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INDEPENDENT AUDITORS' REPORT

To the Inter-American Board of Agriculture
of the Inter-American Institute for Cooperation on Agriculture (IICA)

We have audited the accompanying financial statements of the Inter-American Institute for Cooperation on Agriculture (IICA), which comprise the statement of financial position as at December 31, 2014 and the statement of activities of unrestricted net assets, changes in net assets, and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles in the United States of America and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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Basis for Qualified Opinion

At December 31, 2014, the IICA maintains under the account “Other termination benefits” provisions for US$2,727,782, which are not computed based on an actuarial or similar study to support the amount of the obligation. Also, at December 31, 2014 in the employee benefit provisions there are other amounts of US$3,570,832 for which actuarial studies were performed that showed that such provisions were overstated by US$957,873. Consequently, IICA’s liabilities and net assets at December 31, 2014 and the changes in its net assets for the years then ended are affected in amounts not determined by IICA’s management.

Qualified Opinion

In our opinion, except for the effect of the matter explained in paragraph Basis for Qualified Opinion, the financial statements present fairly, in all material respects, the financial position of IICA as of December 31, 2014 and the changes in its net assets and its cash flows for the year then ended in accordance with the generally accepted accounting principles in the United States of America.

Emphasis of a Matter

Without qualifying our audit opinion, as stated in Note 14 to the financial statements, IICA is facing possible legal claims related to the execution in Colombia of the Agro-Ingreso Seguro Program.

Other Matters

The financial statements of IICA for the year ended December 31, 2013 were audited by other auditors dated April 10, 2014, who expressed a qualified opinion on these financial statements due to the recognition of provisions for employee benefits for US$18,440,894, which were not based on actuarial or similar studies to determine the amount of the obligation and make the disclosures required under generally accepted accounting principles in the United States of America.

As part of our audit of the 2014 financial statements, we also audited the adjustments described in Note 13 that were applied to amend the 2013 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2013 IICA’s financial statements other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2013 financial statements taken as a whole.

Licda. Anayancy Porras Barrientos - C.P.A. No.2863
Insurance Policy No.0116 FIG 7
Expires: September 30, 2015
Law stamp of Law No.6663 for ¢1.000, attached and paid

June 4, 2015

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013
(Stated in United States Dollars)

		December 31, 2014				
	Notes	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	December 31, 2013 (Restructured)
ASSETS						
CURRENT ASSETS:						
Cash	1e, 2	US$ 11,707,279			US$ 11,707,279	US$ 25,874,539
Cash equivalents	1e, 3	41,436,250			41,436,250	33,296,241
Investments held to maturity	1f, 4	32,703,508			32,703,508	34,371,820
Subtotal		85,847,037			85,847,037	93,542,600
Receivables:						
Quotas from Member States		5,822,181			5,822,181	2,153,801
Payments made on behalf of contracts, agreements and grants		473,883			473,883	521,495
Due from regular fund to trust fund	1g	(59,259,096)	US$59,259,096			
Other		135,123			135,123	149,984
Subtotal		(52,827,909)	59,259,096		6,431,187	2,825,280
Less: Allowance for doubtful accounts	1i					(264,928)
Receivables - net		(52,827,909)	59,259,096		6,431,187	2,560,352
Inventories	1h	86,038			86,038	88,804
Advances of External Resources Allocated	1q	1,110,945			1,110,945	2,164,904
Prepaid expenses		5,701			5,701	2,177
Other assets		109,665			109,665	140,938
Total current assets		34,331,477	59,259,096		93,590,573	98,499,775
PROPERTY, FURNITURE AND EQUIPMENT - Net	1j, 1k, 5	1,676,065		US$8,713,171	10,389,236	10,176,466
TOTAL ASSETS		US$36,007,542	US$59,259,096	US$8,713,171	US$103,979,809	US$108,676,241
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses		US$ 1,480,325			US$ 1,480,325	US$ 2,669,781
Other accruals		164,710			164,710	128,063
Total current liabilities		1,645,035			1,645,035	2,797,844
Provisions for:						
Repatriation and transfer of international professional personnel	1*l*	1,204,491			1,204,491	1,312,255
Recognition of years of service for international professional personnel	1*l*	1,289,477			1,289,477	1,292,905
Recognition of years of service for local personnel	1*l*	2,612,182			2,612,182	2,496,862
Other termination benefits	1*l*	7,810,902			7,810,902	7,689,712
Other liabilities of projects	13	7,224,325			7,224,325	7,400,834
Total provisions		20,141,377			20,141,377	20,192,568
Total liabilities		21,786,412			21,786,412	22,990,412
NET ASSETS:						
Unrestricted funds:						
Regular fund:						
General subfund	1b	4,272,855			4,272,855	4,272,181
Working subfund	1b	4,094,736			4,094,736	4,094,736
Miscellaneous income fund	1b	3,278,798			3,278,798	3,871,545
Institutional net rate fund	1b	898,676			898,676	1,060,370
Fixed assets fund	1b	1,676,065			1,676,065	1,463,295
Temporarily restricted funds:						
Trust funds	1b		US$59,259,096		59,259,096	62,210,531
Permanently restricted fund - land	1b			US$8,713,171	8,713,171	8,713,171
Total net assets		14,221,130	59,259,096	8,713,171	82,193,397	85,685,829
TOTAL LIABILITIES AND NET ASSETS		US$36,007,542	US$59,259,096	US$8,713,171	US$103,979,809	US$108,676,241
CONTINGENCIES	14	US$	US$	US$	US$	US$

See accompanying notes to the financial statements.

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)

STATEMENTS OF ACTIVITIES OF UNRESTRICTED NET ASSETS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(Stated in United States Dollars)

		2014					2013				
	Notes	Regular Fund Quotas	Miscellaneous Income Fund	Institutional Net Rate Fund	Trust Funds	Total	Regular Fund Quotas	Miscellaneous Income Fund	Institutional Net Rate Fund	Trust Funds	Total
REVENUES:											
Quotas from Member States	1c	US$27,810,000				US$ 27,810,000	US$27,810,000				US$ 27,810,000
Recovery of Institutional Net Rate (INR)	6			US$8,088,751		8,088,751			US$ 7,626,595		7,626,595
Temporarily restricted funds assets released from restrictions	1g				US$116,265,470	116,265,470				US$116,513,640	116,513,640
Total revenues		27,810,000		8,088,751	116,265,470	152,164,221	27,810,000		7,626,595	116,513,640	151,950,235
EXPENSES:											
International professional personnel		9,578,684				9,578,684	9,658,357				9,658,357
Local professional and general service		10,093,613				10,093,613	10,173,832				10,173,832
Training and technical events		1,224,114				1,224,114	1,393,842				1,393,842
Official travel		907,551				907,551	1,013,247				1,013,247
Documents and materials and supplies		452,513				452,513	356,374				356,374
Plant, equipment and furniture		453,144				453,144	225,629				225,629
General services		2,073,856				2,073,856	1,976,731				1,976,731
Performance contracts and transfers		1,312,174				1,312,174	1,184,713				1,184,713
Annual allowance to CATIE	8	868,064				868,064	1,000,000				1,000,000
Annual allowance to Caribbean Agricultural Research and Development Institute (CARDI)		200,000				200,000	200,000				200,000
Other costs		645,613				645,613	621,223				621,223
Subtotal of expenses related to quota budget and working subfund		27,809,326				27,809,326	27,803,948				27,803,948
Temporarily restricted funds assets released from restrictions	1g				116,265,470	116,265,470				116,513,640	116,513,640
Disbursements financed with funds from the Institutional Net Rate (INR)	6			8,485,968		8,485,968			9,333,527		9,333,527
Commercial and miscellaneous operations - net	7		US$ 592,747			592,747		US$ 1,485,659			1,485,659
Total expenses		27,809,326	592,747	8,485,968	116,265,470	153,153,511	27,803,948	1,485,659	9,333,527	116,513,640	155,136,774
Increase (decrease) in unrestricted net assets for the year, before excluding net expenses capitalized as property, furniture and equipment and including depreciation of the year		674	(592,747)	(397,217)		(989,290)	6,052	(1,485,659)	(1,706,932)		(3,186,539)
Exclusion of net capitalized expenses as property, furniture and equipment		857,629				857,629	542,831				542,831
Prior period adjustments				235,523		235,523		(9,398)	(457,561)		(466,959)
Increase in unrestricted net assets for the year, before including depreciation of the year		858,303	(592,747)	(161,694)		103,862	548,883	(1,495,057)	(2,164,493)		(3,110,667)
Inclusion of depreciation of the year		(644,859)				(644,859)	(688,875)				(688,875)
Decrease in unrestricted net assets		US$ 213,444	US$(592,747)	US$ (161,694)	US$	US$ (540,997)	US$ (139,992)	US$(1,495,057)	US$(2,164,493)	US$	US$ (3,799,542)

See accompanying notes to the financial statements.

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)

STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(Stated in United States Dollars)

	Net Assets							
	Unrestricted					Temporarily Restricted	Permanently Restricted	
	Regular Fund		Miscellaneous Income Fund	Institutional Net Rate Fund	Fixed Assets Fund			
	General Subfund	Working Subfund				Trust Funds	Land	Total
BALANCE AT DECEMBER 31, 2012	US$4,266,129	US$4,094,736	US$ 5,366,602	US$ 3,224,863	US$1,609,339	US$ 65,818,165	US$8,713,171	US$ 93,093,005
Increase (decrease) in unrestricted net assets for the year	548,883		(1,485,659)	(1,706,932)	(688,875)			(3,332,583)
Prior period adjustments			(9,398)	(457,561)				(466,959)
Increase (decrease) in unrestricted net assets	548,883		(1,495,057)	(2,164,493)	(688,875)			(3,799,542)
Restricted contributions received from donors						112,761,243		112,761,243
Net assets released from restrictions						(116,513,640)		(116,513,640)
Capitalization of net disbursements as property, furniture and equipment	(542,831)				542,831			
Net increase in disbursements made on behalf of contracts, agreements, and grants receivable from donors						144,763		144,763
BALANCE AT DECEMBER 31, 2013	4,272,181	4,094,736	3,871,545	1,060,370	1,463,295	62,210,531	8,713,171	85,685,829
Increase (decrease) in unrestricted net assets for the year	858,303		(592,747)	(397,217)	(644,859)			(776,520)
Prior period adjustments				235,523				235,523
Increase (decrease) in unrestricted net assets	858,303		(592,747)	(161,694)	(644,859)			(540,997)
Restricted contributions received from donors						113,361,647		113,361,647
Net assets released from restrictions						(116,265,470)		(116,265,470)
Capitalization of net disbursements as property, furniture and equipment	(857,629)				857,629			
Net decrease in disbursements made on behalf of contracts, agreements, and grants receivable from donors						(47,612)		(47,612)
BALANCE AT DECEMBER 31, 2014	US$4,272,855	US$4,094,736	US$ 3,278,798	US$ 898,676	US$1,676,065	US$ 59,259,096	US$8,713,171	US$ 82,193,397

See accompanying notes to the financial statements.

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(Stated in United States Dollars)

	2014	2013
OPERATING ACTIVITIES		
Decrease in unrestricted net assets for the year	US$ (776,520)	US$ (3,332,583)
Prior period adjustments	235,523	(466,959)
Decrease in unrestricted net assets	(540,997)	(3,799,542)
Plus: Items not requiring cash:		
Interest income from investments	(4,672,851)	(3,583,687)
Depreciation	644,859	688,875
Allowance for doubtful accounts	(264,928)	
Cash provided by (used in) changes in:		
Quotas receivable from Member States	(3,668,380)	489,236
Other receivables	14,861	47,319
Inventories	2,766	(4,556)
Prepaid expenses	1,050,435	(423,217)
Other assets	62,607	(2,924)
Accounts payable and accrued expenses	(1,189,456)	(1,920,697)
Other accruals	36,647	(63,244)
Provisions	(51,191)	1,566,248
Net cash used in operating activities	(8,575,628)	(7,006,189)
INVESTING ACTIVITIES		
Acquisition of investments held to maturity	1,668,312	(435,141)
Interest income received on investments	4,641,517	3,591,349
Additions to furniture and equipment	(859,983)	(544,553)
Disposal of furniture and equipment	2,354	1,722
Net cash provided by investing activities	5,452,200	2,613,377
FINANCING ACTIVITIES		
Restricted contributions received from donors	113,361,647	112,761,243
Disbursements made in the execution of trust funds	(116,265,470)	(116,513,640)
Net cash used in financing activities	(2,903,823)	(3,752,397)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,027,251)	(8,145,209)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	59,170,780	67,315,989
CASH AND CASH EQUIVALENTS, END OF YEAR	US$ 53,143,529	US$ 59,170,780

See accompanying notes to the financial statements.

1. NATURE OF BUSINESS, BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

a. ***Nature of Business*** - The Inter-American Institute for Cooperation on Agriculture (IICA), formerly the Inter-American Institute of Agricultural Sciences was established on October 7, 1942 pursuant to an initiative of the Organization of American States (OAS) in the District of Columbia, United States of America for an indefinite term. IICA is an autonomous international legal entity of Inter-American scope, whose main objective is to stimulate, promote, and support the efforts of the Member States to achieve agricultural development and rural well-being. Its regulations and operating procedures currently in use were approved at the First Ordinary Meeting of the Inter-American Board of Agriculture, held in August 1981 in Argentina.

IICA has the following formal authority structures:

- Inter-American Board of Agriculture (IABA) comprised by a representative from each Member State.

- Executive Committee comprised by twelve Member States.

- General Directorate.

At present, IICA is made up of 34 Member States with central headquarters located in San José, Costa Rica.

b. ***Basis of Presentation and Funds Managed*** - The financial statements have been prepared in accordance with the generally accepted accounting principles in the United States of America (USGAAP), and are presented according to the American Institute of Certified Public Accountants (AICPA)'s fund accounting policies for not-for-profit organizations. Funds managed by IICA are classified in the accompanying financial statements, according to the accounting policies established by IICA, as Unrestricted Funds, Temporarily Restricted Funds, and Permanently Restricted Funds. Additionally, such funds are classified according to their source and purpose, as follows:

UNRESTRICTED FUNDS

- ***Regular Fund*** - This fund is comprised of two subfunds:

  – **General Subfund** - Activities of this subfund are mainly financed by mandatory contributions from Member States, as established by IABA, based on the quota computation system of the Organization of American States (OAS). In addition, the miscellaneous income is recorded in this fund, unless the IABA or the Executive Committee has approved it for specific purposes. The purpose of the General Subfund is to finance execution of the regular activities planned and budgeted by IICA, including administration and management.

  – **Working Subfund** - The purpose of this subfund is to ensure the normal financial operation of IICA. According to Article No.89 of the Rules of the General Directorate, the subfund balance shall not exceed 15% of annual quotas approved for the corresponding fiscal year, unless otherwise decided by IABA or the Executive Committee. This fund is constituted by the proceeds from the balances of uncommitted appropriations financed by quotas outstanding at each fiscal year-end and by additional funds specifically assigned by IABA or the Executive Committee.

- ***Fixed Assets Fund*** - The Fixed Assets Fund is used by IICA to control unrestricted property, furniture and equipment, which have been either acquired with resources from the Regular Fund and the Institutional Net Rate (INR) Fund or donated thereto by a national or international organization. The balance of the Fixed Assets Fund represents the carrying value, net of depreciation, of fixed assets owned by IICA, except for land with permanent use restrictions.

- ***Institutional Net Rate (INR) Fund*** - The objective of this Fund is to finance additional costs incurred by IICA, in the execution of contracts, agreements, and grants subscribed by donors (Member States, international organizations, and others) for specific purposes and to contribute to the Institute's pre-investment activities. The Institutional Net Rate Fund balance is comprised of the recovery of Institutional Net Rate (INR) in the management of projects executed by IICA with external resources.

- ***Miscellaneous Income Fund*** - This fund was created by the IABA through resolution IICA/IABA/Res.400 (XII-O/03) dated November 13, 2003, with the purpose of covering immediate financial needs of IICA. The Miscellaneous Income Fund is comprised of the balance of those proceeds from the General Subfund that are not committed in the Regular Fund budget at the end of the fiscal year in which they were received.

TEMPORARILY RESTRICTED FUNDS

Trust Funds - The Trust Funds have been established according to contracts, agreements, and grants subscribed by donors (Member States, international organizations, and others) for specific purposes. For control purposes, separate records are maintained to account for income and expenses related to those funds. Moreover, financial resources pertaining to some funds are managed through separate bank accounts according to the agreement terms executed by IICA and the donors.

PERMANENTLY RESTRICTED FUND - LAND

This fund is represented by the original contribution of land to IICA, which has permanent use restrictions (Note 5).

c. ***Budget*** - A summary of significant aspects of each fund budget is provided below:

- **Regular Fund** - On September 26, 2013, through Resolution IICA/IABA/ Res.485 (XVII-O/13) IABA approved the 2015 and 2014 budget for the Regular Fund made up of Member State quotas and other miscellaneous income amounting to US$27,810,000 and US$6,100,000, respectively.

  The 2015 and 2014 miscellaneous income corresponds to US$3,500,000 of budgeted income for that year and transfers of US$2,600,000 from the available balance of the Miscellaneous Income Fund.

  The above resolution authorizes the Director General to transfer amounts between budget chapters not exceeding 15% of each chapter total.

  In the Exhibit 2, a comparative analysis is shown of the detailed budget, actual expenses and respective over/under execution.

- **Trust Funds** - Through resolution IICA/IABA/Res.254 (VIII-O/95) dated September 19, 1995, IABA authorized the Director General to use the resources provided to IICA through the institutions and Member States related to contracts, agreements, and grants, for the agreed upon purposes. The mentioned resolution authorized the Director General to accept contributions and donations, and to subscribe contracts or agreements, as long as they are consistent with the objectives of IICA programs and that the Executive Committee of IICA is notified in advance of contracts or agreements exceeding US$500,000.

d. ***Monetary Unit and Foreign Exchange Transactions*** - The accounting records of IICA are kept in United States Dollars (US$) and the financial statements are expressed in such currency. Assets and liabilities in currencies of the countries where IICA's activities are developed are translated into U.S. Dollars at official exchange rates in effect in each country. Transactions in such currencies are translated into U.S. Dollars using monthly average exchange rates. When determining its financial position and results of activities, IICA values and adjusts the balances of assets and liabilities that are recoverable or payable in the local currency of countries where activities are developed. The resulting differences are applied to the results of the period in which they are incurred.

e. ***Cash and Cash Equivalents*** - Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value with original maturity of less than 3 months.

f. ***Investments Held to Maturity*** - Investments held to maturity are those that the Entity both has the capacity, and intends, to hold until they mature. They are recorded at cost and valued using the amortized cost method.

g. ***Due from Regular Fund and Temporarily Restricted Net Assets*** - Funds contributed by institutions and Member States (donors) to establish Trust Funds for executing contracts, agreements, and grants are recorded as restricted contributions received from donors within temporarily restricted net assets. As the funds are used in the agreed-upon activities, IICA recognizes simultaneously an income for funds released from restrictions and an expense of Trust Funds in the Statement of Activities of Unrestricted Net Assets. Generally, funds received from donors to execute contracts, agreements, and grants are managed by IICA as part of current assets of the Regular Fund. To identify the portion of funds corresponding to resources received from donors, an asset account entitled "Due from Regular Fund to Trust Funds" is used.

Whenever expenses incurred by IICA in the execution of a particular contract, agreement, or grant exceed the amounts contributed to date or are reimbursable, the resulting difference is recorded as an account receivable from the respective donor.

h. ***Inventories*** - Inventories are composed primarily of office supplies stated at average cost, which does not exceed market value.

i. ***Allowance for Doubtful Accounts*** - IICA adopted the policy of recording an allowance for doubtful accounts based on accounts with collection problems.

j. ***Property, Furniture, and Equipment*** - IICA has adopted the policy of charging the amounts disbursed and/or committed for the acquisition of fixed assets to current period expenses, and, subsequently, capitalizing those amounts in the Fixed Assets Fund. Such capitalization is recorded at original acquisition cost of the asset or the market value in effect at the donation date, if they are donated. Minor repairs and maintenance expenses are charged to results of the annual activities. Such practice enables IICA to compare expenditures with annual budgeted amounts for the acquisition of fixed assets and, at the same time, to present such amounts as capitalized assets in the statement of financial position.

k. ***Accumulated Depreciation*** - The historical cost of fixed assets is depreciated over their estimated useful lives using the straight-line method.

Below is a detail of estimated useful lives:

Property, Furniture, and Equipment	Estimated Useful Lives
Buildings	25 years
Furniture and office equipment	3 to 10 years
Vehicles	4 years

l. ***Provisions*** - According to the organization's regulations, in case of resignation or dismissal, IICA pays expenses for transfer, repatriation and recognition of years of service of international professional personnel. Such expenses are computed based on years of service of each official and the number of his/her dependents. Likewise, the national personnel may be entitled to recognition of years of service once they leave IICA, except in those countries where local laws require either payment of fourteen or more salaries per year, or payment of severance equal to half or more of monthly salaries per year of service, in the event of voluntary or involuntary departure.

Where IICA offices are located, local personnel may be entitled to termination benefits according with applicable legislation in each country. IICA follows the policy of recording an accrual for severance indemnities to cover future disbursements for this concept. Additionally, a provision for post-employment benefits for contractual agreements is recorded based upon the different national labor legislations and on the assumption that these would be settled at the closing date and without considering the actuarial probabilities of future events, future salary increases and the time value of money. Actual termination payments are charged to the provision.

m. ***Net Assets - Restricted and Unrestricted Funds*** - IICA applies the accounting standards contained in the Statement of Financial Accounting Standards FASB ASC Topic 958, Not-For-Profit Entities. In accordance with those standards, IICA records contributions received from donors for specific purposes, as well as any income generated by such contributions, as Net Assets-Temporarily Restricted Funds. The balance of each Temporarily Restricted Fund decreases when available resources are used for established purposes, and is disclosed as "net assets released from restrictions" in the Statement of Changes in Net Assets and in the Statement of Activities of Unrestricted Net Assets.

The balance of Unrestricted Funds increases with the excess of income over expenses from IICA's activities (increase in unrestricted net assets), as determined at year-end. Likewise, such balance decreases when there is an excess of expenses over income (decrease in unrestricted net assets).

n. ***Revenue Recognition*** - IICA recognizes the revenue from the quotas of the Member States at beginning of period according to resolution of the Inter-American Board of Agriculture, as well as miscellaneous income as the services are provided.

o. ***Recovery of Institutional Net Rate (INR)*** - As established in certain contract agreements signed with donors (Member States, international organizations, etc.), IICA recovers indirect costs incurred in the execution of these agreements, as a recognition of the administrative efforts devoted by IICA to manage such contracts. Such reimbursement is recognized by IICA as income when earned and increases the balance of the Institutional Net Rate (INR) Fund.

p. ***Accounts Payable*** - The IICA recognizes liabilities in its financial statements when it transfers the ownership of the goods and receives the corresponding service.

q. ***Advances of External Resources Allocated*** - IICA delivers advances to external entities that carry out activities related to Institute projects. The expenditures for such projects are recorded as soon as the settlement of account paperwork is submitted. These advances are related to projects financed with external resources.

r. ***Use of Estimates*** - The preparation of financial statements in accordance with USGAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the related notes. Results could differ from these estimates. Material estimates that are particularly susceptible to significant changes relate mainly to the determination of the useful lives of property, furniture and equipment, other assets and provisions for accrued expenses and other liabilities.

s. ***Financial Instruments*** - Financial instruments of IICA are initially recorded at fair value and consist of cash on hand and bank, investments, accounts receivable, accounts payable and other liabilities. As of December 31, 2014 and 2013, the carrying value of short-term financial instruments approximates their fair value due to their current character.

IICA has not signed any contracts involving derivative financial instruments.

t. ***New Accounting Standards*** - The following standard was updated during 2014 the Financial Accounting Standards Board ("FASB"), with effect on the IICA's financial statements:

Update No.2013-02, Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income ("AOCI") - An amendment to FASB Accounting Standards Codification Topic 220, Comprehensive Income. This update requires disclosure of amounts reclassified out of AOCI by component. In addition, an entity is required to present either on the face of the statement of operations or in the notes, significant amount reclassified out of AOCI, by component. In addition, and entity is required to present either on the face of the financial statement of operations or in the notes, significant amounts reclassified out of AOCI by the respective line items of net income but only if the amount reclassified is required to be reclassified to net income in its entirely in the same reporting period. For amounts not reclassified to net income in their entirety, and entity is required to cross- reference to other disclosures that provide additional detail about those amounts. The IICA adopted ASU No. 2013-02 on January 1st, 2013.

The following standards were updated during 2014 and 2013 by the Financial Accounting standards Board ("FASB"), but they did not affect the IICA's financial statements, due to their operations:

Update No.2013-04 - Liabilities (Topic 405) - Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date (a consensus of the FASB Emerging Issues Task Force).

Update No.2013-05 - Foreign Currency Matters (Topic 830) - Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity (a consensus of the FASB Emerging Issues Task Force).

Update No.2013-07 - Presentation of Financial Statements (Topic 205) - Liquidation Basis of Accounting.

Update No.2013-11 - Income Taxes (Topic 740) - Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (a consensus of the FASB Emerging Issues Task Force).

Update No.2013-12 - Definition of a Public Business Entity - An Addition to the Master Glossary.

2. RESTRICTED CASH

Cash in banks at December 31, 2014 and 2013 includes funds held in separate bank accounts of US$6,095,481 and US$16,679,594, respectively, which may only be used to cover expenditures related to contracts signed by IICA and the respective donors.

3. CASH EQUIVALENTS

Cash equivalents are as follows:

	2014	**2013**
In Argentinean pesos:		
Time deposits, interest between 19.5% and 21.2% per annum (2013: 19.75% and 20% per annum)	US$ 4,681,560	US$ 4,034,082
In Mexican pesos:		
Money market funds, interest of 2.56% per annum (2013: 3% per annum)	9,654,222	9,522,839
In Brazilian reais:		
Money market funds, interest between 10.49% and 10.75% per annum (2013: 7.86% and 8.29% per annum)	26,622,324	18,069,067
In U.S. dollars:		
Overnight deposits, interest between 0.01% and 0.05% per annum	397,144	918,694
Time deposits and mutual funds, interest of 2.5% per annum (2013: 0.26% and 2.25%)	81,000	751,559
Total	US$41,436,250	US$33,296,241

As of December 31, 2014 and 2013, cash equivalents of US$41,293,367 and US$32,732,822, respectively, are restricted to cover expenditures of contracts signed by IICA and the respective donors.

4. INVESTMENTS HELD TO MATURITY

Investments held to maturity are detailed below:

	2014	2013
In Dominican pesos:		
Time deposits, annual interest rate of 6.1% (2013: 5.75% annual), with maturity in March 2015	US$ 1,151,760	US$ 1,863,171
In US dollars:		
Time deposits at BAC San José, annual interest rate of 3.11% (2013: 2.45% to 3.11% annual), with maturity between March and June 2015	834,139	1,508,649
Time deposits at Banco Nacional de Costa Rica, annual interest rate of 0.8%, with maturity in January 2015	717,609	
Time deposits at Bank of America, annual interest rate from 0.24% to 0.27% (2013: 0.22% to 0.36% annual), with maturity between January and June 2015	30,000,000	31,000,000
Total	US$32,703,508	US$34,371,820

As of December 31, 2014 and 2013, investments held to maturity for US$20,884,767 and US$21,172,296, respectively, are restricted to cover disbursements for contracts signed between IICA and the respective counterparts.

5. PROPERTY, FURNITURE AND EQUIPMENT - NET

The property, furniture and equipment, including their useful lives, are detailed as follows:

	2014	2013
Unrestricted:		
Buildings (25 years)	US$ 5,205,177	US$ 5,205,177
Vehicles (4 years)	2,631,884	2,502,954
Furniture and equipment (3, 4, 5 and 10 years)	5,346,130	5,159,364
Total unrestricted fixed assets	13,183,191	12,867,495
Less: Accumulated depreciation	(11,507,126)	(11,404,200)
Total unrestricted fixed assets - net	1,676,065	1,463,295
Permanently restricted - land	8,713,171	8,713,171
Total	US$ 10,389,236	US$ 10,176,466

Property, furniture and equipment do not include fixed assets acquired with resources from specific funds (Trust Funds), since such disbursements are considered expenditures related to the execution of specific agreements related to those funds. However, in accordance with the provisions of each agreement, when assets are donated, exchanged, or sold to IICA, they are recognized in the accounting records as part of the Fixed Assets Fund.

Land located in Costa Rica (San Isidro de Coronado, Turrialba and Limón) was donated to IICA by the Government of Costa Rica. However, once IICA concludes its official mission or terminates its functions in Costa Rica, this property and any improvements thereto shall be returned to the Government of Costa Rica. Income capitalized for this donation is shown in the financial statements of IICA as part of Net Assets - Permanently Restricted Funds. Throughout the years, IICA has built several administrative facilities and related infrastructure on the properties donated by the Government of Costa Rica. These improvements to donated properties have no restrictions of use and are being amortized over their estimated useful lives. As of December 31, 2014, the net book value of such assets is US$35,130 (2013: US$52,695).

According to an agreement subscribed between the Government of Costa Rica and IICA, the Tropical Agricultural Research and Training Center (CATIE) was granted usufruct rights to land and buildings located in Turrialba and Limón, Costa Rica.

6. INCOME AND EXPENSES RELATED TO INSTITUTIONAL NET RATE (INR)

On October 13, 1997, through Resolution IICA/IABA/Res.310 (IX-O/97), the Inter-American Board of Agriculture agreed to establish the Institutional Net Rate (INR) Fund. The purpose of this fund is to finance the additional costs incurred by the Institute in the execution of contracts and to contribute to the institutional pre-investment activities.

Income and expenses related to Institutional Net Rate (INR) are comprised as follows:

	2014	2013
Income:		
Ministry of Agriculture and Rural Development - Colombia	US$ 23,170	US$ 35,153
Ministry of Agriculture and Livestock - Ecuador	84,777	101,963
Secretariat of Agriculture, Livestock, Fisheries and Food - Argentina	824,133	1,306,500
Ministry of Agriculture and Livestock - El Salvador	67,834	776,359
National Health Service, Food Safety and Food Quality (SENASICA) - Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) - Mexico	4,281,450	2,960,277
Government of the United States of America	194,275	166,375

(Continues)

	2014	2013
Ministries of Agriculture, Livestock and Procurement, Agrarian Development, Mines and Energy - Brazilian Institute of Environment and Renewable Natural Resources - Brazil	US$ 679,738	US$ 339,751
Secretariat of Agriculture and Livestock - Honduras	130,588	332,885
Agencies and Organizations of International Cooperation	651,203	627,824
Secretariat of Central American Agricultural Council (SCAC)	112,547	190,016
Ministry for Foreign Affairs of Finland	533,658	298,209
Other institutions	505,378	491,283
Total	US$8,088,751	US$7,626,595
Expenses:		
International professional personnel	US$1,214,594	US$ 936,795
Local professional and general services personnel	4,253,916	5,094,602
Training and technical events	121,360	185,623
Official travel	291,393	318,861
Documents and materials and supplies	190,793	199,956
Plant, equipment and furniture	356,782	213,748
General services	931,106	1,416,085
Performance, contracts and transfers	1,032,680	813,646
Other costs	93,344	154,211
Total	US$8,485,968	US$9,333,527

7. COMMERCIAL AND MISCELLANEOUS OPERATIONS

A breakdown of revenues and expenses from commercial and miscellaneous operations is as follows:

	2014	2013
Revenues:		
Interest earned from investments and cash equivalents	US$ 3,132,775	US$ 2,324,497
Proceeds from equipment sale	179,447	96,403
Purchase discounts	152,212	179,217
Sale of services	10,808	51,158
Others	896,749	119,801
Total revenues from commercial and miscellaneous operations	4,371,991	2,771,076

(Continues)

	2014	2013
Expenses:		
International professional personnel	US$ 152,386	US$ 138,283
Local professional and general services personnel	1,902,353	2,090,898
Training and technical events	236,307	299,302
Official travel	184,997	312,112
Documents and materials and supplies	113,579	202,164
Plant, equipment and furniture	309,549	315,793
General services	491,250	595,204
Performance, contracts and transfers	404,966	1,115,038
Other costs	46,963	47,573
Miscellaneous services	14,211	13,998
Subtotal	3,856,561	5,130,365
Exchange losses (gains) - net	1,108,177	(873,630)
Total expenses from commercial and miscellaneous operations	4,964,738	4,256,735
Excess of expenses over income	US$ (592,747)	US$(1,485,659)

8. TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)

On September 12, 2000, under Law No.6873 the Costa Rican Legislative Assembly ratified CATIE's creation contract entered into by the Government of Costa Rica, IICA and CATIE. The most significant terms of this Law are as follows:

a. The Inter-American Board of Agriculture will be the superior governing body of CATIE.

b. CATIE's members (partners) may be regular or special. The regular members will be IICA, the Government of Costa Rica, and the Governments of the remaining member countries of IICA, which incorporate into CATIE via acceptance of the Contract. Special members will include international governmental and non-governmental organizations, international centers, and private organizations with similar purposes as those of CATIE.

c. IICA will contribute up to a maximum of 5% of IICA's quotas budget to CATIE's basic budget. The use of those contributions may be subject to an audit by IICA, when considered necessary. Each member country of CATIE will annually contribute US$50,000 to cover CATIE's expenses.

d. The new agreement will be for a 20-year period, effective from its enacting date, and may be renewed for equal consecutive terms.

e. CATIE is entitled to the following: i) usufruct rights to land, buildings, equipment, and other property contributed by IICA, plus improvements thereto, during the entire term of the contract, and ii) all assets CATIE has acquired or will acquire in the future.

f. Upon termination of the contract, all usufruct property as well as improvements thereto, will be returned to IICA. The remaining assets will be distributed between IICA, the Government of Costa Rica, and regular active members based on quotas paid.

During the years ended December 31, 2014 and 2013, IICA contributed to CATIE US$868,064 and US$1,000,000 per annum, respectively, in accordance with the approved allocation in the Program Budget.

9. DISBURSEMENTS SUBJECT TO APPROVAL

Some grant agreements subscribed with international organizations, establish that disbursements for agreed-upon programs executed with grant funds are subject to approval or rejection by those same organizations, depending on compliance with the agreement terms.

As of December 31, 2014, management of IICA is not aware of any expenses not yet reimbursed, that would have been questioned or disallowed by the respective donors.

10. TAXES

As an international organization, IICA is exempt from income and sales taxes in Costa Rica and other countries where it operates. With respect to other taxes, such as contributions and present or future national and municipal taxes, customs duties, national licenses, among others, the exemption is dependent upon the agreements subscribed with the Governments of those countries.

11. INACTIVE FUNDS

The Inter-American Board of Agriculture (IABA) approved, through various resolutions, the establishment of the following funds. Nevertheless, as of December 31, 2014 these funds have not yet received any contributions and therefore, remain inactive.

a. ***Patrimonial Fund*** - The purpose of this fund is to establish an endowment for the partial financing of IICA's activities. The fund balance would be made up of donations and other voluntary contributions from governments, individuals, private institutions, and other donors, as well as a portion of the Fund's annual income deposited in the endowment to increase and preserve its real value.

   Capital Assets donated to the Fund, including all reinvested income to increase and maintain the real value of the Fund's Capital Assets, shall not be expensed for a 20 year-period from the date of the IABA resolution creating the Fund.

b. ***IICA Associates Trust Fund*** - In Resolution IICA/IABA/Res.312 (IX-O/97), dated October 13, 1997, the Inter-American Board of Agriculture approved the creation of the IICA Associates Trust Fund. The status of IICA Associate is granted to certain permanent observers, international, regional, and national organizations, and other non-IICA Member States. The Fund's balance is to be made up of contributions from such Associates, Member States and other donors to this Fund, and will be governed by the corresponding rules and regulations of the Institute and its Statutes approved by the Executive Committee.

12. OTHER TERMINATION BENEFITS

IICA conducted actuarial studies for some provisions for personnel benefits as at 31 December 2014. The following is a summary of the actuarial calculations:

	2013	2014
Amounts recognized in statement of financial position:		
Defined benefit obligation	US$ 2,339,229	US$ 2,612,959
Current liabilities	100,158	120,631
Unrecognized prior service cost	(1,529,337)	
Unrecognized net actuarial (gain)/loss		60,063
Net liability / (asset) recognized	377,586	204,963
AOCI		60,063
Total liability / (asset) after AOCI	US$ 3,868,566	US$ 2,612,959
Net periodic benefit cost / (income):		
Current service cost		US$ 284,655
Interest cost		140,400
Expected return on plan assets		
Unrecognized net actuarial (gain)/loss		105,665
Net periodic benefit cost / (income) final	US$	US$ 530,719
Movements of the liabilities / (assets) recognized in the statement of financial position:		
Net liability / (asset) recognized at beginning of the year		US$ 3,868,566
Net periodic benefit cost / (income)		530,719
Benefit payments		(317,053)
Other adjustments in profit and loss		(1,529,337)
Net liability / (asset) recognized at end of the year		204,963
AOCI		60,063
Total liability / (asset) after AOCI	US$	US$ 2,612,959
Projections to 2015:		
Net periodic benefit cost / (income)	US$	US$ 481,391
Expected benefits payments	US$	US$ 463,918

Census information and actuarial assumptions used to determine obligations for termination benefits at date of the statement of financial position and the net cost for the year were as follows:

	Termination Benefits		Recognition of Years of Service
	Local Personnel Headquarters and Costa Rica Office	Local Personnel of Mexico Office	International Professional Personnel
Census information:			
Number of employees	226	27	75
Average age	42,49	44,88	55,44
Average seniority	10,20	6,58	7,37
Annual base salary	CRC$2,616,088,164	MXN$8,965,212	US$4,289,616
Average monthly base salary	CRC$964,634	MXN$27,670	US$1,100
Annual integrated salary	N/A	MXN$10,213,182	N/A
Average monthly integrated salary	N/A	MXN$31,522	N/A
Financial assumptions:			
Discount rate	10,75%	6,50%	2,50%
Salary increase rate	5,85%	5,04%	3,00%
Minimum wage increase rate	N/A	4,00%	N/A
Long-term inflation rate	4,80%	4,00%	2,50%
Demographic assumptions:			
Mortality	UP 84 H	EMSSAH 09	UP 84 H
Disability	GBB	EISS-97	GBB
Turnover	Booke 87-89 4 A.S. al 130%	Booke 87-89 4 A.S. al 200%	Booke 87-89 4 A.S. al 150%
Withdrawal rate	N/A	40%	N/A
Anticipated retirement	N/A	60 years	60 years
Normal retirement	65 years	65 years	65 years

Additionally, during 2014 actuarial studies were performed in reference to termination benefits for some projects financed by external funds. The result of these studies according to USGAAP is summarized below:

Changes in benefit obligation:	
Benefit obligation at beginning of year (on real basis)	US$ 1,884,599
Current service cost	285,095
Interest cost	138,455
Actuarial loss (gain)	478,547
Benefit payments	(354,411)
Benefit obligation at end of year	US$ 2,432,285
Amount recognized in the statement of financial position:	
Accrued (prepaid) liability (non current liabilities)	US$ (14,392)

(Continues)

Amount recognized in accumulated other comprehensive income (AOCI):	
Transition obligation	US$ 1,057,717
Net loss (gain)	1,388,960
Prior service cost (credit)	
Amount recognized in AOCI	US$ 2,446,677
Information for plan with an accumulated benefit obligation in excess of plan assets:	
Projected benefit obligation	US$ 2,432,285
Accumulated benefit obligation	1,197,115
Accumulated benefit obligation in excess of plan assets	US$ 1,197,115
Net periodic benefit cost / (income):	
Current service cost	US$ 285,095
Interest cost	138,455
Expected return on plan assets	
Amortization of transition obligation	55,893
Amortization of net loss (gain)	7,722
Net periodic benefit cost / (income) final	US$ 487,165
Items not yet recognized as a component of net periodic benefit cost:	
Transition obligation	US$ 1,057,717
Prior service cost	
Net loss (gain)	1,388,960
	US$ 2,446,677
Reconciliation on net balance:	
Amount recognized in accumulated other comprehensive income	US$ 2,446,677
Accrued (prepaid) liability	(14,392)
Benefit obligation at the end of the year	US$ 2,432,285
Reconciliation of accrued (prepaid) benefit cost:	
Accrued (prepaid) benefit cost (beginning of the year)	US$ (144,329)
Net periodic benefit cost	484,349
Benefits payment	(354,411)
Accrued (prepaid) benefit cost (end of the year)	US$ (14,392)

Census information and actuarial assumptions used to determine obligations for termination benefits at date of the statement of financial position and the net cost for the year were as follows:

Census information:	
Number of employees	1,686
Average age	29.74 to 38.75

(Continues)

Average past service	0.78 to 10.55
Total annual payroll	MXN$235,863,060
Average monthly salary	MXN$11,658
Average remaining service period	19.82 to 27.08
Financial assumptions:	
Discount rate	6.53%
Salary increase	5.14%
Minimum wage rate	4.00%
Expected rate of return	N/A
Inflation (long term)	4.00%
Demographic assumptions:	
	Mexican Experience
Mortality	CNSF-2000-I
Disability	American Experience
Turnover (representative turnover rates between 20 to 60 years)	12.24% to 0%
Normal retirement	65 years

13. RESTRUCTURE OF BALANCES 2013

IICA for purposes of comparability and presentation in the statement of financial position at December 31, 2013 made the following reclassifications:

Balances	Balances Previously Reported 12/31/2013	Reclassification	Balances 12/31/2013
Other termination benefits	US$15,090,546	US$(7,400,834)	US$ 7,689,712
Other liabilities of projects		7,400,834	7,400,834
Total	US$15,090,546	US$	US$15,090,546

The financial statements at December 31, 2013 were restructured to present other termination benefits and other liabilities of projects separately.

14. CONTINGENCIES

General - As of December 31, 2014, IICA is a party in various lawsuits filed through its Offices. These lawsuits deal basically with labor and/or commercial complaints related primarily to projects and are in different procedural stages. The amounts claimed by the plaintiffs are approximately US$598,000.

The legal advisors of IICA believe that no material liability will result from these legal proceedings. The financial statements of IICA for the year ended December 31, 2014, include a provision of US$201,960 to cover potential losses from these lawsuits.

AIS Program in Colombia - Throughout 2014 IICA closely monitored developments in connection with the suspension ordered in 2010 by the Colombian Government of all disbursements, projects and new contracts associated with an agricultural subsidy program known as Agro Ingreso Seguro (AIS) managed by IICA on behalf of the Ministry of Agriculture and Rural Development (MADR). The Institute believes that this situation was influenced by factors outside the control of IICA, arising out of political clashes during the pre-electoral campaign of 2009-2010, exacerbated by relentless media coverage.

The suspension was followed by the anticipatory termination of agreements with AIS project beneficiaries and IICA sub-contractors. All this has given rise to actual lawsuits and concerns about the possibility of others, as further discussed below.

By Resolution No.191 of June 2010, the MADR declared IICA in default of its obligations under one of the AIS agreements, in the amount of approximately US$5,6 million. The Ministry has sued the Colombian insurance company which guaranteed those obligations by way of a performance bond. The Government brought the suit, notwithstanding the fact that it has since recovered almost the entire amount from beneficiaries who it claims were mistakenly awarded that same amount in AIS subsidies.

So far, the insurer has not made any payments in relation to the lawsuit brought against it by the MARD and has vigorously opposed the suit arguing, inter alia, violations of due process, unjust enrichment, and that the Ministry itself was responsible for the defaults alleged. But if the insurer would have to pay, it may seek recovery from IICA under a subrogation clause in the bond. IICA's defenses against a potential claim from the insurer are based on the provision for dispute resolution contained in the legal agreement, which provides that arbitration is discretionary rather than mandatory, and on the Institute's immunities.

In February 2015, IICA received a formal notification informing it that it was being sued by the MADR for the sum of around US$1.8 million, for possible breach of contract related to the AIS Program. The court green-lighted the lawsuit and the process is at the notification stage.

The Office of the Comptroller General of the Republic (CGR) and Departments informed IICA of its decision to include the Institute in a review of alleged responsibility in detriment of the financial resources of the Government of Colombia, in the amount of approximately US$7.1 million, for activities aimed at publicizing the AIS Program.

In June 2014, the CGR issued a decision that was unfavorable to IICA, and it is possible that the departmental entities will issue a decision unfavorable to IICA. The Institute could not afford to pay the large sum being sought, but it will not have to do so in any case, thanks to the immunities that it enjoys. Therefore, the most serious consequence for the Institute is its inclusion on the list of financially liable entities kept by the Comptroller's Office. This means that no state entity may sign contracts or agreements with IICA that involve resources belonging to the Colombian State.

The Institute is still hopeful that there will be an eventual solution to its differences with the Government regarding AIS, and in particular, Resolution No.191. In the event those differences remain in the judicial arena, there are a number of arguments in the Institute's favor. They include: the co-responsibility of the MADR, the beneficiaries and the consultants: force majeure of the Government: the lack of due process; and the actions of oversight bodies which made it impossible to complete the Program as scheduled and with the resources allocated. Moreover, IICA enjoys immunity from legal process under its Basic Agreement with the Government of Colombia and its agreements with other Member States where its principal assets are held.

Under these circumstances, it is not possible at this time to make a reliable estimate of the likely damages arising out of AIS. As an international organization, and considering that the administration is mindful of the interest of the governments in IICA's mission, the Institute continues to work with the Government of Colombia to bring the AIS program to a successful and amicable conclusion.

15. SUBSEQUENT EVENTS

IICA has evaluated the events taking place after December 31, 2014, in order to determine if there exists the need to recognize or disclose additional information in the accompanying financial statements. The events were evaluated as of June 4, 2015, date in which the financial statements were available to be issued. Based on this evaluation, we determined that no subsequent events took place that would require to be recognized or disclosed in the financial statements.

*** * * * ***

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)

SUPPLEMENTARY FINANCIAL INFORMATION

YEAR ENDED DECEMBER 31, 2014

INDEX

EXHIBIT

1. Statement of Movements of Member States Quotas Receivable
2. Program Budget and Expenses by Chapter
3. Execution of External Resources by Financing Source

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)
REGULAR FUND

STATEMENT OF MOVEMENTS OF MEMBER STATES QUOTAS RECEIVABLE
YEAR ENDED DECEMBER 31, 2014
(Stated in United States Dollars)

Country	Uncollected Quotas at Beginning of Year	Quotas for the Year	Quotas Collected During the Year: Prior Years	Quotas Collected During the Year: Current Year	Quotas Collected During the Year: Total	Uncollected Quotas at Year-End: Prior Years	Uncollected Quotas at Year-End: Current Year	Uncollected Quotas at Year-End: Total
Antigua & Barbuda		US$ 6,100					US$ 6,100	US$ 6,100
Argentina		883,300		US$ 883,300	US$ 883,300			
Bahamas		17,100		17,100	17,100			
Barbados		12,400					12,400	12,400
Belize	US$ 6,100	6,100				US$ 6,100	6,100	12,200
Bolivia		13,500		13,500	13,500			
Brazil		2,734,600					2,734,600	2,734,600
Canada		3,293,300		3,293,300	3,293,300			
Colombia		288,600		108,440	108,440		180,160	180,160
Costa Rica	13,927	60,800	US$ 13,927	46,224	60,151		14,576	14,576
Chile		327,100		327,100	327,100			
Dominica		6,100		6,100	6,100			
Dominican Republic	141,400	70,700	70,700		70,700	70,700	70,700	141,400
Ecuador		71,000		71,000	71,000			
El Salvador	67,300	34,400	67,300		67,300		34,400	34,400
Grenada		6,100					6,100	6,100
Guatemala		51,400		51,400	51,400			
Guyana	1,390	6,700	1,390	6,700	8,090			
Haiti		9,400		9,400	9,400			
Honduras	7,500	14,000	7,500	14,000	21,500			
Jamaica		25,600		21,444	21,444		4,156	4,156
Mexico		2,495,300		2,495,300	2,495,300			
Nicaragua	41,263	9,400				41,263	9,400	50,663
Panama		47,600		47,600	47,600			
Paraguay	28,669	28,100	25,696		25,696	2,973	28,100	31,073
Peru		189,300					189,300	189,300
Saint Kitts and Neves		6,100		6,100	6,100			
Saint Lucia	673	6,100				673	6,100	6,773
Saint Vincent & the Grenadines	12,200	6,100				12,200	6,100	18,300
Suriname		9,400					9,400	9,400
Trinidad & Tobago		49,500		49,500	49,500			
United States of America		16,359,400		16,359,400	16,359,400			
Uruguay	64,100	64,100	64,100	64,100	128,200			
Venezuela	1,769,279	601,300				1,769,279	601,300	2,370,579
Total	US$2,153,801	US$27,810,000	US$250,613	US$23,891,008	US$24,141,621	US$1,903,188	US$3,918,992	US$5,822,180

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)
REGULAR FUND

PROGRAM BUDGET AND EXPENSES BY CHAPTER
YEAR ENDED DECEMBER 31, 2014
(Stated in United States Dollars)

	Budget	Expenses	(Over) Under Execution Absolute	(Over) Under Execution Percentage
CHAPTER 1: Direct technical cooperation services	US$30,683,015	US$28,126,412	US$2,556,603	91.67%
CHAPTER 2: Management costs	1,629,177	1,730,912	(101,735)	106.24%
CHAPTER 3: General costs and provisions	1,280,000	1,031,657	248,343	80.60%
CHAPTER 4: Renewal of infrastructure and equipment	317,808	762,694	(444,886)	239.99%
Total	US$33,910,000	US$31,651,675	US$2,258,325	93.34%

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)

EXECUTION OF EXTERNAL RESOURCES BY FINANCING SOURCE
YEAR ENDED DECEMBER 31, 2014
(Stated in United States Dollars)

Source	Amount
a. **Member States**	
Argentina	US$ 14,381,188
Belice	86,518
Bolivia	19,999
Brazil	14,021,754
Canada	324,458
Colombia	311,837
Costa Rica	1,832,829
Chile	27,237
Dominican Republic	134,708
Ecuador	1,301,349
El Salvador	664,585
Guatemala	276,305
Haiti	1,117,102
Honduras	2,121,711
Mexico	58,077,127
Nicaragua	143,478
Panama	212,059
Paraguay	1,500,539
Saint Lucia	9,287
Suriname	83,223
United States of America	2,632,733
Uruguay	1,274,372
Venezuela	214,724
Subtotal - Member States	100,769,122
b. **Other Institutions and Governments**	
Autonomous University of Guerrero	15,761
Biodiversity International	37,348
Deutsche Gesellschaft Fur Internacionale Zusammenarbeit	205,530
Engineering and Consulting, S.L.	164,803
European Commission	3,415,456
Food and Agriculture Organization of the United Nations	259,393

(Continues)

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)

EXECUTION OF EXTERNAL RESOURCES BY FINANCING SOURCE
YEAR ENDED DECEMBER 31, 2014
(Stated in United States Dollars)

Source	Amount
Gas Natural Fenosa Engineering	US$ 154,707
Institute National Polytechnic of Toulouse	55,640
Inter-American Development Bank	678,469
International Center for Tropical Agriculture	35,512
International Development Research Centre	176,557
International Fund for Agricultural Development	898,350
International Training Institute for Food Protection	26,191
Market Information Organization of the Americas	155,005
Ministry of Foreign Affairs of Finland	6,519,364
Spanish Agency for International Development Cooperation	226,923
Swiss Agency for Development and Cooperation	1,544,185
Technical and Vocational Education and Training	21,863
Technical Center for Agricultural and Rural Cooperation	89,758
United Nations	59,555
University of Michigan State	53,630
VECO Mesoamerica	17,794
World Food Programme	371,335
World Trade Organization	263,892
Others	49,327
Subtotal - Other Institutions and Governments	15,496,348
Grand total	US$116,265,470

(Concluded)

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