



José Toscano
Director General and
Chief Executive Officer

16 September 2013

09-16-13/DG-91

TO: ALL ITSO PARTIES TO THE AGREEMENT RELATING TO THE
INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION

SUBJECT: ITSO'S FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

Dear Colleagues,

Please find attached the "Financial Statements and Independent Auditor's Report" for Fiscal Year 2013 (1 July 2012-30 June 2013).

I am pleased to inform you that as of 30 June 2013, the Organization accrued savings of \$209,486 (excess of revenue over expenses), against the projected savings of \$46,355.00 (per the Summary Budget FY2013-FY2014 approved by AP-35). The amount of \$209,486 will now be transferred to the Reserve Fund, as per the Assembly of Parties decision.

I also attach herewith an adjusted "Summary Budget FY2014" (1 July 2013 – 30 June 2014) which takes into consideration a decrease in the Organization's revenue (\$1,690,000 for fiscal year 2014, based on new Funding Agreement Contract with Intelsat), from the amount considered and adopted by AP-35 (\$1,800,000).

I am happy to respond to any questions you may have with regard to the attached independent Auditor's Report for FY13 and the Adjusted Budget for FY14.

Yours sincerely,

A handwritten signature in black ink that reads "J. Toscano". The signature is written in a cursive, slightly stylized font.

International Telecommunications Satellite Organization

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FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

**INTERNATIONAL TELECOMMUNICATIONS
SATELLITE ORGANIZATION**

JUNE 30, 2013

International Telecommunications Satellite Organization

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Independent Auditor's Report

To the Assembly of Parties
International Telecommunications Satellite Organization

We have audited the accompanying statement of assets, liabilities and funding capital of the International Telecommunications Satellite Organization (ITSO or the Organization) as of June 30, 2013, and the related statements of revenue and expenses, balance of funding capital, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles used by INTELSAT prior to Restructuring, and are permitted by the treaty Agreement of the International Telecommunications Satellite Organization. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Telecommunications Satellite Organization as of June 30, 2013, and the results of its operations, balance of funding capital and its cash flows for the year then ended in accordance with accounting principles of the Organization, as described in Note 3.

Basis of Accounting

The accounting and presentation of the financial statements are based primarily on the ITSO budget for fiscal year 2013 that was prepared under the Director General's authority from the 32nd Assembly of Parties and the ITSO Agreement. As such, ITSO's accounting principles utilize a comprehensive basis of accounting and differ from US GAAP (Generally Accepted Accounting Principles), as described in Note 3. Our opinion is not modified with respect to this matter.

Vienna, Virginia
September 9, 2013

International Telecommunications Satellite Organization
STATEMENT OF ASSETS, LIABILITIES AND FUNDING CAPITAL

June 30, 2013

ASSETS

Cash and cash equivalents	\$ 1,246,756
Cash and cash equivalents - Reserve Fund	177,351
Cash and cash equivalents - restricted	215,830
Prepaid expenses	18,205
Property and equipment, net of accumulated depreciation of \$49,901	2,962
Deposits and other assets	<u>13,424</u>
	<u><u>\$ 1,674,528</u></u>

LIABILITIES AND FUNDING CAPITAL

LIABILITIES

Accounts payable and accrued expenses	\$ 75,691
Deferred revenue - funding agreement contract	<u>845,000</u>
Total liabilities	920,691

COMMITMENTS

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FUNDING CAPITAL

<u>753,837</u>
<u><u>\$ 1,674,528</u></u>

See notes to financial statements

International Telecommunications Satellite Organization

STATEMENT OF REVENUE AND EXPENSES

Year ended June 30, 2013

REVENUE

Principal maturities on funding agreement contract	\$ 1,696,175
Interest received on funding agreement contract	108,825
Interest income	3,197
Miscellaneous income	<u>1,331</u>

Total revenue	<u>1,809,528</u>
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EXPENSES

Staff expenses	892,929
Office expenses	94,816
Professional fees	205,840
Information technology development	24,455
Travel and hospitality	185,098
Meetings	192,451
Depreciation	<u>4,453</u>

Total expenses	<u>1,600,042</u>
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Excess of revenue over expenses	<u><u>\$ 209,486</u></u>
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See notes to financial statements

International Telecommunications Satellite Organization

STATEMENT OF BALANCE OF FUNDING CAPITAL

Year ended June 30, 2013

Balance at June 30, 2012	\$ 2,338,563
Principal maturities on funding agreement contract recognized as revenue	(1,696,175)
Expenses paid from Reserve Fund	(98,556)
Interest earned on Contingency Fund	519
Excess of revenue over expenses	<u>209,486</u>
Balance at June 30, 2013	<u><u>\$ 753,837</u></u>

See notes to financial statements

International Telecommunications Satellite Organization

STATEMENT OF CASH FLOWS

Year ended June 30, 2013

Cash flows from operating activities	
Excess of revenue over expenses	\$ 209,486
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities	
Depreciation	4,453
Increase in prepaid expenses	(14,573)
Decrease in deposits and other assets	4,978
Increase in accounts payable and accrued expenses	19,117
Increase in deferred revenue	845,000
	<hr/>
Net cash provided by operating activities	1,068,461
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Cash flows from investing activities	
Transfer to Reserve Fund	(152,922)
Purchase of fixed assets	(1,780)
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Net cash used in investing activities	(154,702)
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NET INCREASE IN CASH AND CASH EQUIVALENTS	913,759
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Cash and cash equivalents, beginning of year	332,997
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Cash and cash equivalents, end of year	<u><u>\$ 1,246,756</u></u>
	<hr/>
Significant noncash investing and financing activities	
Decrease in interest accrued on funding agreement contract	<u><u>\$ 103,458</u></u>

See notes to financial statements

International Telecommunications Satellite Organization

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 - TERMS OF REFERENCE

The appointment of the firm of CohnReznick as the International Telecommunications Satellite Organization's (ITSO or the Organization) external auditor was approved by the 27th Assembly of Parties in June 2002, in accordance with Article 9 (d) (xiii) of the amended ITSO Agreement (Document AP-27-17 W/06/02 "Appointment of Auditor of Expenditures and Accounts of ITSO.")

NOTE 2 - ORGANIZATION

The International Telecommunications Satellite Organization is an intergovernmental organization created on an interim basis in 1964 in order to establish and operate a global satellite system that would provide, on a commercial basis, the space segment required for international public telecommunications services. The Organization formally was established in 1973 upon entry into force of the intergovernmental treaty agreement (the Agreement Relating to the International Telecommunications Satellite Organization or the Agreement). Until July 18, 2001, the Organization operated as an intergovernmental organization known as INTELSAT, the world's first commercial satellite operator. On July 18, 2001, the Organization was restructured into two separate entities (the Restructuring): (i) a new private Bermuda-registered company, Intelsat, Ltd., that continues to provide commercial satellite telecommunications services, and (ii) the continuing intergovernmental organization, now abbreviated as ITSO. ITSO supervises and monitors the private company to ensure that it meets certain public service obligations, including obligations to "lifeline" customers of Intelsat, Ltd.

ITSO retained certain financial assets pursuant to the Restructuring arrangement, which are to be used to finance its operations through the initial 12-year term after Restructuring. The fiscal year (FY) 2002 budget was the first budget for ITSO after Restructuring and was based on INTELSAT practices. In accordance with the treaty Agreement, ITSO maintains its headquarters in Washington, DC.

The 34th Assembly of Parties approved the establishment of a Reserve Fund in which the Director General of ITSO was authorized to utilize up to a prescribed amount of the Reserve Fund to cover the costs of actions taken to benefit the membership, such as capacity building initiatives. In June 2010, the Organization, in cooperation with ITU Academy, launched a capacity building initiative to provide satellite communications training to member Parties. The costs of the capacity building initiatives are not included in the approved annual budget of the Organization. Similar partnerships have been entered with the Commonwealth Telecommunications Organization (CTO), the African Telecommunications Union (ATU), Comisión Técnica Regional de Telecomunicaciones (COMTELCA) and East African Communication Organization (EACO).

In July 2012, the 35th Assembly of Parties agreed to continue the ITSO Agreement until July 18, 2021 and will consider at its ordinary meeting in 2020 whether to terminate the ITSO Agreement after July 18, 2021. Additionally, the Assembly of Parties decided to extend the term of the current Director General until July 18, 2017.

International Telecommunications Satellite Organization

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

As the continuing Organization, ITSO continues to prepare its financial statements on the same basis as the INTELSAT practices, including continued use of an accrual basis of accounting that is consistent with the principles permitted by the amended Agreement. The primary difference between this accrual basis and US GAAP (the Generally Accepted Accounting Principles used by companies based in the United States) is the method of recognition of revenue. ITSO recognizes the receipt of principal maturities on the Original Funding Agreement Contract (see below) as revenue. All amounts included in the financial statements and notes to the financial statements are stated in U.S. dollars.

Use of Estimates

The preparation of financial statements requires ITSO's executive organ to make estimates and assumptions that affect the reported amounts of assets and liabilities, reported amounts of revenues and expenses, and disclosure of contingent assets and liabilities on the date of the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents. The Organization maintains cash and cash equivalents in financial institutions in amounts that exceed federal and private insurance limits.

Cash and Cash Equivalents - Reserve Fund

As approved by the 34th meeting of the Assembly of Parties, the Director General may draw up to 80% of the value of the Reserve Fund to cover the cost of any action taken for benefit of membership, such as capacity building initiatives on satellite communications.

Cash and Cash Equivalents - restricted

Cash and cash equivalents - restricted represents the Contingency Fund (see note 6) and includes amounts set aside for specific purposes in accordance with the Agreement.

Funding Agreement Contracts

The Original Funding Agreement Contract was set up with The Prudential Insurance Company of America prior to Restructuring, in order to fund the operating expenses of the Organization through June 30, 2013, and was stated at the present value of the future cash receipts due under the related agreements discounted at the weighted average intrinsic rate (see note 5). Changes in carrying amounts resulting from periodic interest accretion were recorded as deferred revenue on the accompanying financial statements and recognized as revenue upon receipt of annual annuity payments due under the contract.

International Telecommunications Satellite Organization

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funding Agreement Contracts (Continued)

The Organization has concluded that it was not practicable to determine the fair value of the Original Funding Agreement Contract due to the nature of the Contract.

On May 15, 2013, an agreement (the Funding Agreement Contract) was entered into between ITSO and Intelsat, Ltd. (see note 5).

Property and Equipment

Office furniture and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets, which is generally five years.

Revenue Recognition

Revenue is comprised of amounts maturing annually under the Original Funding Agreement Contract, which are reclassified from Funding Capital, and interest earned on cash and cash equivalents. Under the terms of the new Funding Agreement Contract, funding from Intelsat, Ltd. will be recognized as revenue in the fiscal year in which the funding pertains under the Funding Agreement Contract. Funding received in advance of the fiscal year will be recognized as deferred revenue.

Contingency Fund

Legal expenses paid out of the Contingency Fund represent unbudgeted expenses incurred during the fiscal year, which are paid out of cash and cash equivalents - restricted and not included in the accompanying statement of revenue and expenses. Payments from the Contingency Fund may only be made in the event that Article 6 of the Public Services Agreement between ITSO and Intelsat, Ltd. has been invoked. There were no payments from the Contingency Fund during the year ended June 30, 2013.

Reserve Fund

Expenses paid out of the Reserve Fund represent unbudgeted expenses to cover the costs of actions taken to benefit the membership, such as capacity building initiatives incurred during the fiscal year, which are paid out of cash and cash equivalents - Reserve Fund and not included in the accompanying statement of revenue and expenses. During the year ended June 30, 2013, payments totaling \$98,556 were made from the Reserve Fund.

Income Taxes

Under the terms of the Headquarters Agreement, dated November 24, 1976, between the Government of the United States and the Organization, ITSO is exempt from United States and District of Columbia taxation.

International Telecommunications Satellite Organization

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Material subsequent events have been considered for disclosure and recognition in these financial statements through September 9, 2013. See note 8.

NOTE 4 - FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The valuation can be determined using widely accepted valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), or the cost approach (cost to replace the service capacity of an asset or replacement cost). As a basis for applying a market-based approach in fair value measurements, GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable market-based inputs other than Level 1 inputs, such as quoted prices for similar assets or liabilities in active markets; quoted prices for similar or identical assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Unobservable inputs that are supported by little or no market activity, such as discounted cash flow methodologies.

The Organization's population of financial assets and liabilities subject to fair value measurements on a recurring basis and the necessary disclosures are as follows:

Recurring fair value measurements	Fair value as of June 30, 2013			
	Level 1	Level 2	Level 3	Total
Contingency fund	<u>\$ 215,830</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 215,830</u>

NOTE 5 - FUNDING AGREEMENT CONTRACTS

The 25th Assembly of Parties in November 2000 decided that ITSO's annual financial requirements would be met from the returns of a funding agreement contract with The Prudential Insurance Company (Prudential) which, for administrative reasons, was established by INTELSAT prior to privatization. The Original Funding Agreement Contract between ITSO and Prudential was established to meet the annual funding requirements of ITSO through fiscal 2013.

International Telecommunications Satellite Organization

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 5 - FUNDING AGREEMENT CONTRACTS (Continued)

Principal and interest received under the Original Funding Agreement Contract were used to fund the annual operational expenses of ITSO. The Original Funding Agreement Contract was stated on the accompanying statement of assets, liabilities and funding capital at the present value of the future cash receipts due under the related agreements discounted at the weighted average intrinsic rate of 6.01%.

The 25th Assembly of Parties also decided that, in the event that ITSO continues beyond 12 years, Intelsat, Ltd. will annually fund ITSO in an amount to be negotiated, in good faith, by the Director General of ITSO and the Chief Executive Officer of Intelsat, Ltd., based upon the principles and financial expenditures of ITSO during the initial 12-year period. The annual funding of ITSO by Intelsat, Ltd. after the twelfth year will not exceed \$1.8 million (Year 2013 inflation adjusted dollars). Article 14 of the Public Services Agreement between ITSO and Intelsat, Ltd. incorporated the Assembly of Parties decision regarding the Original Funding Agreement Contract.

The final payment under the Original Funding Agreement Contract, for the financial requirements of ITSO, was paid on July 18, 2012 with a total of \$1,805,000 less interest representing \$108,825 for a total principal of \$1,696,175.

The 35th Assembly of Parties agreed to continue the ITSO Agreement until July 18, 2021 and will consider at its ordinary meeting in 2020 whether to terminate the ITSO Agreement after July 18, 2021.

On May 15, 2013, an agreement (the Funding Agreement Contract) was entered into between ITSO and Intelsat, Ltd. establishing the funding to be provided to ITSO for fiscal years 2014, 2015 and 2016. For each fiscal year for which funding is to be provided, Intelsat, Ltd. shall pay one-half of the annual obligation by no later than the last business day of June of the preceding fiscal year and the remaining one-half by no later than first business day of the following January.

The Funding Agreement Contract established the funding to be provided to ITSO for fiscal years 2014, 2015 and 2016 as follows:

- \$1,690,000 for fiscal year 2014
- \$1,640,000 plus additional funding of \$80,000 to cover office rent and rent-related expenses, including moving expenses, for fiscal year 2015
- \$1,700,000 plus additional funding of \$82,400 to cover office rent and rent-related expenses for fiscal year 2016

The first payment for funding under the new Funding Agreement Contract was received by ITSO on June 28, 2013 in an amount of \$845,000, and is included in deferred revenue on the statement of assets, liabilities and funding capital.

Additional provisions are included in the Funding Agreement Contract pertaining to the replenishment of the Contingency Fund (see note 6).

International Telecommunications Satellite Organization

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 6 - CONTINGENCY FUND

As decided by the 25th Assembly of Parties in November 2000, an additional contingency fund (the Contingency Fund) was established prior to the date of Restructuring in July 2001, to cover possible disputes between ITSO and Intelsat, Ltd. with capital of \$500,000. In June 2004, the 28th Assembly of Parties decided that the Director General shall be delegated the authority to access and use the contingency fund in arbitration proceedings between ITSO and Intelsat, Ltd., pursuant to Article 10(h) of the amended ITSO Agreement, having first consulted with the Advisory Committee. Information concerning the access and use of the Contingency Fund should immediately be reported to the Parties and be presented to the next meeting, either Ordinary or Extraordinary, of the Assembly of Parties for its consideration and action.

In accordance with the new Funding Agreement Contract and Article 14 of the Public Services Agreement, Intelsat, Ltd. will not be required to replenish the Contingency Fund at any time during the term of the new Funding Agreement Contract unless ITSO triggers the replenishment obligation by notifying Intelsat, Ltd. that it is invoking Article 6 of the Public Services Agreement and formally notifying Intelsat, Ltd. that ITSO has initiated an arbitration proceeding against Intelsat, Ltd. or has received formal notification from Intelsat, Ltd. that an arbitration proceeding has been initiated by Intelsat, Ltd. against ITSO. Management is not aware of any breach under the Public Services Agreement or that Article 6 has been invoked.

NOTE 7 - COMMITMENTS

Office Space Agreement, Leases and Operating Expenses

The Organization entered into an Office Space Agreement with Intelsat Global Service Corporation, a subsidiary of Intelsat, Ltd., for office space in the Headquarters Building in Washington, D.C., dated July 2001. Under the Office Space Agreement, the first payment became effective in May 2002 when ITSO moved into its office space in the Headquarters Building. The Agreement subsequently was amended in September 2002, August 2004, October 2007 and January 2010 whereby ITSO pays a proportional share of the building's monthly operating expenses, subject to an annual escalation clause of two percent. The term of the Office Space Agreement expired on July 18, 2013 and under Article 6 of the Office Space Agreement (Option to Renew) ITSO had the option to renew this agreement for additional periods of three years each. On December 21, 2012, ITSO extended the term of the Office Space Agreement for an additional period of three years from July 19, 2013 to July 19, 2016 with early termination set for April 30, 2014 (fiscal year 2014), the projected date that Intelsat, Ltd. will move its headquarters to Tysons Corner, Virginia.

Under the terms of the new Funding Agreement Contract, Intelsat, Ltd. will continue to pay for office and provide meeting space for ITSO beyond April 30, 2014. ITSO is not obligated to move its headquarters to Tysons Corner, Virginia.

The Organization also has entered into leases for certain office expenses and a vehicle, and has certain additional operating expenses with Intelsat (i.e., expenses associated with support for meetings in the Headquarters Building, etc.).

International Telecommunications Satellite Organization

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 7 - COMMITMENTS (Continued)

The minimum annual payment due under the Office Space Agreement and operating leases for the fiscal year 2014 is \$18,214.

Expenses incurred under the Office Space Agreement, lease agreements and operating expenses during the year ended June 30, 2013 totaled \$44,131.

NOTE 8 - SUBSEQUENT EVENT

On July 31, 2013, ITSO entered into a new 4 year auto lease agreement. Minimum annual payments due under the new auto lease agreement will be as follows:

2014	\$	12,418
2015		12,418
2016		12,418
2017		<u>12,418</u>
	\$	<u><u>49,672</u></u>

ITSO RESTRICTED

ADJUSTED*

SUMMARY BUDGET FY2014** (U.S. dollars)

Funding/Revenue	FY 2014 Budget as adopted by AP-35	FY 2014 Budget as Adjusted
Funding from Intelsat *Article 14.01 of PSA	1,800,000.00	1,690,000.00
Total Funding/Revenue	\$1,800,000.00	\$1,690,000.00
Expenses		
Staff Expenses	815,959.00	815,959.00
Office Expenses	96,304.80	96,304.80
Professional Fees	232,560.00	232,560.00
IT Development and Support	22,900.00	22,900.00
Travel & Hospitality	209,996.00	209,996.00
ITSO Meetings	386,220.00	312,280.20
Total Expenses	\$1,763,939.80	\$1,690,000.00
Reserve Fund	\$36,060.20	\$0

*Revision is due to new funding based on the “Agreement” between ITSO and Intelsat dated 15 May 2013

**The fiscal year is from 1 July to 30 June.

ITSO RESTRICTED

ADJUSTED

**DETAILED BUDGET FY2014
(U.S. dollars)**

<i>1. Staff Expenses</i>	FY 2014 Budget as adopted by AP-35	FY 2014 Budget as Adjusted
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1.1 Salaries and Wages

1.1.1. Salaries Net	504,511.00	504,511.00
1.1.2. Bonus Net	30,000.00	30,000.00
Total	\$534,511.00	\$534,511.00

1.2 Benefits

1.2.1 Insurance, Retirement and Dependent Education	222,268.00	222,268.00
1.2.2. Staff Education	6,000.00	6,000.00
1.2.3 G-IV Relocation and Resettlement	30,000.00	30,000.00
1.2.4. Tax Reimbursement	0.00	0.00
1.2.5. Automobile	23,180.00	23,180.00
Total	\$281,448.00	\$281,448.00

1.3 Recruitment

1.3.1 Travel	0.00	0.00
1.3.2. Relocation	0.00	0.00
Total	\$0.00	\$0.00

Total Staff Expenses	\$815,959.00	\$815,959.00
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ITSO RESTRICTED

2. Office Expenses **FY 2014 Budget
as Adopted by AP-35** **FY 2014
Budget as Adjusted**

2.1 Office Supplies, Equipment and Furniture	16,132.00	16,132.00
2.2 Postage and Telecommunications (including telephone, fax and Internet services)	25,771.20	25,771.20
2.3 Document Storage	2,392.00	2,392.00
2.4. Printing & Graphics	2,600.00	2,600.00
2.5. Annual Membership fees	15,000.00	15,000.00
2.6. Subscriptions	2,000.00	2,000.00
2.7 Monthly Operating expense	30,409.60	30,409.60
2.8 Charitable Contributions	2,000.00	2,000.00

Total Office Expenses	\$96,304.80	\$96,304.80
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3. Professional Fees **FY 2014 Budget
as Adopted by AP-35** **FY 2014
Budget as Adjusted**

3.1. Audit	27,040.00	27,040.00
3.2. Legal services	60,000.00	60,000.00
3.3. Regulatory and Technical fees	33,000.00	33,000.00
3.4. Accounting, Human Resources and Immigration services	36,400.00	36,400.00
3.5. Language services	3,120.00	3,120.00
3.6. Studies	15,000.00	15,000.00
3.7. Specialist advice and consultancy services in relation to financials and policies	58,000.00	58,000.00

Total Professional Fees	\$232,560.00	\$232,560.00
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ITSO RESTRICTED

4. Information Technology (IT) Development and Support Expenses

**FY 2014 Budget
as Adopted by AP-35**

**FY 2014 Budget
as Adjusted**

4.1. Local Area Network and IT – study, design, development and support	16,900.00	16,900.00
4.2. Software application and licensing	1,000.00	1,000.00
4.3 Development and maintenance of the ITSO website	5,000.00	5,000.00

Total IT Development and Support Expenses	\$22,900.00	\$22,900.00
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5. Travel and Hospitality Expenses

**FY 2014 Budget
as approved by AP-35**

**FY 2014 Budget
as amended**

5.1 Travel

5.1.1 Airfare	150,800.00	150,800.00
5.1.2 Lodging	27,040.00	27,040.00
5.1.3 Ground Transportation	12,500.00	12,500.00
5.1.4 Other travel related expenses	16,016.00	16,016.00
Total	\$206,356.00	\$206,356.00

5.2 Hospitality

5.2.1 Meals	3,000.00	3,000.00
5.2.2 Other hospitality related expenses	640.00	640.00
Total	\$3,640.00	\$3,640.00

Total Travel and Hospitality Expenses	\$209,996.00	\$209,996.00
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ITSO RESTRICTED

**6. ITSO Meetings
Expenses**

**FY 2014 Budget
as approved by AP-35**

**FY 2014 Budget
as amended**

6.1. Assembly of Parties (AP)

6.1.1 Venue/Building services	15,600.00	15,600.00
6.1.2 Equipment Rental and IT support – PCs, copier, fax	30,600.00	30,600.00
6.1.3 Language translation and simultaneous interpretation services	50,000.00	50,000.00
6.1.4 Short-term support staff	40,000.00	40,000.00
6.1.5 Documentation and Postage	19,420.00	19,420.00
6.1.6 Travel expenses	90,000.00	20,000.00
6.1.7 Hospitality	10,600.00	10,600.00
Total	\$256,220.00	\$186,220.00

**6.2. ITSO Advisory
Committee (IAC)**

6.2.1 Venue/Building services	4,000.00	4,000.00
6.2.2 Equipment Rental and IT support – PCs, copier, fax	23,000.00	23,000.00
6.2.3 Language translation and simultaneous interpretation services	36,000.00	36,000.00
6.2.4 Short-term support staff	10,000.00	6,060.20
6.2.5 Documentation and Postage	7,000.00	7,000.00
6.2.6 Travel expenses	0.00	0.00
6.2.7 Hospitality	19,000.00	19,000.00
Total	\$99,000.00	\$95,060.20

ITSO RESTRICTED

Continued

ITSO Meetings Expenses

**FY 2014 Budget
as approved by AP-35**

**FY 2014 Budget
as amended**

6.3. Frequency Working Party (FWP)

6.3.1 Venue/Building services		
6.3.2 Equipment Rental and IT support – PCs, copier, fax		
6.3.3 Short-term support staff		
6.3.4 Documentation and Postage		
6.3.5 Travel expenses		
6.3.6 Hospitality		
Total	\$ 25,000.00	\$ 25,000.00

6.4. Panel of Legal Experts (PLE)

6.4.1 Venue/Building services		
6.4.2 Equipment Rental and IT support – PCs, copier, fax		
6.4.3 Language translation and simultaneous interpretation services		
6.4.4 Short-term support staff		
6.4.5 Documentation and Postage		
6.4.6 Travel expenses		
6.4.7 Hospitality		
Total	\$1,000.00	\$1,000.00

6.5 Meetings - Other

Total	\$5,000.00	\$5,000.00
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Total ITSO Meetings Expenses	\$386,220.00	\$312,280.20
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