financial Rules), we have produced a detailed report on our audit of the ITU's Financial Statements for 2014.

We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for our audit opinion.

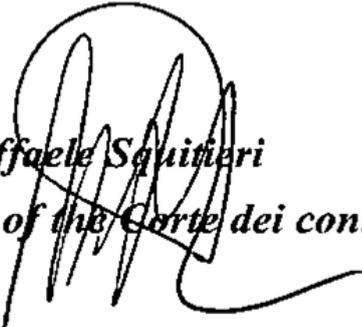
### **Emphasis of matter**

The Statement of Financial Position shows a negative Net Asset (-386.0 MCHF), mainly due to the impact of the actuarial liabilities related to long-term employee benefits, recorded in the Statement of Financial Position at 534.4 MCHF. Details of our analysis are included in thereport. Measures are being undertaken by the Management which has assured us that it will monitor their effectiveness.

### **Opinion**

In our opinion, the ITU's Financial Statements for 2014 present fairly, in all material respects, the financial position of the International Telecommunication Union as at 31 December 2014, as well as, for the year then ended, the financial performance, the changes in net assets, the cash flows and the comparison of budget and actual amounts, in accordance with IPSAS and the Financial Regulations and Financial Rules of the ITU.

Rome, 7 May 2015



*Raffaele Squitieri*  
*President of the Corte dei conti*

## ANNEX A1

## REVENUE BY SOURCE FOR THE 2014 FINANCIAL PERIOD – ACCOUNTS AT 31 DECEMBER 2014

	Initial	Updated	Revenue
<b>BUDGET OF THE UNION</b>	Budge	Budget	
	2014	2014	2014
Revenue by source	CHF	CHF	CHF
Assessed contributions			
Contributions by Member States	112,572,000	112,572,000	109,749,750
Contributions by Sector Members			
- Radiocommunication Sector	6,300,000	6,300,000	6'354'700
- Telecommunication Standadization Sector	7,300,000	7,300,000	7'051.319
- Telecommunicaton Development Sector	<u>1,600,000</u>	<u>1,600,000</u>	1'665'856
Total contributions by Sector Members	15,200,000	15,200,000	15,071,875
Contributions by Associates			
- Radiocommunication Sector	249,000	249,000	180'199
- Telecommunication Standadization Sector	1,427,000	1,427,000	1'402'728
- Telecommunicaton Development Sector	<u>29,000</u>	<u>29,000</u>	<u>24'843</u>
Total contributions by Associates	1,705,000	1,705,000	1,607,770
Contributions by Academia	<u>200,000</u>	<u>200,000</u>	<u>207'031</u>
Total contributions by Academia	200,000	200,000	207,031
Contribution by member States to regional conferences	0	0	<u>149,114</u>
Total assessed contributions	129,677,000	129,677,000	126,785,540
Voluntary contributions			2'100
Cost recovery			
Project support cost revenue			
- Telecommunicaton Development Sector	<u>1,000,000</u>	<u>1,000,000</u>	<u>712,522</u>
Total project support cost revenue	1,000,000	1,000,000	712,522
Publication sales			
Total publication sales	17,000,000	17,000,000	19,833,418
Products and services under cost recovery			
- UIFN	250,000	250,000	150,600
- GMPCS-MoUS	0	0	14,600
- TELECOM	1,500,000	1,500,000	1,500,000
- Satellite network fillings	13,000,000	13,000,000	9,904,672
- Other revenue	<u>0</u>	<u>0</u>	<u>23'286</u>
Total products and services under cost recovery	14,750,000	14,750,000	11,593'158
Total cost recovery	32,750,000	32,750,000	32,138,014
Interest revenues	800,000	800,000	224,988
Other revenue	300,000	300,000	-1'162'657
Subtotal	163,527,000	163,527,000	157'987'984
Withdrawal from/ Allocation to the ITU Reserve Account	2,784,000	2,784,000	-897,394
IPSAS Statistical Result			7'992'394
Payment into ASHi and CMIP funds			-3'000'000
<b>TOTAL</b>	<b>166,311,000</b>	<b>166,311,000</b>	<b>162'082'984</b>

## ANNEX A2

## STAFF SUPERANNUATION AND BENEVOLENT FUNDS – See Note 4

Statement of financial performance for the 2014 period with 2013 comparative figures						
	Reserve and Complement fund		Provident fund		Assistance fund	
	CHF		CHF		CHF	
	2014	2013	2014	2013	2014	2013
<b>EXPENSES</b>						
Pensions	18'234.60	21'448.20	7'148.35	7'798.20	-	-
Donations	-	-		-	-	10'000.00
Total des expenses	18'234.60	21'448.20	7'148.35	7'798.20	-	10'000.00
Surplus of the year	452.75	13'741.00		836.05	764.50	-
<b>TOTAL</b>	<b>18'687.35</b>	<b>35'189.20</b>	<b>7'148.35</b>	<b>7'798.20</b>	<b>764.50</b>	<b>10'000.00</b>
<b>REVENUE</b>						
Investment interests	18'687.35	35'189.20	4'577.20	8'634.25	764.50	1'027.75
Total revenue	18'687.35	35'189.20	4'577.20	8'634.25	764.50	1'027.75
Deficit of the year		-	2'571.15	-	-	8'972.25
<b>TOTAL</b>	<b>18'687.35</b>	<b>35'189.20</b>	<b>7'148.35</b>	<b>7'798.20</b>	<b>764.50</b>	<b>10'000.00</b>

Statement of financial situation at 31 December 2014 with 31 December 2013 comparative figures						
	Reserve and Complement fund		Provident fund		Assistance fund	
	CHF		CHF		CHF	
	2014	2013	2014	2013	2014	2013
<b>ASSETS</b>						
Liquid assets	6'320'671.85	7'320'219.10	1'546'256.09	1'548'827.24	182'430.78	181'666.28
Liquid assets to be reimbursed						-
Sundry Debtors						-
<b>TOTAL</b>	<b>6'320'671.85</b>	<b>7'320'219.10</b>	<b>1'546'256.09</b>	<b>1'548'827.24</b>	<b>182'430.78</b>	<b>181'666.28</b>
<b>LIABILITIES</b>						
Employee benefits	54'000	54'000.00	36'000	36'000.00		
Own funds allocated	6'266'219.10	7'252'578.10	1'512'827.24	1'511'991.19	181'666.28	181'666.28
Surplus/Deficit of the year	452.75	13'741.00	-2'571.15	837.05	764	
<b>TOTAL</b>	<b>6'320'671.85</b>	<b>7'320'319.10</b>	<b>1'546'256.09</b>	<b>1'548'827.24</b>	<b>182'430.78</b>	<b>181'666.28</b>

## ANNEX A3

## UNDP PROJECTS (in US dollars) – See Note 20

Projects	Balance at 31.12.2013	Revenue	Expenses		Balance at 31.12.2014
		Funds Received in 2014	Project Expenses	Support Costs	
P.40198.1.01	(764,231.42)	764,231.42	46.11	5.00	(51.11)
P.40295.1.01	(164,693.06)	164,693.06	379.24	38.00	(417.24)
P.40552.1.01	-	933,350.60	395,911.71	39,592.00	497,846.89
<b>Total</b>	<b>(928,924.48)</b>	<b>1,862,275.08</b>	<b>396,337.06</b>	<b>39,635.00</b>	<b>497,378.54</b>

## ANNEX A4

## TRUST FUNDS (UNUSED APPROPRIATIONS) – See Note 20

Trust fund projects - ITU	WBS	Devis	Balance at 01/01/2014	Recettes 2014					Expenses 2014							Balance at 31/12/2014	CHF	
				Funds received	Gains	Interest	Project closures/ reimb.	Total revenue	Transfers	Bank charges	Project expenses	% AOS	AOS	Correct. AOS	Total expenses dépenses			
ICTDF																		
Global	P.40002.2.03	US\$	1,375,483.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	139,378.88	N/A	0.00	0.00	0.00	139,378.88	1,236,104.89	1,197,787.68
Région Arabe	P.40010.2.03	US\$	10,360.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,101.70	7.50	307.63	0.00	4,409.33	5,951.02	5,951.02	5,766.55
Région Afrique	P.40011.2.03	US\$	29,383.65	36,775.58	0.00	0.00	0.00	36,775.58	-66,159.23	0.00	0.00	6.76	0.00	0.00	0.00	0.00	0.00	0.00
Région Afrique	P.40013.2.03	US\$	62,250.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,482.36	7.50	1,161.18	0.00	16,643.54	45,607.19	44,193.44	44,193.44
Région Afrique	P.40014.2.03	US\$	1,274,526.52	0.00	0.00	0.00	0.00	0.00	-855,000.00	0.00	3,166.78	0.00	0.00	0.00	3,166.78	416,359.74	403,453.28	403,453.28
Mali	P.40014.2.04	US\$	-3,771.44	0.00	0.00	0.00	0.00	0.00	855,000.00	0.00	0.00	0.00	0.00	0.00	0.00	851,228.56	824,841.88	824,841.88
Lesotho	P.40014.2.05	US\$	472,793.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	414,034.92	0.00	0.00	0.00	414,034.92	58,758.20	56,936.79	56,936.79
Région Asie	P.40016.2.03	US\$	108,626.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,835.43	7.50	362.66	0.00	5,198.09	103,427.97	100,221.87	100,221.87
Région Asie	P.40017.2.03	US\$	36,804.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.76	0.00	0.00	0.00	36,804.03	35,663.17	35,663.17
Région Europe	P.40018.2.03	US\$	10,129.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,189.70	7.50	464.23	0.00	6,653.93	3,475.46	3,367.73	3,367.73
Région Europe	P.40019.2.03	US\$	821.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.50	0.00	0.00	0.00	821.44	795.98	795.98
Région Amérique	P.40021.2.03	US\$	3,462.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,720.00	7.50	204.00	0.00	2,924.00	538.58	521.88	521.88
Région Asie	P.40239.2.03	US\$	1,703.32	0.00	0.00	0.00	-1,703.32	-1,703.32	0.00	0.00	0.00	7.50	0.00	0.00	0.00	0.00	0.00	0.00
Burkina Faso	P.40466.2.03	US\$	237,175.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.50	0.00	0.00	0.00	237,175.89	229,823.83	229,823.83
Lesotho	P.40478.2.04	US\$	120.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.50	0.00	0.00	0.00	120.62	114.88	114.88
Sierra Leone	P.40478.2.05	US\$	87,370.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	81,098.00	7.50	6,082.35	0.00	87,180.35	189.95	184.06	184.06
Tanzania	P.40478.2.06	US\$	16,924.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.50	0.00	0.00	0.00	16,924.62	16,399.98	16,399.98
Comoros	P.40478.2.07	US\$	87,966.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.50	0.00	0.00	0.00	87,966.84	85,240.01	85,240.01
Sri Lanka	P.40478.2.08	US\$	16,983.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.50	0.00	0.00	0.00	16,983.43	16,456.97	16,456.97
Uganda	P.40488.2.03	US\$	179,438.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	151,225.73	0.00	11,341.93	0.00	162,567.66	16,871.27	16,348.29	16,348.29
Mali	P.40491.2.03	US\$	21,672.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,314.54	7.50	248.59	0.00	3,563.13	18,109.50	17,548.14	17,548.14
Laos	P.40500.2.03	US\$	14,410.06	0.00	0.00	0.00	-14,410.06	-14,410.06	0.00	0.00	0.00	7.50	0.00	0.00	0.00	0.00	0.00	0.00
Oman	P.40522.2.03	US\$	534,416.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	206,703.09	0.00	0.00	0.00	206,703.09	327,713.48	317,554.90	317,554.90
Global	P.40523.2.03	US\$	479,375.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	153,947.22	0.00	11,546.04	0.00	165,493.26	313,882.39	304,152.55	304,152.55
Palestine	P.40559.2.03	US\$	0.00	123,596.00	0.00	0.00	0.00	123,596.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	123,596.00	119,764.73	119,764.73
Région Asie	P.40573.2.04	US\$	0.00	500,000.00	0.00	0.00	0.00	500,000.00	0.00	0.00	12,090.00	0.00	0.00	0.00	12,090.00	487,910.00	472,785.60	472,785.60
Région Afrique	P.40578.2.03	US\$	0.00	0.00	0.00	0.00	0.00	0.00	21.36	0.00	21.36	0.00	0.00	0.00	21.36	0.00	0.00	0.00
<b>Total WBS Ext: 2.02 - 08</b>		<b>US\$</b>	<b>5,058,429.06</b>	<b>660,371.58</b>	<b>0.00</b>	<b>0.00</b>	<b>-16,113.38</b>	<b>644,258.20</b>	<b>-66,137.87</b>	<b>0.00</b>	<b>1,198,309.71</b>		<b>31,718.61</b>	<b>0.00</b>	<b>1,230,028.32</b>	<b>4,406,521.07</b>	<b>4,269,926.19</b>	<b>4,269,926.19</b>

## TRUST FUNDS (UNUSED APPROPRIATIONS) (cont'd)

Trust fund projects - ITU	WBS	Devise	Balance at 01/01/2014	Recettes 2014					Expenses 2014					Balance at 31/12/2014	CHF				
				Funds received	Gains	Interest	Project closures/ reimb.	Total revenue	Transfers	Bank charges	Project expenses	% AOS	AOS			Correct. AOS	Total expenses dépenses		
Région Asie	P.40001.3.01	US\$	5,472.37	0.00	0.00	0.00	-5,472.37	-5,472.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Global	P.40002.3.02	US\$	3,262.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,262.52	3,161.39
Région Arab	P.40240.3.01	US\$	102,493.58	0.00	0.00	0.00	-102,493.58	-102,493.58	0.00	0.00	0.00	0.00	N/A	0.00	0.00	0.00	0.00	0.00	0.00
Région Amérique	P.40501.3.01	US\$	1,573.90	0.00	0.00	0.00	-1,573.90	-1,573.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub-total WBS Ext: 3.01</b>		<b>US\$</b>	<b>112,802.37</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-109,539.85</b>	<b>-109,539.85</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,262.52</b>	<b>3,161.39</b>
Global	P.40548.2.03	CHF	0.00	62,999.89	0.00	0.00	0.00	62,999.89	0.00	0.00	9,460.20	0.00	0.00	0.00	0.00	0.00	9,460.20	53,539.69	53,539.69
Région Arab	P.40367.3.01	CHF	5,176.20	0.00	0.00	0.00	-5,176.20	-5,176.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Région Arab	P.40471.3.01	CHF	79,977.42	0.00	0.00	0.00	-79,977.42	-79,977.42	0.00	0.00	0.00	0.00	7.50	0.00	0.00	0.00	0.00	0.00	0.00
Uzbekistan	P.40482.3.01	CHF	82,972.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	81,497.76	N/A	0.00	0.00	0.00	0.00	81,497.76	1,474.24	1,474.24
Région Afrique	P.40487.3.01	CHF	130,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.50	0.00	0.00	0.00	0.00	0.00	130,000.00	130,000.00
Global	P.40492.3.01	CHF	7,277.00	0.00	0.00	0.00	-7,277.00	-7,277.00	0.00	0.00	0.00	7.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Région Europe	P.40528.3.01	CHF	17,129.27	0.00	0.00	0.00	0.00	0.00	13,000.00	0.00	18,708.19	7.50	0.00	0.00	0.00	0.00	18,708.19	11,421.08	11,421.08
Palestine	P.40536.3.01	CHF	74,950.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	52,013.72	0.00	0.00	0.00	0.00	0.00	52,013.72	22,936.28	22,936.28
Montenegro	P.40483.3.02	CHF	3,273.04	0.00	0.00	0.00	-3,273.04	-3,273.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cyprus	P.40549.3.01	CHF	0.00	10,000.00	0.00	0.00	0.00	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	10,000.00
Région Amérique	P.40554.3.01	CHF	0.00	0.00	0.00	0.00	0.00	0.00	54,758.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	54,758.00	54,758.00
Lebanon	P.40557.3.01	CHF	0.00	0.00	0.00	0.00	0.00	0.00	100,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100,000.00	100,000.00
Zambia	P.40585.3.01	CHF	0.00	0.00	0.00	0.00	0.00	0.00	200,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200,000.00	200,000.00
Global	P.40586.3.01	CHF	0.00	0.00	0.00	0.00	0.00	0.00	200,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200,000.00	200,000.00
Comoros	P.40587.3.01	CHF	0.00	0.00	0.00	0.00	0.00	0.00	150,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150,000.00	150,000.00
Burundi	P.40588.3.01	CHF	0.00	0.00	0.00	0.00	0.00	0.00	179,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	179,000.00	179,000.00
<b>Sub-total WBS Ext: 3.01</b>		<b>CHF</b>	<b>400,754.95</b>	<b>72,999.89</b>	<b>0.00</b>	<b>0.00</b>	<b>-95,703.68</b>	<b>-22,703.79</b>	<b>896,758.00</b>	<b>0.00</b>	<b>161,679.87</b>	<b>30.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>161,679.87</b>	<b>1,113,129.29</b>	<b>1,113,129.29</b>

## TRUST FUNDS (UNUSED APPROPRIATIONS) (cont'd)

Trust fund projects - ITU	WBS	Devise	Balance at 01/01/2014	Recettes 2014					Expenses 2014					Balance at 31/12/2014	CHF		
				Funds received	Gains	Interest	Project closures/ reimb.	Total revenue	Transfers	Bank charges	Project expenses	% AOS	AOS			Correct. AOS	Total expenses dépenses
Région Asie	P.40001.1.01	US\$	4,131.39	0.00	0.00	0.00	-4,131.39	-4,131.39	0.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	0.00
Global	P.40002.1.02	US\$	240,148.94	0.00	0.00	940.00	0.00	940.00	6,951.27	0.00	0.00	0.00	0.00	0.00	0.00	248,040.21	240,351.37
Global	P.40008.1.01	US\$	54,336.05	0.00	0.00	58.00	-50,055.54	-49,997.54	0.00	0.00	-7,671.18	6.76	0.00	0.00	-7,671.18	12,009.69	11,637.41
Région Arabe	P.40010.1.02	US\$	144,148.89	0.00	0.15	257.00	-15,198.94	-14,941.79	0.00	0.00	57,090.72	7.50	4,281.80	0.00	61,372.52	67,834.58	65,731.82
Région Afrique	P.40011.1.01	US\$	233,906.01	0.00	0.00	319.00	-204,658.74	-204,339.74	59,947.11	0.00	678.31	6.76	594.39	0.00	1,272.70	88,240.68	85,505.36
Région Afrique	P.40014.1.01	US\$	460,928.76	0.00	1.25	1,754.00	0.00	1,755.25	0.00	0.00	159.74	N/A	0.00	0.00	159.74	462,524.27	448,186.78
Burundi	P.40014.1.02	US\$	30,123.00	0.00	0.00	115.00	0.00	115.00	0.00	0.00	0.00	N/A	0.00	0.00	0.00	30,238.00	29,300.67
Lesotho	P.40014.1.04	US\$	373,284.00	0.00	17.13	872.00	0.00	889.13	0.00	0.00	134,249.53	7.50	10,068.71	0.00	144,318.24	229,854.89	222,729.77
Burundi	P.40014.1.12	US\$	140,729.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	137,394.23	N/A	0.00	0.00	137,394.23	3,333.50	3,230.17
Rwanda	P.40014.1.13	US\$	855,467.59	0.00	0.00	3,256.00	0.00	3,256.00	0.00	0.00	0.00	N/A	0.00	0.00	0.00	858,723.59	832,104.58
Djibouti	P.40014.1.14	US\$	565,490.93	0.00	0.00	1,121.00	0.00	1,121.00	0.00	0.00	271,035.29	N/A	0.00	0.00	271,035.29	295,576.64	286,414.25
Burkina Faso	P.40014.1.16	US\$	820,754.08	0.00	213.77	1,271.00	0.00	1,484.77	0.00	0.00	487,005.04	N/A	0.00	0.00	487,005.04	335,233.81	324,842.12
Région Asie	P.40016.1.02	US\$	42,654.55	0.00	0.00	162.00	0.00	162.00	0.00	0.00	0.00	7.50	0.00	0.00	0.00	42,816.55	41,489.31
Région Asie	P.40017.1.01	US\$	137,532.16	0.00	0.00	147.00	-126,675.46	-126,528.46	0.00	0.00	26.53	6.76	0.00	0.00	26.53	10,636.90	10,636.90
Région Europe	P.40019.1.02	US\$	23,545.32	11,486.00	0.00	94.00	0.00	11,580.00	0.00	0.00	9,645.56	7.50	723.42	0.00	10,368.98	24,756.34	23,988.93
Région Amérique	P.40023.1.01	US\$	177,632.97	0.00	0.00	189.00	-163,545.86	-163,356.86	0.00	0.00	471.48	6.76	0.00	0.00	471.48	13,804.63	13,376.71
Afghanistan	P.40023.1.01	US\$	99,021.46	0.00	0.00	0.00	-99,021.46	-99,021.46	0.00	0.00	0.00	N/A	0.00	0.00	0.00	0.00	0.00
Bésil	P.40026.1.01	US\$	8,612,891.72	4,467,852.00	71.21	34,862.00	0.00	4,502,785.21	0.00	0.00	3,647,492.15	7.50	273,561.91	0.00	3,921,054.06	9,194,622.87	8,909,604.73
Global	P.40029.1.02	US\$	52,624.59	0.00	138.21	95.00	0.00	233.21	0.00	0.00	27,895.39	N/A	0.00	0.00	27,895.39	24,962.41	24,188.62
Région Afrique	P.40031.1.01	US\$	71,005.13	0.00	0.00	0.00	-71,271.73	-71,271.73	0.00	0.00	-266.60	N/A	0.00	0.00	-266.60	0.00	0.00
Région Asie	P.40196.1.01	US\$	74,305.12	0.00	0.00	283.00	0.00	283.00	0.00	0.00	0.00	7.50	0.00	0.00	74,588.12	72,276.01	72,276.01
Région Asie	P.40205.1.01	US\$	-1,150.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.50	0.00	0.00	-1,150.18	-1,114.53	-1,114.53
Région Asie	P.40208.1.01	US\$	3,474.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N/A	0.00	0.00	3,474.12	3,464.43	3,464.43
Global	P.40230.1.01	US\$	32,818.32	0.00	0.00	0.00	-32,818.32	-32,818.32	0.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	0.00
Région Afrique	P.40236.1.01	US\$	304,572.36	0.00	0.00	1,159.00	0.00	1,159.00	0.00	0.00	0.00	N/A	0.00	0.00	0.00	305,731.36	296,254.19
Colombie	P.40238.1.01	US\$	1,000,354.52	0.00	0.00	3,807.00	0.00	3,807.00	0.00	0.00	0.00	7.50	0.00	0.00	0.00	1,004,161.52	973,034.17
Région Asie	P.40239.1.01	US\$	247,437.23	0.00	0.00	0.00	0.00	0.00	-247,437.23	0.00	0.00	7.50	0.00	0.00	0.00	0.00	0.00
Fiji	P.40275.1.01	US\$	6,658.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	6,658.20	6,451.81
Région Asie	P.40299.1.01	US\$	-195.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.50	0.00	0.00	-195.92	-189.85	-189.85
Argentina	P.40304.1.01	US\$	276,000.60	0.00	0.00	0.00	0.00	0.00	-276,000.60	0.00	0.00	6.00	0.00	0.00	0.00	0.00	0.00
Sub-Total WBS Ext: 1.01-13		US\$	15,084,631.64	4,479,338.00	441.72	50,761.00	-767,377.44	3,763,163.28	-456,539.45	0.00	4,765,208.19		289,230.23	0.00	5,054,438.42	13,336,817.05	12,923,397.73

## TRUST FUNDS (UNUSED APPROPRIATIONS) (cont'd)

Trust fund projects - ITU	WBS	Devise	Balance at 01/01/2014	Recettes 2014				Total revenue	Transfers	Bank charges	Project expenses	Expenses 2014				Balance at 31/12/2014	CHF
				Funds received	Gains	Interest	Project closures/ réimb.					% AOS	AOS	Correct. AOS	Total expenses dépenses		
Report			15,084,631.64	4,479,338.00	441.72	50,761.00	-767,377.44	3,763,163.28	-456,539.45	0.00	4,765,208.19		289,230.23	0.00	5,054,438.42	13,336,817.05	12,923,397.73
Thailand	P.40439.1.01	US\$	121.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	121.30	117.54
Thailand	P.40468.1.01	US\$	15,383.35	0.00	0.00	58.00	0.00	58.00	0.00	0.00	115.21	7.50	8.64	0.00	123.85	15,317.50	14,842.68
Région Amérique	P.40477.1.01	US\$	217,458.19	42,212.37	184.99	532.00	0.00	42,929.34	0.00	0.00	111,745.17	7.50	8,380.88	0.00	120,126.05	140,261.50	135,913.62
Angola	P.40481.1.01	US\$	143,424.38	0.00	0.00	136.00	0.00	136.00	0.00	0.00	100,140.59	7.50	7,510.54	0.00	107,651.13	35,909.25	34,796.12
Uzbekistan	P.40482.1.01	US\$	11,214.00	0.00	0.00	43.00	0.00	43.00	0.00	0.00	0.00	7.50	0.00	0.00	11,259.00	10,909.99	0.00
Global	P.40484.1.01	US\$	79,316.64	0.00	0.00	0.00	0.00	0.00	-79,169.26	0.00	147.38	7.00	0.00	0.00	147.38	0.00	0.00
Région Asie	P.40490.1.01	US\$	138,481.10	0.00	1,304.15	0.00	0.00	1,304.15	0.00	0.00	128,563.77	7.50	9,642.28	0.00	138,206.05	1,579.20	1,530.25
Thailand	P.40493.1.01	US\$	-6,055.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.50	0.00	0.00	0.00	-6,055.01	-5,867.31
Région Amérique	P.40501.1.01	US\$	222.45	0.00	0.00	0.00	-222.45	-222.45	0.00	0.00	0.00	N/A	0.00	0.00	0.00	0.00	0.00
Région Asie	P.40503.1.01	US\$	319,019.86	0.00	300.90	0.00	0.00	300.90	-196,128.41	0.00	115,133.35	7.00	8,059.00	0.00	123,192.35	0.00	0.00
Région Asie	P.40507.1.01	US\$	-220,693.73	0.00	0.00	0.00	0.00	0.00	220,693.73	0.00	0.00	7.50	0.00	0.00	0.00	0.00	0.00
Honduras	P.40508.1.01	US\$	131,002.00	0.00	0.00	180.00	0.00	180.00	0.00	0.00	80,043.82	7.50	3,601.97	0.00	83,645.79	47,536.21	46,062.67
Thailand	P.40510.1.01	US\$	67,057.07	0.00	97.90	0.00	0.00	97.90	0.00	0.00	56,619.90	7.50	4,246.49	0.00	60,866.39	6,288.58	6,093.64
Thailand	P.40514.1.01	US\$	141,979.77	0.00	0.00	328.00	0.00	328.00	0.00	0.00	52,010.25	7.50	3,900.77	0.00	55,911.02	86,396.75	83,718.59
Thailand	P.40518.1.01	US\$	87,005.25	0.00	156.64	0.00	0.00	156.64	0.00	0.00	80,860.41	7.50	6,064.53	0.00	86,924.94	236.90	229.60
Global	P.40520.1.01	US\$	119,760.80	0.00	0.00	318.00	0.00	318.00	0.00	0.00	33,575.74	7.50	2,518.18	0.00	36,093.92	83,984.88	81,381.49
Oman	P.40522.1.01	US\$	252,988.17	0.00	0.00	963.00	0.00	963.00	0.00	0.00	0.00	7.50	0.00	0.00	0.00	253,951.17	246,079.10
Région Asie	P.40524.1.01	US\$	72,195.46	0.00	0.00	206.00	0.00	206.00	59,903.86	0.00	72,539.81	7.50	5,440.49	0.00	77,980.30	54,325.02	52,641.03
Région Asie	P.40525.1.01	US\$	76,438.11	0.00	0.00	118.00	0.00	118.00	26,743.50	0.00	67,122.56	7.50	5,034.19	0.00	72,156.75	31,142.86	30,177.48
Thailand	P.40526.1.01	US\$	193,719.01	0.00	0.00	230.00	0.00	230.00	0.00	0.00	124,082.90	7.50	9,306.22	0.00	133,389.12	60,559.89	58,682.63
Costa Rica	P.40531.1.01	US\$	75,431.03	0.00	0.00	287.00	0.00	287.00	0.00	0.00	-2.40	7.50	0.00	0.00	-2.40	75,720.63	73,373.42
Thailand	P.40534.1.01	US\$	23,346.03	0.00	0.00	0.00	0.00	0.00	-23,300.95	0.00	45.08	7.50	0.00	0.00	45.08	0.00	0.00
Région Asie	P.40537.1.01	US\$	621,261.73	0.00	1,231.94	390.00	0.00	1,621.94	196,081.06	0.00	649,231.03	N/A	46,846.17	0.00	716,077.20	102,887.53	99,698.19
Mayanmar	P.40539.1.01	US\$	178,919.19	0.00	0.00	681.00	0.00	681.00	0.00	0.00	22.70	7.00	0.00	0.00	22.70	179,577.49	174,010.88
Thailand	P.40541.1.01	US\$	187,469.29	0.00	877.91	116.00	0.00	993.91	0.00	0.00	146,951.67	7.50	11,021.38	0.00	157,973.05	30,490.15	29,545.01
Thailand	P.40543.1.01	US\$	407,560.41	0.00	469.51	156.00	0.00	625.51	0.00	0.00	341,391.79	7.50	25,604.38	0.00	366,996.17	41,189.75	39,912.94
Global	P.40545.1.02	US\$	59,278.09	0.00	91.70	0.00	0.00	91.70	0.00	0.00	51,886.95	9.00	4,669.83	0.00	56,556.78	2,813.01	2,725.81
Global	P.40545.1.03	US\$	0.00	0.00	0.00	553.00	0.00	553.00	165,000.00	0.00	17,840.00	9.00	1,784.00	0.00	19,624.00	145,929.00	141,405.44
Région Asie	P.40546.1.01	US\$	38,955.25	0.00	0.00	0.00	0.00	0.00	-38,907.90	0.00	47.35	10.00	0.00	0.00	47.35	0.00	0.00
Peru	P.40550.1.01	US\$	0.00	192,652.00	0.00	220.00	0.00	192,872.00	0.00	0.00	125,509.41	7.50	9,413.21	0.00	134,922.62	57,949.38	56,153.04
Région Asie	P.40551.1.01	US\$	140,080.44	133,649.34	0.00	837.00	0.00	134,486.34	0.00	0.00	50,088.56	7.50	3,756.64	0.00	53,845.20	220,721.58	213,879.58
Thailand	P.40553.1.01	US\$	0.00	456,150.00	3,299.89	775.00	0.00	460,224.89	0.00	0.00	237,929.34	7.50	17,844.70	0.00	255,774.04	204,450.85	198,113.21
Région Amérique	P.40554.1.01	US\$	0.00	210,000.00	0.00	589.00	0.00	210,589.00	0.00	0.00	51,387.18	7.50	3,854.04	0.00	55,241.22	155,347.78	150,532.26
Thailand	P.40560.1.01	US\$	0.00	61,520.00	460.00	0.00	0.00	61,980.00	0.00	0.00	56,227.97	7.50	4,217.10	0.00	60,445.07	1,534.93	1,487.35
Région Asie	P.40561.1.01	US\$	0.00	61,980.00	0.00	234.00	0.00	62,214.00	0.00	0.00	536.07	7.50	40.21	0.00	576.28	61,637.72	59,727.05
Thailand	P.40562.1.01	US\$	0.00	579,412.50	786.28	1,950.00	0.00	582,148.78	0.00	0.00	63,132.46	7.50	4,734.93	0.00	67,867.39	514,281.39	498,339.52
Région Asie	P.40567.1.01	US\$	0.00	80,300.00	0.00	76.00	0.00	80,376.00	0.00	0.00	54,852.84	7.50	5,485.28	0.00	60,338.12	20,037.88	19,416.74
Argentine	P.40568.1.01	US\$	0.00	27,005.94	0.00	812.00	-89,781.74	-61,963.80	276,000.40	0.00	0.00	7.50	0.00	0.00	0.00	214,036.80	207,402.01
Thailand	P.40571.1.01	US\$	0.00	313,000.00	201.75	974.00	0.00	314,175.75	0.00	0.00	53,253.34	7.50	3,994.00	0.00	57,247.34	256,928.41	248,964.05
Région Asie	P.40574.1.01	US\$	0.00	658,757.86	0.00	2,495.00	0.00	661,252.86	0.00	0.00	2,935.45	7.50	205.48	0.00	3,140.93	658,111.93	637,711.55
Thailand	P.40579.1.01	US\$	0.00	307,200.00	0.00	1,147.00	0.00	308,347.00	0.00	0.00	5,540.87	7.50	415.57	0.00	5,956.44	302,390.56	293,016.95
Région Amérique	P.40581.1.01	US\$	0.00	133,649.34	0.00	509.00	0.00	134,158.34	0.00	0.00	0.00	7.50	0.00	0.00	0.00	134,158.34	129,999.65
<b>Total WBS Ext. 1.01-13</b>		<b>US\$</b>	<b>18,656,973.27</b>	<b>7,736,827.35</b>	<b>9,905.28</b>	<b>66,674.00</b>	<b>-857,381.63</b>	<b>6,956,025.00</b>	<b>150,376.78</b>	<b>0.00</b>	<b>7,716,716.51</b>		<b>506,831.33</b>	<b>0.00</b>	<b>8,223,547.84</b>	<b>17,539,827.21</b>	<b>16,996,121.50</b>
Corée	P.40200.1.01	US\$	35,692.60	0.00	0.00	136.00	0.00	136.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35,828.60	34,717.97
Japon	P.40201.1.01	US\$	-24,572.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	-24,572.76	-23,811.04
Japon	P.40202.1.01	US\$	40,658.71	0.00	0.00	231.00	0.00	231.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	40,889.71	39,052.23
Général	P.40268.1.01	US\$	122,405.14	0.00	0.00	464.00	0.00	464.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	122,871.14	119,043.34
Corée	P.40270.1.01	US\$	44,713.68	0.00	0.00	170.00	0.00	170.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	44,883.68	43,492.36
Corée	P.40271.1.01	US\$	40,721.43	0.00	0.00	155.00	0.00	155.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	40,876.43	39,609.33
Corée	P.40272.1.01	US\$	81,048.93	0.00	0.00	308.00	0.00	308.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	81,356.93	78,835.00
Région Asie	P.40273.1.01	US\$	26,795.00	0.00	0.00	102.00	0.00	102.00	0.00	0.00	0.00	N/A	0.00	0.00	0.00	26,897.00	26,063.24
Allemagne	P.40459.1.01	US\$	143,797.33	0.00	0.00	547.00	0.00	547.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	144,344.33	139,869.89
Corée	P.40516.1.01	US\$	459,317.41	83,614.05	0.00	998.00	0.00	84,612.05	0.00	0.00	255,166.67	10.00	25,516.67	0.00	280,683.34	263,246.12	255,085.92
<b>Total WBS Ext. 1.0</b>																	

## TRUST FUNDS (UNUSED APPROPRIATIONS) (end)

Trust fund projects - ITU	WBS	Devise	Balance at 01/01/2014	Recettes 2014					Expenses 2014					Balance at 31/12/2014	CHF		
				Funds received	Gains	Interest	Project closures/ reimb.	Total revenue	Transfers	Bank charges	Project expenses	% AOS	AOS			Correct. AOS	Total expenses dépenses
SG	P.10022.1.01	US\$	152,965.94	265,303.00	0.00	742.00	0.00	266,045.00	12,947.50	0.00	214,860.85	10.00	21,486.09	0.00	236,346.94	195,611.50	189,547.87
Azerbaïdjan	P.10024.1.01	US\$	10,354.24	36,000.00	0.00	72.00	0.00	36,072.00	0.00	0.00	27,496.78	0.00	0.00	0.00	27,496.78	18,929.46	18,342.68
Corée	P.10027.1.01	US\$	0.00	600,717.00	0.00	1,197.00	0.00	601,914.00	0.00	0.00	260,201.14	10.00	26,020.11	0.00	286,221.25	315,692.75	305,906.80
BR	P.20008.1.01	US\$	138,083.98	205,165.00	0.00	676.00	0.00	205,841.00	0.00	0.00	150,695.39	10.00	15,069.54	0.00	165,764.93	178,160.05	172,637.38
	Total Others	US\$	301,404.16	1,107,185.00	0.00	2,687.00	0.00	1,109,872.00	12,947.50	0.00	653,254.16		62,575.74	0.00	715,829.90	708,393.76	686,434.72
Total WBS Ext: 1.01			19,948,954.92	8,927,626.40	9,905.28	72,474.00	-857,381.63	8,152,624.05	163,324.28	0.00	8,625,137.34		594,923.74	0.00	9,220,061.08	19,044,842.17	18,454,483.48
Région Afrique	P.40472.1.01	EUR	1,386.35	0.00	0.00	0.00	0.00	0.00	27.88	0.00	0.00	7.50	0.00	0.00	1,414.23	1,698.13	
Région Afrique	P.40472.1.02	EUR	8,956.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,152.80	7.50	836.46	0.00	11,989.26	-3,032.75	-3,641.57
Région Afrique	P.40472.1.03	EUR	96,550.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90,160.58	7.50	6,762.04	0.00	96,922.62	-372.20	-446.92
Région Afrique	P.40472.1.04	EUR	3,809.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.55	7.50	0.00	0.00	3,793.24	4,554.73	
Region Asie	P.40582.1.01	EUR	0.00	100,000.00	0.00	384.13	0.00	100,384.13	0.00	0.00	0.00	7.50	0.00	0.00	100,384.13	120,536.04	
Total WBS Ext: 1.01-04			110,703.07	100,000.00	0.00	384.13	0.00	100,384.13	27.88	0.00	101,329.93	37.50	7,598.50	0.00	108,928.43	102,186.65	122,700.42
Région Asie	P.40469.1.01	CHF	52,895.24	0.00	0.00	0.00	0.00	0.00	-52,895.24	0.00	0.00	7.00	0.00	0.00	0.00	0.00	
Montenegro	P.40483.1.01	CHF	333.72	0.00	0.00	0.00	-333.72	-333.72	0.00	0.00	0.00	7.50	0.00	0.00	0.00	0.00	
Région Afrique	P.40487.1.01	CHF	241,574.06	0.00	0.00	893.42	0.00	893.42	0.00	0.00	25,560.51	7.50	1,917.04	0.00	27,477.55	214,989.93	214,989.93
Uganda	P.40488.1.01	CHF	81,725.03	0.00	0.00	195.74	0.00	195.74	0.00	0.00	34,527.46	7.50	2,589.56	0.00	37,117.02	44,803.75	44,803.75
Uganda	P.40489.1.01	CHF	7,500.19	0.00	0.00	0.00	0.00	0.00	-7,500.19	0.00	0.00	7.50	0.00	0.00	0.00	0.00	
Tanzania	P.40505.1.01	CHF	88,954.07	0.00	0.00	66.86	0.00	66.86	0.00	0.00	68,367.46	7.50	5,127.56	0.00	73,495.02	15,525.91	15,525.91
Ivory Coast	P.40519.1.01	CHF	76,916.20	0.00	0.00	0.00	-4,019.34	-4,019.34	0.00	0.00	67,593.27	7.50	5,303.59	0.00	72,896.86	0.00	0.00
Burundi	P.40521.1.01	CHF	88,231.45	0.00	0.00	367.25	0.00	367.25	0.00	0.00	0.00	7.50	0.00	0.00	88,598.70	88,598.70	
Jamaica	P.40533.1.01	CHF	72,844.12	0.00	0.00	302.33	0.00	302.33	0.00	0.00	148.97	7.50	11.17	0.00	160.14	72,986.31	72,986.31
Ghana	P.40535.1.01	CHF	88,268.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	80,572.72	7.50	6,042.95	0.00	86,615.67	1,652.40	1,652.40
Barbados	P.40540.1.01	CHF	138,163.00	0.00	0.00	551.36	0.00	551.36	0.00	0.00	0.00	7.50	0.00	0.00	138,714.36	138,714.36	
Global	P.40545.1.01	CHF	133,213.73	627,749.17	9,223.47	303.30	-250,653.72	386,622.22	-159,885.27	0.00	109,541.23	10.00	16,861.53	0.00	126,402.76	233,547.92	233,547.92
Global	P.40548.1.01	CHF	0.00	126,000.00	0.00	274.23	0.00	126,274.23	0.00	0.00	56,478.12	7.50	4,235.86	0.00	60,713.98	65,560.25	65,560.25
Cyprus	P.40549.1.01	CHF	55,272.10	83,163.00	0.00	334.31	0.00	83,497.31	0.00	0.00	54,065.64	7.50	4,054.92	0.00	58,120.56	80,448.85	80,448.85
Trinidad & Tobago	P.40558.1.01	CHF	0.00	138,163.00	0.00	369.19	0.00	138,532.19	0.00	0.00	46,802.00	7.50	3,510.15	0.00	50,312.15	88,220.04	88,220.04
Palesine	P.40559.1.01	CHF	0.00	0.00	0.00	166.67	0.00	166.67	0.00	0.00	40,147.18	7.50	0.00	0.00	40,313.85	40,313.85	
Philippines	P.40564.1.01	CHF	0.00	217,711.00	495.36	367.25	0.00	218,573.61	0.00	0.00	131,386.25	7.50	9,853.97	0.00	141,240.22	77,333.39	77,333.39
Total WBS Ext: 1.01			1,125,890.98	1,192,786.17	9,718.83	4,191.91	-255,006.78	951,690.13	-180,133.52	0.00	675,043.63		59,508.30	0.00	734,551.93	1,142,895.66	1,142,895.66







## ANNEX A6

## Information and Communication Technology Development Fund (ICTDF) – in Swiss francs – See Note 20

Expenses	2014	Revenue	2014
Financing of Projects	886,963.66	Contributions	1,820,001.82
		Interest	3,779.53
		Interest transferred from trust fund	16,299.58
		Transfer of balances from TS projects closed	25,090.76
		Reversal revaluation 2013	15,348.95
Surplus revenue	1,037,316.71	Revaluation 2014	43,759.73
	<u>1,924,280.37</u>		<u>1,924,280.37</u>

## ANNEX B

## SITUATION OF ARREARS AT 31 DECEMBER 2014

## AMOUNTS DUE IN RESPECT OF CONTRIBUTIONS AND PUBLICATIONS

A. Member States of the Union	Year	Contributions	Publications	Total
Antigua and Barbuda	1987-2013	1,430,915.00	30,748.95	1,461,663.95
Dem. People's Rep. of Korea	2013	43,715.10	0.00	43,715.10
Dominica	2001-2013	309,393.25	0.00	309,393.25
Federation of Saint Kitts and Nevis	2007-2013	183,468.40	0.00	183,468.40
Haiti	2012-2013	22,205.30	0.00	22,205.30
Honduras	2011-2013	28,913.84	0.00	28,913.84
Iran	2013	38,978.08	0.00	38,978.08
Italy	2013	7,552.50	0.00	7,552.50
Lao P.D.R.	2010-2013	7,444.08	0.00	7,444.08
Lesotho	2006-2013	6,004.25	0.00	6,004.25
Liberia	1994-2013	1,794,889.42	0.00	1,794,889.42
Marshall Islands	1998-2013	1,395,644.77	0.00	1,395,644.77
Micronesia	2009-2013	32,356.70	0.00	32,356.70
Nauru	1991-2013	1,172,902.90	0.00	1,172,902.90
Pakistan	2009-2013	111,895.30	0.00	111,895.30
Saint Vincent and the Grenadines	2009-2013	58,360.23	0.00	58,360.23
Senegal	2013	21,611.40	0.00	21,611.40
Solomon Islands	1990-2013	975,930.03	4,377.65	980,307.68
Tuvalu	1998-2013	164,289.52	0.00	164,289.52
Uruguay	2012-2013	9,354.50	0.00	9,354.50
		<u>7,815,824.57</u>	<u>35,126.60</u>	<u>7,850,951.17</u>

<b>B. Sector Members and other entities</b>	<b>Year</b>	<b>Contributions</b>	<b>Publications</b>	<b>Total</b>
<b>Afghanistan</b>				
- Telecom Development Company, Kabul	2007-2008	5,878.90	0.00	5,878.90
<b>Algeria</b>				
- Algérie Telecom, Algiers	2007-2009	2,712.25	0.00	2,712.25
- Institut National de la Poste et des Technologies de l'Information et de la Comm., Alger	2012-2013	2,581.25	0.00	2,581.25
- Institut National des Télécomm et des Technologies de l'Information, Oran el Mnaouer	2011-2013	8,840.94	0.00	8,840.94
- Orascom Telecom Algérie, Algiers	2010	5,206.55	0.00	5,206.55
- Wataniya Telecom Algérie Spa, Algiers	2005-2007	6,327.60	0.00	6,327.60
<b>Argentina</b>				
- Cooperativa Telefónica (COTELCAM), Buenos Aires	2003-2006	28,531.85	0.00	28,531.85
- CICOMRA, Buenos Aires	2002-2003	10,139.05	0.00	10,139.05
- IMPSAT Corp. S.A., Buenos Aires	1999-2006	45,607.50	0.00	45,607.50
<b>Azerbaijan</b>				
- AZ-EVRO TEL, Baku	2012	9,267.65	0.00	9,267.65
- Caspian American Telecomm. LLC, Baku	2005-2007	26,657.20	0.00	26,657.20
<b>Bahrain</b>				
- Gateway Gulf LLC, Manama	2010	5,206.55	0.00	5,206.55
<b>Belarus</b>				
- Belarsat LLC, Minsk	2009-2010	16,469.15	0.00	16,469.15
<b>Belgium</b>				
- AnSem, Heverlee	2010	13,884.10	0.00	13,884.10
- Auro Technologies NV, MOL	2010	11,657.35	0.00	11,657.35
- Cullen International S.A., Namur	2007-2008	14,044.75	0.00	14,044.75
<b>Botswana</b>				
- Mascom Wireless Botswana (Pty), Garbone	2012-2013	4,407.25	0.00	4,407.25

**Brazil**

- Intelig Telecom. Ltda, Rio de Janeiro	2000-2002	133,098.95	0.00	133,098.95
- Oi (Tele Norte Leste Particip.), Rio de Janeiro	2005-2007	316,805.10	0.00	316,805.10

**Canada**

- Sierra Wireless Inc. (Ex. In Motion Technology), Richmond	2008-2009	19,279.35	0.00	19,279.35
- The Institute of Mobile Technologies, Toronto	2011-2012	5,019.90	0.00	5,019.90

**Chad**

- Tchad Mobile S.A., N'Djamena	2003-2007	27,149.55	0.00	27,149.55
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**China (People's Rep. of)**

- PCCW Limited, Hong Kong	2002-2006	803,175.90	0.00	803,175.90
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**Colombia**

- Projects Consulting Group Ltda., Bogotá	2010-2011	19,934.80	0.00	19,934.80
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**Côte d'Ivoire**

- Associat. des Consommat. de Télécomm., Abidjan	2007-2008	6,502.50	0.00	6,502.50
- Côte d'Ivoire Telecom, Abidjan	2002-2006	617,453.75	0.00	617,453.75

**Egypt**

- Barkotel Communications, Cairo	2002-2006	35,172.65	0.00	35,172.65
- Egyptian Company for Networks, Cairo	2000-2007	21,128.25	0.00	21,128.25
- EITESAL (For EHITA), Cairo	1999-2002	20,056.25	0.00	20,056.25
- LINKdoNET, Cairo	2008-2009	5,640.85	0.00	5,640.85
- Sakhr Software Co., Cairo	2006-2007	8,307.10	0.00	8,307.10
- Systel, Cairo	2001-2006	45,205.90	0.00	45,205.90
- Telecom Consultants, Cairo	2002-2006	36,734.75	0.00	36,734.75
- Trade Fairs International, Cairo	2000-2006	48,360.25	0.00	48,360.25

**Fiji**

- Secretariat of the Pacific Community, Suva	2012-2013	4,403.95	0.00	4,403.95
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**Finland**

- Octagon Telecom Oy (Ex. Oy Cubio Communications Ltd.), Helsinki	2012-2013	14,406.65	0.00	14,406.65
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**France**

- Guadeloupe Téléphone Mobile, Saint Martin	2008-2009	25,513.80	0.00	25,513.80
- Guyane Téléphone Mobile, Saint Martin	2008-2009	27,200.00	0.00	27,200.00
- Martinique Téléphone Mobile, Saint Martin	2008-2009	27,200.00	0.00	27,200.00
- Viable France, Paris	2010-2012	13,095.30	0.00	13,095.30

**Guinea**

- SOTELGUI, Conakry	2010-2012	5,487.73	0.00	5,487.73
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**Haiti**

- Communication Cellulaire d'Haïti, Port-au-Prince	2006-2007	94,677.45	0.00	94,677.45
- Haiti Télécommunications Int. S.A., Petion-Ville	2008	46,800.45	0.00	46,800.45

**Honduras**

- UNITEC, Tegucigalpa	2012	2,316.90	0.00	2,316.90
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**India**

- Data Access Ltd., New Delhi	2005-2007	157,407.90	0.00	157,407.90
- Luna Ergonomics Pvt. Ltd., Noida	2011	4,911.85	0.00	4,911.85
- Mahanagar Telephone Nigam Ltd., New Delhi	2012	41,704.15	0.00	41,704.15
- Raitel Corporation of India Ltd., New Delhi	2013	4,371.50	0.00	4,371.50
- Reliance Infocom Ltd., Navi Mumbai	2009	93,821.70	0.00	93,821.70
- Shyam Telecom Limited, Gurgaon	2010-2012	4,652.00	0.00	4,652.00
- Sinhgad Tech. Education Society, Pune	2011-2012	3,303.20	0.00	3,303.20
- Tata Communications Ltd., New Delhi	2013	4,371.50	0.00	4,371.50
- Telecommunications Consultants, New Delhi	2006-2007	102,193.50	0.00	102,193.50
- TranSwitch India Pvt. Ltd., New Delhi	2012	12,356.80	0.00	12,356.80
- Vihaan Networks Ltd., Gurgaon	2013	39,343.55	0.00	39,343.55

**Indonesia**

- PT Bakrie Telecom Tbk., Jakarta	1997-2002	51,079.10	0.00	51,079.10
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**Israel**

- Alvarion Ltd., Tel Aviv	2011	13,098.20	0.00	13,098.20
- AudioCodes Ltd., Airport City Lod	2012	37,070.35	0.00	37,070.35
- B-Deltacom Ltd., Herzlia	2009-2010	15,278.15	0.00	15,278.15
- Barak ITC, Rosh Ha'Ayin	2002-2005	126,813.80	0.00	126,813.80
- ECI Telecom Ltd., Petah Tikva	2000-2004	81,082.10	0.00	81,082.10

- Foris Telecom, Rishon Le-Zion	2009-2010	10,431.65	0.00	10,431.65
- Gilat Satellite Networks Ltd., Petah Tikva	1997-2002	84,910.75	0.00	84,910.75
- Golden Lines Int.Comm. Serv., Petah Tikva	2001-2003	150,004.45	0.00	150,004.45
- Metalink Ltd., Israel	2004-2007	24,453.20	0.00	24,453.20
- National Semiconductor, Herzlia	1995-2001	543,076.90	0.00	543,076.90
- Orckit Corrigent, Tel-Aviv	2010	25,541.45	0.00	25,541.45
- Spediant Systems, Tel Aviv	2004-2006	115,543.10	0.00	115,543.10
- Surf Communication Solutions Ltd., Yokneam	2002-2003	54,576.60	0.00	54,576.60
- Telrad Networks Ltd., LED	1998-2006	74,282.20	0.00	74,282.20
- Yitran Communications Ltd., Beer Sheva	2011-2012	12,602.35	0.00	12,602.35

**Italy**

- Aethra S.p.A., Palombina	2007-2008	35,276.45	0.00	35,276.45
- Blu S.p.A., Roma	2001-2003	128,316.10	0.00	128,316.10
- ELSAG SpA, Genova Sestri	1998-2002	75,395.90	0.00	75,395.90
- Polo Tecn. di Stato C. Cattaneo, Castelnovo	2001-2004	179,891.95	0.00	179,891.95
- Selex Communications S.p.A., Genova	2001-2007	433,043.85	0.00	433,043.85

**Jamaica**

- LIME, Kingston	2002-2006	293,877.65	0.00	293,877.65
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**Japan**

- Okinawa Photonics Inc., Okinawa	2002-2006	93,793.60	0.00	93,793.60
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**Jordan**

- Middle East Communications (MEC), Amman	2008-2009	5,550.05	0.00	5,550.05
- Middle East Telecom & Electronics Co., Amman	2000-2003	31,125.45	0.00	31,125.45
- Talal Abu-Ghazaleh & Co., Amman	2006-2007	12,774.25	0.00	12,774.25
- Xpress, Amman	2007-2009	5,643.50	0.00	5,643.50

**Kazakhstan**

- Kazakh Academy of Transp. & Comm., Almaty	2008-2009	6,018.75	0.00	6,018.75
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**Kenya**

- Intersat Africa Limited, Nairobi	2010-2012	4,839.75	0.00	4,839.75
- Telcom Kenya Limited, Nairobi	2005-2007	265,728.10	0.00	265,728.10

**Korea (Rep. of)**

- Luxpert, Seoul	2010-2011	16,632.60	0.00	16,632.60
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**Kuwait**

- The Arabian Business Franchise, Hawalli	2006-2007	12,774.25	0.00	12,774.25
- Wataniya Telecom, Safat	2013	23,314.70	0.00	23,314.70
<b>Kyrgyzstan</b>				
- Alippe TV, Bishkek	2013	4,371.50	0.00	4,371.50
<b>Lebanon</b>				
- Arabcom Hitek, Beirut	2001-2006	45,423.00	0.00	45,423.00
- ExiCon International Group, Beirut	2010-2011	4,947.40	0.00	4,947.40
- IDMI Sal offshore, Beirut	2011	4,911.85	0.00	4,911.85
- MNT/Investcom LLC, Beirut	2008	5,850.10	0.00	5,850.10
- Prepaid International Systems, Zahlé	2008	4,260.65	0.00	4,260.65
<b>Liberia</b>				
- West Africa Telecomm. Inc., Monrovia	2007	6,201.10	0.00	6,201.10
<b>Libya</b>				
- Libyana Mobile Phone Company, Tripoli	2010-2012	110,862.95	0.00	110,862.95
<b>Malaysia</b>				
- Embedded Wireless Labs, Selangor	2006-2007	12,774.25	0.00	12,774.25
<b>Malta</b>				
- Go p.l.c., Marsa	2008	42,900.50	0.00	42,900.50
<b>Mauritania</b>				
- Agence de Promotion de l'Accès aux Services (AP AUS), Nouakchott	2012	4,633.80	0.00	4,633.80
- Société mauritaniennes des télécommunications (MAURITEL S.A.), Nouakchott	2008	52,650.55	0.00	52,650.55
<b>Mexico</b>				
- CANITEC, Mexico	2011-2013	4,550.35	0.00	4,550.35
- Televisa SA de C.V., Mexico	1999	61,327.70	0.00	61,327.70
<b>Morocco</b>				
- CKM Holding, Casablanca	2000-2006	45,484.95	0.00	45,484.95
<b>Mozambique</b>				
- Southern Africa Telecomm. Associat., Maputo	2002-2006	249,201.40	0.00	249,201.40
<b>Netherlands</b>				
- Smitcoms N.V., St. Maarten	2004-2007	431,810.10	0.00	431,810.10

- Stichting Open Spectrum, Amsterdam	2010-2011	10,936.60	0.00	10,936.60
- United Telecom. Services (UTS), Willemstad	2012	4,110.10	0.00	4,110.10
<b>New Zealand</b>				
- Q-Tel (NZ) Limited, Auckland	2003-2006	76,084.80	0.00	76,084.80
<b>Nigeria</b>				
- Nigerial Communications Ltd. (NITEL), Abuja	2004-2007	251,269.05	0.00	251,269.05
- Nigerial Communications Satellite Ltd., Abuja	2004-2007	35,994.95	0.00	35,994.95
<b>Pakistan</b>				
- Callmate Telips Telecom Ltd., Karachi	2006-2007	77,761.45	0.00	77,761.45
- e Worlwide Group, Islamabad	2011-2013	4,451.00	0.00	4,451.00
- Pakistan Institute of Human Rights, Islamabad	2012-2013	5,659.65	0.00	5,659.65
- Paktel Limited, Islamabad	2007	6,201.10	0.00	6,201.10
- Sysnet Pakistan (Pvt) Ltd., Karachi	2003-2006	24,495.25	0.00	24,495.25
<b>Philippines</b>				
- PhilCom, Makati City	2007-2009	5,642.85	0.00	5,642.85
<b>Romania</b>				
- Polytechnic School Bucharest, Bucharest	2009-2010	5,299.85	0.00	5,299.85
- Telemobil S.A., Balotesti	2003-2007	21,083.75	0.00	21,083.75
- Topex Public Switching S.A., Bucharest	2004-2007	9,635.55	0.00	9,635.55
<b>Russian Federation</b>				
- National Telemedicine Agency, Moscow	2012	3,475.35	0.00	3,475.35
<b>Saudi Arabia</b>				
- Bayanat Aloula for Network Services, Riyadh	2005-2008	6,103.20	0.00	6,103.20
- Electronia, Ltd., Al Khubar	2008-2010	5,227.25	0.00	5,227.25
- Saudi Telecom, Riyadh	2012	6,050.82	0.00	6,050.82
- Tuwaiq Communications Company, Riyadh	2008-2009	58,920.70	0.00	58,920.70
- Zajoul for Advance Comm. Tech., Riyadh	2005-2007	19,676.00	0.00	19,676.00
<b>Somalia</b>				
- Telcom Somalia, Mogadishu	2005-2007	13,297.15	0.00	13,297.15

**South Africa**

- Cell C (Pty) Ltd., Benmore	2004-2007	412,792.40	0.00	412,792.40
- Radio Surveillance Sec. Serv. SA	2010	13,884.10	0.00	13,884.10
- Transtel, Johannesburg	2002-2006	661,224.65	0.00	661,224.65

**Sri Lanka**

- Sri Lanka Telecom Ltd., Colombo	2002-2012	6,954.45	0.00	6,954.45
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**Sudan**

- Canartel, Khartoum	2013	39,343.55	0.00	39,343.55
- Garden City College for Science & Technology, Khartoum	2013	2,154.15	0.00	2,154.15
- Open University of Sudan, Khartoum	2013	2,154.15	0.00	2,154.15
- Sotecna & GSA Services Company, Khartoum	2013	3,949.30	0.00	3,949.30
- Sudan Telecom Company Ltd., Khartoum	2011-2013	4,294.30	0.00	4,294.30
- University of Khartoum, Khartoum	2013	2,154.15	0.00	2,154.15

**Sweden**

- UpZide Labs AB, Lulea	2009	14,717.15	0.00	14,717.15
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**Syrian Arab Republic**

- Arab Regional Isps Association (ARISPA), Manama	2009	5,518.95	0.00	5,518.95
- Syrian Korean Co. for Manuf., Damascus	2007	5,167.65	0.00	5,167.65

**Tanzania**

- Vodacom Tanzania Limited, Dar-Es-Salaam	2013	4,371.50	0.00	4,371.50
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**Togolese Republic**

- Centre Rég. de Maintenan. des Télécom (CMTL), Lomé	2003-2007	187,396.20	0.00	187,396.20
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**Tunisia**

- Ecole Nationale d'Ingénieurs de Tunis	2011-2012	8,840.94	0.00	8,840.94
- Orascom Telecom Tunisie, Tunis	2013	4,371.50	0.00	4,371.50
- University of Sfax, Sfax	2011-2012	2,946.93	0.00	2,946.93

**Turkey**

- Telsim Mobile Telecom.Services SA, Istanbul	2001-2006	363,383.50	0.00	363,383.50
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**United Kingdom of Great Britain and Northern Ireland**

- Agilent Technologies UK Ltd., South Queensferry	2006	43,820.80	0.00	43,820.80
- Celtel International, London	2004-2007	12,789.60	0.00	12,789.60
- Conexant Systems (Ex. GlobespanVirata), Reading, Berkshire	2003	45,952.00	0.00	45,952.00
- KRE Corporate Recovery LLP (Ex. ICO Satellite Limited), Berks	2012-2013	26,815.50	0.00	26,815.50
- International Telemedia Ass., London	1998-2002	65,815.25	0.00	65,815.25
- Nexus Business Media Ltd., Cranleigh	2001-2002	15,519.90	0.00	15,519.90
- Satphone International Ltd., Hamilton/Bermuda	1997-1999	361,215.50	0.00	361,215.50
- Times Publications Ltd., London	1998-2002	66,227.20	0.00	66,227.20
- Vectone Group Holding Ltd., London	2010	9,468.55	0.00	9,468.55

**United States of America**

- Actiontec Electronics, Inc., Sunnyvale	2008	15,600.20	0.00	15,600.20
- Animatele Inc., New York	2011	13,098.20	0.00	13,098.20
- AOL, New York	2002-2003	159,476.50	0.00	159,476.50
- Bay Microsystems Inc., San José	2010-2011	12,129.93	0.00	12,129.93
- BMC Group Inc. (Ex. Conexant Systems Inc. Claims), Chanhassen	2002-2004	126,562.30	0.00	126,562.30
- Calient Networks Inc., San José	2003-2006	228,254.35	0.00	228,254.35
- CDMA Development Group, Costa Mesa	2012	11,326.75	0.00	11,326.75
- Cirrus Logic Inc., Austin	1999-2003	324,565.55	0.00	324,565.55
- Compuware Corporation, Detroit	2009-2010	10,592.25	0.00	10,592.25
- Conversay, Redmon	2007-2008	62,868.65	0.00	62,868.65
- Covad Communications Company, San José	2001-2002	99,873.35	0.00	99,873.35
- Cypress Semiconductor Corp., San José	2004-2005	29,931.35	0.00	29,931.35
- Delta Information Systems Inc., Horsham	2001-2003	150,618.65	0.00	150,618.65
- Dilithium LLC, Mountain View	2007-2010	8,847.15	0.00	8,847.15
- E-MAC Corporation, Arlington	2005-2007	38,018.75	0.00	38,018.75
- ESS Technology Inc., Fremont	2004	58,497.15	0.00	58,497.15
- Extreme Networks, Santa Clara	2012	3,089.10	0.00	3,089.10
- Ezenia Inc., Salem	2000-2006	294,316.20	0.00	294,316.20

- Forgent Networks Inc., Austin	1998-2006	347,811.95	0.00	347,811.95
- Graphnet Inc., New York	1987-2002	1,157,567.55	0.00	1,157,567.55
- Integrated Device Technology, San Jose	2001-2004	201,961.80	0.00	201,961.80
- ITXC Corporation, Princeton	2004-2007	53,976.35	0.00	53,976.35
- Legerity Inc., Austin	2002-2003	101,765.35	0.00	101,765.35
- Lighsand Communications Inc., Plano	2001-2002	15,564.00	0.00	15,564.00
- Lightwaves Inc., Austin	2009	14,717.15	0.00	14,717.15
- Mitsubishi Electric Research, Cambridge	2009	14,717.15	0.00	14,717.15
- NetNumber.com Inc., Lowell	2003-2005	24,180.70	0.00	24,180.70
- Nextwave Wireless Inc., San Diego	2009	24,824.10	0.00	24,824.10
- Nortel Networks USA, Richardson	2009	29,812.50	0.00	29,812.50
- Orbital International Inc., Germantown	1998-1999	141,120.45	0.00	141,120.45
- Overture Networks Inc. (Ex. Ceterus & Hatteras Networks ), Morrisville	2008-2009	29,831.80	0.00	29,831.80
- Polycom Inc., Reading	2002-2003	46,130.00	0.00	46,130.00
- Puerto Rico Telephone Company, San Juan	1995-2002	651,349.60	0.00	651,349.60
- Quantum Group International Inc., Calabsas	2013	34,466.45	0.00	34,466.45
- Razoom Inc., Palo Alto	2010	13,884.10	0.00	13,884.10
- Spirent Communications, Sunnyvale	2010-2011	48,201.30	0.00	48,201.30
- Sunrise Telecom Incorporated, San Jose	2012	18,535.20	0.00	18,535.20
- Syniverse Technologies Inc., Tampa	2009-2010	53,220.50	0.00	53,220.50
- Teraburst Networks Inc., Sunnyvale	2003-2007	91,242.45	0.00	91,242.45
- Texas Instruments, Dallas	2000-2001	72,022.40	0.00	72,022.40
- The Village Group Inc., Waltham	2007-2008	11,737.15	0.00	11,737.15
- UTStarcom, Inc., Fremont	2004-2010	46,899.65	0.00	46,899.65
- Visible Energy Inc., Palo Alto	2010	12,726.65	0.00	12,726.65
- Vocal Technologies Ltd., Amherst	1998-2002	353,402.80	0.00	353,402.80
- Wave7 Optics, Alpharetta	2008	15,600.20	0.00	15,600.20
- Wireless Gigabit Alliance, Beaverton	2013	34,972.05	0.00	34,972.05
- Xerox, Washington	2004-2007	63,630.45	0.00	63,630.45
- Zhone Technologies, Oakland	2002-2005	229,091.70	0.00	229,091.70
<b>Viet Nam</b>				
- Viettel Technologies, Hanoi	2008-2009	22,988.65	0.00	22,988.65

**Zimbabwe**

- Africom Private Ltd., Harare	2004-2007	20,588.50	0.00	20,588.50
- Broadcasting Authority of Zimbabwe, Harare	2002-2006	262,832.35	0.00	262,832.35
- NetOne Cellular Ltd., Harare	2003-2006	262,999.18	0.00	262,999.18
- TeleAccess Private Ltd., Harare	2003-2006	226,151.00	0.00	226,151.00
- University of Zimbabwe, Harare	2008-2009	17,771.95	0.00	17,771.95

**Resolution 99 (Rev. Guadalajara, 2010)**

- BCI Communicat. & Advanced Tech., Ramallah	2007-2008	7,344.40	0.00	7,344.40
		<u>16,719,915.12</u>	<u>0.00</u>	<u>16,719,915.12</u>

**C. Other Debtors**

	Year	Contributions	Publications	Total
- Agence National des Fréquences, Alger		0.00	2,395.50	2,395.50
- Ministry of Information, Riyadh		0.00	4,259.55	4,259.55
- RDN Publicacoes et Material, Vitoria		0.00	2,229.00	2,229.00
		<u>0.00</u>	<u>8,884.05</u>	<u>8,884.05</u>

**D. Other Miscellaneous Debtors\***

		<u>18,102.21</u>	<u>1,173.00</u>	<u>19,275.21</u>
<b>Total at 31.12.2014</b>		<u><u>24,553,841.90</u></u>	<u><u>45,183.65</u></u>	<u><u>24,599,025.55</u></u>

\* Includes debtors with amounts below CHF 5 000 for Member States of the Union and CHF 2000 for Sector Members, other entities or organizations and other debtors

## AMOUNTS DUE IN RESPECT OF SPECIAL ARREARS ACCOUNTS (REPAYMENT AGREEMENTS)

Member States - Sector Members/ Companies	PP Resolutions	Transfer to Special Arrears Account	Balance at 31.12.2013	Movements 2014	Interest 2014	Payments 2014	Balance at 31.12.2014
<b>Member States</b>							
Sudan	Rés. 38 PP 1989	567,047.95	216,028.45	0.00	0.00	-15,000.00	201,028.45
Grenada	Rés. 41- 2008	662,554.65	392,234.31	0.00	0.00	-42,352.17	349,882.14
Bolivia	Rés. 41- 2009	6,515,226.72	4,872,915.32	0.00	0.00	-328,462.28	4,544,453.04
Benin	Rés. 41- 2011	462,317.50	331,971.46	0.00	0.00	-43,448.68	288,522.78
Tajikistan	Rés. 41- 2011	745,617.40	652,099.36	0.00	0.00	-23,379.51	628,719.85
Comoros	Rés. 41- 2012	376,005.93	328,602.71	0.00	0.00	0.00	328,602.71
Sierra Leone	Rés. 41- 2012	3,132,182.47	3,002,813.71	0.00	0.00	-64,684.38	2,938,129.33
Central African Republic	Rés. 41- 2014	159,474.68	0.00	159,474.68	0.00	-8,253.73	151,220.95
Congo (Republic of the)	Rés. 41- 2014	1,320,991.48	0.00	1,320,991.48	0.00	-62,170.31	1,258,821.17
Gambia	Rés. 41- 2014	213,969.67	0.00	213,969.67	0.00	-10,977.82	202,991.85
Guinea-Bissau	Rés. 41- 2014	4,019,843.48	0.00	4,019,843.48	0.00	-151,929.12	3,867,914.36
Nicaragua	Rés. 41- 2014	1,583,293.66	0.00	1,583,293.66	0.00	-120,804.68	1,462,488.98
Somalia	Rés. 41- 2014	2,186,343.35	0.00	2,186,343.35	0.00	-62,796.22	2,123,547.13
<b>Sector Members/Companies</b>							
CYNAPSYS, Tunisia	Rés. 41 - 2012	6,070.25	4,082.75	0.00	0.00	-993.75	3,089.00
NARSDA, Nigeria	Rés. 41 - 2012	126,482.04	40,613.70	-40,613.70	0.00	0.00	0.00
Cameroon Telecommunicat., Cameroon	Rés. 41 - 2013	179,029.50	134,142.50	-134,142.50	0.00	0.00	0.00
Ellipsat Inc., United States	Rés. 41 - 2013	40,781.55	43,781.55	-3,000.00	0.00	-9,000.00	31,781.55
Apprentissages sans Frontières, Switzerland	Rés. 41 - 2014	8,248.15	0.00	8,248.15	0.00	-795.00	7,453.15
IMPACT, Malaysia	Rés. 41 - 2014	11,657.35	0.00	11,657.35	0.00	-7,950.00	3,707.35
<b>Total at 31 December 2014</b>		<b>22,317,137.78</b>	<b><u>10,019,285.82</u></b>	<b>9,326,065.62</b>	<b>0.00</b>	<b>-952,997.65</b>	<b><u>18,392,353.79</u></b>

**AMOUNTS DUE IN RESPECT OF CANCELLED SPECIAL ARREARS ACCOUNTS (REPAYMENT AGREEMENTS CANCELLED FOR NON PAYMENT)**

	<b>PP Resolutions</b>	<b>Transfer to</b>	<b>Balance at</b>	<b>Movements</b>	<b>Interest</b>	<b>Payments</b>	<b>Balance at</b>
<b>Member States – Sector Members/ Companies</b>		<b>Cancelled Special</b>	<b>31.12.2013</b>	<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>31.12.2014</b>
<b>Member States</b>		<b>Arrears Account</b>					
Liberia	Rés. 38 PP 1989	1,001,829.30	2,208,821.35	0.00	132,529.30	0.00	2,341,350.65
Nicaragua	Rés. 41 - 2007	572,046.81	811,459.31	-811,459.31	0.00	0.00	0.00
Somalia	Rés. 41 - 2007	1,327,554.24	1,883,161.04	-1,883,161.04	0.00	0.00	0.00
Gambia	Rés. 41 - 2011	187,876.17	211,097.62	-211,097.62	0.00	0.00	0.00
Chad	Rés. 41 - 2011	942,114.46	998,641.31	-47,757.67	0.00	-950,883.64	0.00
Central African Republic	Rés. 41 - 2012	112,204.55	118,936.80	-118,936.80	0.00	0.00	0.00
Honduras	Rés. 41 - 2012	106,552.92	112,946.12	0.00	6,776.75	0.00	119,722.87
Congo (Republic of the)	Rés. 41 - 2013	1,185,962.41	1,185,962.41	-1,185,962.41	0.00	0.00	0.00
Guinea-Bissau	Rés. 41 - 2013	4,019,843.48	4,019,843.48	-4,019,843.48	0.00	0.00	0.00
Cambodia	Rés. 41 - 2014	6,522,719.85	6,042,131.81	-240,294.02	0.00	0.00	5,801,837.79
<b>Sector Members/Companies</b>							
TIT, Lebanon	Rés. 41 - 2008	25,000.00	33,455.60	0.00	2,007.35	0.00	35,462.95
Bay Microsystems, United States	Rés. 41 - 2011	6,191.23	6,956.43	0.00	417.40	0.00	7,373.83
TranSwitch Corporation, United States	Rés. 41 - 2012	52,608.35	55,764.85	0.00	3,345.90	0.00	59,110.75
Vodafone Omnitel N.V., Italy	Rés. 41 - 2013	76,454.85	78,735.75	0.00	4,724.15	0.00	83,459.90
Cameroon Telecomm., Cameroon	Rés. 41 - 2014	149,588.50	0.00	134,142.50	0.00	0.00	134,142.50
<b>Total at 31 December 2014</b>		<b>16,288,547.12</b>	<b><u>17,767,913.88</u></b>	<b>-8,384,369.85</b>	<b>149,800.85</b>	<b>-950,883.64</b>	<b><u>8,582,461.24</u></b>

<b>AMOUNTS DUE IN RESPECT OF INVOICES ESTABLISHED FOR SATELLITE NETWORK FILINGS</b>			
<b>Notifying Administration</b>	<b>Operating Entity</b>	<b>Year</b>	<b>Amount due</b>
<b>Canada</b>	Industry Canada	2010	41,895.25
<b>Czech Republic</b>	CESA sat a.s.	2008	69,847.85
<b>France</b>	Ag. Nationale des Fréquences-ANFR	2010	1,944.56
<b>Iran</b>	Ministry of Information & Communication Technology (MICT)	2012	51,612.55
<b>Nigeria</b>	Federal Ministry of Communication Technology	2012	1,720.40
<b>Philippines</b>	Commission on Information and Communications Technology (CICT)	2003	9,739.75
<b>Russian Federation</b>	Global Information Systems GIS	2003	297,863.21
<b>United States of America</b>	Leading Edge Technologies	2008-2009	101,857.30
<b>Total Arrears at 31.12.2014</b>			<b>576,480.87</b>

<b>AMOUNTS DUE IN RESPECT OF MISCELLANEOUS INVOICES</b>			
<b>Country</b>	<b>Entity</b>	<b>Year</b>	<b>Amount due</b>
<b>Libya</b>	Ministry of Communications & Informatics	2013	6,000.00
<b>Saudi Arabia</b>	Saudi Telecom	2010	62,560.00
<b>Turkey</b>	Organisation Congress Travel (OCT), Istanbul	2012	2,200.00
<b>United States</b>	Cisco Systems, Inc., Lawrenceville	2013	845.52
<b>Total Arrears at 31.12.2014</b>			<b>71,605.52</b>

**SUMMARY: SITUATION OF ARREARS AT 31.12.2014**

<b>AMOUNTS DUE</b>	<b>CHF</b>
Contributions	<b>24,553,841.90</b>
Publications	<b>45,183.65</b>
Special Arrears Accounts (Repayment Agreements)	<b>18,392,353.79</b>
Cancelled Special Arrears Accounts (Repayment Agreements Cancelled for non-payment)	<b>8,582,461.24</b>
Satellite Network Filings	<b>576,480.87</b>
Miscellaneous Invoices	<b>71,605.52</b>
<b><u>TOTAL ARREARS</u></b>	<b><u>52,221,926.97</u></b>

## ANNEX C

## LIST OF DEBTORS AT 31.12.2014 FOR CLOSED ITU TELECOM EVENTS

(This list does not take into account payments received after 31.12.2014)

Événement	Pays	Compagnie	Montant facturé	Paiement reçu	Restant dû
AFT08	Afrique du sud	MPCELL (Pty) Ltd.	3,690.00	0.00	3,690.00
AFT08	Canada	Broad Connect Telecom Ltd.	14,760.00	5,850.00	8,910.00
AFT08	Chine	SipRing Telecommunication	8,200.00	0.00	8,200.00
AFT08	Côte d'Ivoire	Apex Technologies	7,380.00	0.00	7,380.00
AFT08	Liban	Splendor	12,300.00	0.00	12,300.00
<b>AFT08</b>					<b>40,480.00</b>

Événement	Pays	Compagnie	Montant facturé	Paiement reçu	Restant dû
TLC 2006	Chine	American Consulate Hong Kong	400.00	0.00	400.00
TLC 2006	Chine	ChongQing Chong You	7,200.00	0.00	7,200.00
TLC 2006	Chine	Jiangxi Lianchuang	7,200.00	0.00	7,200.00
TLC 2006	Chine	Naike (HK) Digital	7,200.00	0.00	7,200.00
TLC 2006	Chine	Shenzhen Orea Design	3,600.00	0.00	3,600.00
TLC 2006	Chine	Sipnovo	7,200.00	0.00	7,200.00
TLC 2006	Chine	Tiger NetCom	3,150.00	0.00	3,150.00
TLC 2006	Chine	Vapel Power	4,800.00	0.00	4,800.00
<b>TLC 2006</b>					<b>40,750.00</b>

Événement	Pays	Compagnie	Montant facturé	Paiement reçu	Restant dû
TLC 2009	USA	E: Telesis Energy and Data	10,800.00	0.00	10,800.00
TLC 2009	Inde	REVE Systems (S) Pte Ltd	10,800.00	0.00	10,800.00
TLC 2009	USA	UTStarcom Inc.	94,050.00	47,025.00	47,025.00
<b>TLC 2009</b>					<b>68,625.00</b>

Événement	Pays	Compagnie	Montant facturé	Paiement reçu	Restant dû
TLC 2011	Suisse	Client World 2011*	203,243.05	194,643.25	8,599.80
<b>TLC 2011</b>					<b>8,599.80</b>

**LIST OF DEBTORS AT 31.12.2014 FOR CLOSED ITU TELECOM EVENTS (cont'd)**

Événement	Pays	Compagnie	Montant facturé	Paiement reçu	Restant dû
TLC 2012	Algérie	Algérie Telecom	60,000.00	60,000.00	0.00
TLC 2012	Namibie	CRAN	33,600.00	33,600.00	0.00
TLC 2012	Cameroun	Minister of Posts & Telecom.	107,250.00	107,250.00	0.00
TLC 2012	Qatar	Qtel Group	445,800.00	445,800.00	0.00
TLC 2012	Azerbadjan	Ministry of Communications	178,000.00	178,000.00	0.00
<b>TLC 2012</b>					<b>0.00</b>

Événement	Pays	Compagnie	Montant facturé	Paiement reçu	Restant dû
TLC 2013	Senegal	ARTP	150,000.00	150,000.00	0.00
TLC 2013	Chine	China Int'l Advertising Corp.	280,000.00	280,000.00	0.00
TLC 2013	Royaume-Uni	Intel Corporation	280,200.00	280,200.00	0.00
TLC 2013	Azerbadjan	Ministry of Communications	90,000.00	90,000.00	0.00
TLC 2013	Thaïlande	Ministry of Information & Comm.	62,076.00	62,076.00	0.00
TLC 2013	Thaïlande	Ministry of Information & Comm.	94,941.75	94,941.75	0.00
TLC 2013	Laos	Ministry of Posts & Telecom.	14,400.00	14,400.00	0.00
TLC 2013	Nigeria	NCC	110,000.00	110,000.00	0.00
TLC 2013	Thaïlande	Total Access Communications	92,300.00	92,300.00	0.00
TLC 2013	Thaïlande	Real Move Co. Ltd.	160,101.50	160,101.50	0.00
<b>TLC 2013</b>					<b>0.00</b>

Événement	Pays	Compagnie	Montant facturé	Paiement reçu	Restant dû
TLC 2014	Allemagne	LS Telcom	13,650.00	0.00	13,650.00
TLC 2014	Cameroun	Ministère des Postes	110,000.00	1,461.64	108,538.36
TLC 2014	Congo	Ministère des Postes	110,000.00	0.00	110,000.00
TLC 2014	Qatar	Ooredoo Qatar	2,743,966.60	0.00	2,743,966.60
TLC 2014	Inde	TCIL	5,400.00	0.00	5,400.00
TLC 2014	Qatar	Ministry of ICT	14,000.00	0.00	14,000.00
TLC 2014	Nigeria	NCC	12,000.00	0.00	12,000.00
TLC 2014	Arabie Saoudite	Saudi Telecom	20,250.00	0.00	20,250.00
<b>TLC 2014</b>					<b>3,027,804.96</b>

## ANNEX D

## LIST OF SPONSORS AT 31 DECEMBER 2014

WBS element	Country	Company	Invoice amount	CUR	Balance owed	CUR	Equivalent CHF
P.10015.1.01	Mexico	RADIOMOVIL	42,743.80	CHF	4,969.31	CHF	4,969.31
P.10015.1.01	Qatar	ICT	50,000.00	USD	50,000.00	USD	47,500.07
P.10015.1.01	Qatar	OOREDOO	50,000.00	USD	50,000.00	USD	47,799.78
P.10015.1.01	France	ALCATEL-LUCENT INTERNATIONAL	50,000.00	USD	50,000.00	USD	48,450.08
P.10026.1.01	Mexico	MIN.COMMS&TRANSPORTS	25,000.00	CHF	25,000.00	CHF	25,000.00
P.10026.1.01	France	UNESCO	2,214.00	CHF	2,214.00	CHF	2,214.00
P.10028.1.01	UK	INMARSAT	15,000.00	CHF	15,000.00	CHF	15,000.00
P.10028.1.01	Central African Rep	AGENCE REG.TELECOMMUNICATIONS	15,000.00	CHF	15,000.00	CHF	15,000.00
P.10028.1.01	Saudi Arabia	MCIT	150,000.00	CHF	150,000.00	CHF	150,000.00
P.10028.1.01	China	HUAWEI TECHNOLOGIES	15,000.00	CHF	15,000.00	CHF	15,000.00
P.30051.1.01	France	MICROSOFT	2,000.00	EUR	2,000.00	EUR	2,411.08
P.30052.1.01	USA	BILL&MELINDA GATES FOUNDATION	1,500,000.00	USD	734,609.00	USD	700,095.04
P.40494.1.01	Burkina Faso	ARCEP	100,000.00	USD	100,000.00	USD	96,100.25
P.40580.1.01	USA	IRIDIUM	3,000.00	CHF	3,000.00	CHF	3,000.00
P.40540.1.01	Barbados	GOVERNMENT	138,163.00	CHF	6,163.00	CHF	6,163.00
P.40545.1.01	France	SANOFI-AVENTIS GROUPE	180,000.00	CHF	180,000.00	CHF	180,000.00
		<b>TOTAL</b>					<b>1,358,702.61</b>



International Telecommunication Union

Place des Nations

CH-1211 Geneva 20

Switzerland

[www.itu.int](http://www.itu.int)