

**INTERNATIONAL COOPERATION
AND DEVELOPMENT FUND
FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT ACCOUNTANTS
DECEMBER 31, 2014 AND 2013**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

Report of Independent Accountants Translated from Chinese

PwCR14000147

To the International Cooperation and Development Fund (TaiwanICDF)

We have audited the accompanying balance sheets of the International Cooperation and Development Fund (TaiwanICDF) as of December 31, 2014 and 2013, and the related statements of revenues and expenses, of changes in fund balances and of cash flows for the years then ended. These financial statements are the responsibility of the TaiwanICDF's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the TaiwanICDF as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended, in conformity with the accounting policies described in Note 2.

As described in Note 20 to the financial statements, certain assets were placed under the custodianship of the TaiwanICDF at the request of the owners and these assets are not reflected in the financial statements. The details of these assets are disclosed for reference purposes only.

PricewaterhouseCoopers, Taiwan

March 18, 2015

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

International Cooperation and Development Fund
Balance Sheets
December 31,

	NOTES	2014		2013		NOTES	2014		2013	
		Amount	%	Amount	%		Amount	%	Amount	%
ASSETS										
CURRENT ASSETS										
Cash and cash equivalents	4	\$ 7,664,486,792	48	\$ 7,410,246,843	46	10	\$ 365,702,036	2	\$ 385,545,458	2
Held-to-maturity financial assets - current	5	506,482,483	3	400,324,932	3		67,200	-	-	-
Other receivables	6	208,975,865	1	202,517,766	1		2,356,914	-	2,990,883	-
Prepayments		72,442,403	-	69,181,037	-		4,839,546	-	868,200	-
Other financial assets - current	18	-	-	932,897	-		372,965,696	2	389,404,541	2
Other current assets		92,258,987	1	64,481,858	-		-	-	-	-
Current portion of long-term loans receivable	7, 19	415,963,528	3	461,633,355	3		-	-	-	-
		8,960,610,058	56	8,609,318,688	53		-	-	-	-
LONG-TERM LOANS AND INVESTMENTS										
Long-term loans receivable	7, 19	3,269,846,544	20	3,744,579,776	23		7,944,000	-	5,339,000	-
Available-for-sale financial assets - noncurrent		22,862,700	-	216,896,500	2		200,026	-	280,775	-
Held-to-maturity financial assets - noncurrent	5	1,945,655,981	12	1,813,832,593	11		8,144,026	-	5,619,775	-
Financial assets carried at cost - noncurrent	8, 19	1,891,845,795	12	1,737,134,829	11		381,109,722	2	395,024,316	2
		7,130,211,020	44	7,512,443,698	47		-	-	-	-
FIXED ASSETS	9									
Cost		43,484,576	-	40,655,703	-	13	12,468,838,072	78	12,468,838,072	78
Less: Accumulated depreciation		(25,477,782)	-	(26,657,725)	-	14	3,260,037,902	20	3,253,015,910	20
		18,006,794	-	13,997,978	-		-	-	20,363,624	-
OTHER ASSETS										
Deposits-out		334,588	-	425,582	-		305,303	-	15,742,217,606	98
Deferred expenses		1,128,539	-	1,055,976	-		15,729,181,277	98	15,742,217,606	98
		1,463,127	-	1,481,558	-		-	-	-	-
		1,463,127	-	1,481,558	-	19	-	-	-	-
TOTAL ASSETS		\$ 16,110,290,999	100	\$ 16,137,241,922	100		\$ 16,110,290,999	100	\$ 16,137,241,922	100

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 18, 2015.

International Cooperation and Development Fund
Statements of Revenues and Expenses
For the Years Ended December 31,

(Expressed in NT\$)

	NOTES	2014		2013	
		Amount	%	Amount	%
OPERATING REVENUES					
Revenues from contracted projects		\$ 990,540,241	91	\$ 1,057,088,784	90
Revenues from banking and finance operations		<u>99,642,322</u>	<u>9</u>	<u>112,346,133</u>	<u>10</u>
		<u>1,090,182,563</u>	<u>100</u>	<u>1,169,434,917</u>	<u>100</u>
OPERATING EXPENSES					
Contracted project expenses	11	(990,540,241)	(91)	(1,057,088,784)	(90)
Humanitarian assistance expenses		(20,646,696)	(2)	(25,272,450)	(2)
International human resources development expenses		(72,200,025)	(6)	(76,683,963)	(7)
Banking and finance operations expenses	8	(51,331,513)	(5)	(64,155,098)	(5)
Technical cooperation expenses		(80,116,581)	(7)	(69,614,193)	(6)
General and administrative expenses	17	(149,682,846)	(14)	(140,256,451)	(12)
		<u>(1,364,517,902)</u>	<u>(125)</u>	<u>(1,433,070,939)</u>	<u>(122)</u>
NET OPERATING LOSSES		<u>(274,335,339)</u>	<u>(25)</u>	<u>(263,636,022)</u>	<u>(22)</u>
NON-OPERATING INCOME AND GAINS					
Interest on fund investments		157,623,045	14	149,733,897	13
Dividend income		5,727,250	1	4,988,250	-
Gain on disposal of investments		44,892,134	4	-	-
Foreign exchange gain		52,728,019	5	-	-
Other revenues	15	<u>21,543,700</u>	<u>2</u>	<u>13,905,125</u>	<u>1</u>
		<u>282,514,148</u>	<u>26</u>	<u>168,627,272</u>	<u>14</u>
NON-OPERATING EXPENSES AND LOSSES					
Loss on disposal of fixed assets		(1,055,807)	-	(338,485)	-
Foreign exchange loss		-	-	(6,043,828)	(1)
Other expenses		<u>(101,010)</u>	<u>-</u>	<u>(125,331)</u>	<u>-</u>
		<u>(1,156,817)</u>	<u>-</u>	<u>(6,507,644)</u>	<u>(1)</u>
Income tax benefit	12	-	-	<u>37,019</u>	-
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)		<u>\$ 7,021,992</u>	<u>1</u>	<u>(\$ 101,479,375)</u>	<u>(9)</u>

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

See report of independent accountants dated March 18, 2015.

International Cooperation and Development Fund
Statements of Changes in Fund Balances
For the Years Ended December 31

(Expressed in NT\$)

<u>2013</u>	<u>FUNDS</u>	<u>ACCUMULATED EARNINGS</u>	<u>UNREALIZED GAINS ON FINANCIAL INSTRUMENT</u>	<u>TOTAL</u>
Balance, January 1, 2013	\$ 12,468,838,072	\$ 3,354,495,285	2,258,124	\$ 15,825,591,481
Excess of expenses over revenues for 2013	-	(101,479,375)	-	(101,479,375)
Unrealized gains on financial instrument	-	-	18,105,500	18,105,500
Balance, December 31, 2013	<u>\$ 12,468,838,072</u>	<u>\$ 3,253,015,910</u>	<u>\$ 20,363,624</u>	<u>\$ 15,742,217,606</u>
<u>2014</u>				
Balance, January 1, 2014	\$ 12,468,838,072	\$ 3,253,015,910	\$ 20,363,624	\$ 15,742,217,606
Excess of revenues over expenses for 2014	-	7,021,992	-	7,021,992
Unrealized loss on financial instrument	-	-	(20,058,321)	(20,058,321)
Balance, December 31, 2014	<u>\$ 12,468,838,072</u>	<u>\$ 3,260,037,902</u>	<u>\$ 305,303</u>	<u>\$ 15,729,181,277</u>

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 18, 2015.

International Cooperation and Development Fund
Statements of Cash Flows
For the Years Ended December 31,

(Expressed in NT\$)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses (expenses over revenues)	\$ 7,021,992	(\$ 101,479,375)
Adjustments to reconcile excess of revenues over expenses (expenses over revenues) to net cash (used in) provided by operating activities:		
Depreciation	3,892,215	3,873,530
Amortization	778,405	1,245,510
Reversal of allowance for bad debts	(4,839,579)	(4,453,537)
Held-to-maturity financial assets - interest amortization	8,109,359	7,079,738
Impairment loss on financial assets carried at cost	25,743,735	42,692,839
Gain on disposal of investments	(44,892,134)	-
Loss on disposal of fixed assets	1,055,807	338,485
Changes in assets and liabilities:		
Receivables	(4,145,540)	13,806,481
Prepayments	5,603,309	(8,114,630)
Other financial assets	932,897	(932,897)
Other current assets	(27,777,129)	(37,993,825)
Accrued expenses	9,091,454	(657,695)
Retained money payable on completed projects	(2,635,002)	8,128,039
Other payables	(33,479,314)	195,599,715
Unearned revenue	67,200	-
Collections payable	(633,969)	(254,240)
Other current liabilities	3,971,346	858,149
Other liabilities	(80,749)	39,190
Net cash (used in) provided by operating activities	<u>(52,215,697)</u>	<u>119,775,477</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in long-term lending	(186,101,333)	(251,122,315)
Proceeds from long-term loans receivable	711,420,930	438,226,896
Purchases of available-for-sale financial assets	(22,557,397)	-
Proceeds from disposal of available-for-sale financial assets	241,425,010	-
Purchases of held-to-maturity financial assets	(650,165,051)	(921,728,637)
Proceeds upon maturity of held-to-maturity financial assets	400,000,000	986,390,000
Purchases of financial assets carried at cost	(181,982,202)	(181,162,647)
Withdrawal of financial assets carried at cost	1,527,501	-
Acquisition of fixed assets	(8,972,613)	(2,063,749)
Proceeds from disposal of fixed assets	15,775	5,160
Decrease (increase) in deposits-out	90,994	(41,633)
Increase in deferred expenses	(850,968)	(446,900)
Net cash provided by investing activities	<u>303,850,646</u>	<u>68,056,175</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Increase in deposits-in	<u>2,605,000</u>	<u>1,465,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>254,239,949</u>	<u>189,296,652</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>7,410,246,843</u>	<u>7,220,950,191</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 7,664,486,792</u>	<u>\$ 7,410,246,843</u>

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

See report of independent accountants dated March 18, 2015.

International Cooperation and Development Fund
Notes to Financial Statements
December 31, 2014 and 2013
(Expressed in NT\$, except as otherwise indicated)

1. ORGANIZATION AND HISTORY

1) In accordance with the Statute for the Establishment of the International Cooperation and Development Fund, promulgated by the President of the Republic of China, the International Cooperation and Development Fund (TaiwanICDF) was formed and approved by the Ministry of Foreign Affairs (MOFA) on June 29, 1996. The TaiwanICDF was formed to succeed the International Economic Cooperation Development Fund (IECDF) management committee on June 30, 1996.

The mission of the TaiwanICDF is to provide assistance to developing countries to promote economic growth, strengthening international cooperation, developing foreign relations with allies and friendly countries, and advancing social progress.

2) As of December 31, 2014, the TaiwanICDF had 139 employees.

2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the TaiwanICDF are prepared in accordance with the TaiwanICDF's accounting policies and accounting principles generally accepted in the Republic of China. The significant accounting policies are summarized below:

1) Accounting Basis

The financial statements are prepared on an accrual basis.

2) Foreign Currency Transactions

The TaiwanICDF maintains its accounts in New Taiwan (NT) dollars. Transactions denominated in foreign currencies are converted into NT dollars at the spot exchange rates prevailing on the transaction dates. Deposits, receivables and the unreimbursed balance of reserves payable by the Central Bank of the Republic of China due to engaged programmes denominated in foreign currencies are translated at the spot exchange rates prevailing on the balance sheet date. Exchange gains or losses are recognized in profit or loss. The other assets denominated in foreign currencies are measured at the historical exchange rate at the date of the transaction.

3) Classification of Current and Non-current Items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- a) Assets arising from operating activities that are expected to be realized or consumed, or are intended to be sold within the normal operating cycle;
- b) Assets held mainly for trading purposes;
- c) Assets that are expected to be realized within twelve months from the balance sheet date;
- d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- a) Liabilities arising from operating activities that are expected to be paid off within the normal operating cycle;
- b) Liabilities arising mainly from trading activities;
- c) Liabilities that are to be paid off within twelve months from the balance sheet date;
- d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

4) Cash Equivalents

Cash and cash equivalents include cash on hand and in banks, and other short-term highly liquid investments, which are readily convertible to a fixed amount of cash and which are subject to insignificant risk of changes in value resulting from fluctuations in interest rates.

5) Allowance for Uncollectible Accounts

The provision of reserve for bad debts is made based on their risk levels in accordance with the Regulation for the TaiwanICDF Dealings with Past Due/Non-Performing Loans and Bad Debts.

6) Financial Assets and Financial Liabilities at Fair Value through Profit or Loss

- A. Investments in equity instruments are accounted for using trade date accounting. Investments in debt instruments are accounted for using settlement date accounting, and are measured initially at the fair value of the debt instruments.
- B. Listed stocks and exchange traded funds are measured at their fair value, and the changes in the fair value are included in profit or loss. The fair value of the listed stocks and exchange traded funds is their closing price at the balance sheet date.

7) Available-for-Sale Financial Assets

- A. Investments in equity instruments are accounted for using trade date accounting. Investments in debt instruments are accounted for using settlement date accounting, and are measured initially at the fair value of the debt instruments. Market value of available-for-sale financial assets is the fair value plus increasing price.
- B. Available-for-sale financial assets are evaluated by fair value. Moreover, value changes are recognized into the adjusted net value. The accumulated gain or loss is recognized in net income or loss when the financial assets are sold. Index stock fund is evaluated by fair value based on the closing prices at the balance sheet date.
- C. If there is objective evidence of impairment, the accumulated loss previously recognized in net value is reclassified to profit or loss. If the fair value of equity instrument subsequently increases, the impairment loss is reversed to net value.

8) Held-to-maturity Financial Assets

- A. Held-to-maturity financial assets are recorded using settlement date accounting and are stated initially at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.
- B. Held-to-maturity financial assets are recorded at amortized cost.
- C. If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss. If the fair value of the financial asset subsequently increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss.

9) Financial Assets Carried at Cost

Financial assets carried at cost are recorded at cost. If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss and is no longer recoverable.

10) Long-term Loans Receivable

Foreign currency loans are stated at historical exchange rates.

11) Fixed Assets

A. Fixed assets are stated at cost. Depreciation is provided under the straight-line method based on the assets' estimated economic service lives. The service lives of the major fixed assets are 3 to 10 years. When assets are disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is credited or charged to income.

B. Major improvements and renewals are capitalized and depreciated accordingly. Maintenance and repairs are expensed as incurred.

12) Impairment of Non-financial Assets

The TaiwanICDF recognizes impairment loss when there is indication that the recoverable amount of an asset is less than its book value. The recoverable amount is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction after deducting any direct incremental disposal costs. The value in use is the present value of estimated future cash flows to be derived from continuing use of the asset and from its disposal at the end of its useful life. When the impairment no longer exists, the impairment loss recognized in prior years may be recovered.

13) Retirement Plan

A. The TaiwanICDF had a non-contributory pension plan originally, covering all regular employees, which was defined by the Fund. The TaiwanICDF contributed monthly an amount based on 7% of the employees' monthly salaries and wages to the retirement fund deposited with a financial institution. This fund balance was not reflected in the financial statements. Effective September 1, 2009, the TaiwanICDF has established a funded defined contribution pension plan (the "New Plan") under the Labor Pension Act. Under the New Plan, the TaiwanICDF contributes monthly an amount based on 7% of the payroll grades corresponding to the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. No further contributions are made to the TaiwanICDF's retirement fund.

B. Under the defined contribution pension plan, net periodic pension costs are recognized as incurred.

14) Income Tax

Income tax is accounted in accordance with the Standard for Non-profit Organizations Exempt from Income Tax promulgated by the Executive Yuan, and ROC Statement of Financial Accounting Standards No. 22 (“Accounting for Income Taxes”). Under- or over-provision of income tax in the previous year is accounted for as an adjustment of income tax expense in the current year.

15) Reserve for Contingencies of Guarantee Loss

The TaiwanICDF issues guarantees for private enterprises to secure loans in compliance with the Regulation for the TaiwanICDF in Providing Guarantee for Credit Facilities Extended to Private Enterprises Which Invest in Countries with Formal Diplomatic Relationships promulgated by the MOFA. The reserve is accrued in accordance with the Regulation for the TaiwanICDF Dealings with Past-Due/Non-Performing Loans and Bad Debts.

16) Revenues and Expenses

Revenues (including government donations) are recognized when the earning process is substantially completed and is realized or realizable. Costs and expenses are recognized as incurred.

17) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those assumptions and estimates.

18) Settlement Date Accounting

The TaiwanICDF adopted settlement date accounting for the financial assets. For financial asset or financial liability classified as at fair value through profit or loss, the change in fair value is recognized in profit or loss.

3. CHANGES IN ACCOUNTING PRINCIPLES

None.

4. CASH AND CASH EQUIVALENTS

	December 31	
	2014	2013
Petty cash	\$ 110,000	\$ 110,000
Demand deposits	443,583,315	514,891,392
Checking deposits	515,256	517,576
Time deposits	7,120,268,577	6,895,660,772
	<u>7,564,477,148</u>	<u>7,411,179,740</u>
Less: Classified as other financial assets - current	-	(932,897)
Cash equivalents		
- Bonds purchased under resale agreements	100,009,644	-
Total	<u>\$ 7,664,486,792</u>	<u>\$ 7,410,246,843</u>

5. HELD-TO-MATURITY FINANCIAL ASSETS

	December 31	
	2014	2013
<u>Current items</u>		
Corporate bonds	\$ 506,482,483	\$ 400,324,932
<u>Non-current items</u>		
Corporate bonds	\$ 1,850,967,274	\$ 1,718,546,116
Government bonds	94,688,707	95,286,477
	<u>\$ 1,945,655,981</u>	<u>\$ 1,813,832,593</u>

6. OTHER RECEIVABLES

	December 31	
	2014	2013
Interest receivable	\$ 117,107,094	\$ 111,129,787
Retained money receivable on completed projects	92,763,089	92,205,338
Total	209,870,183	203,335,125
Less: Allowance for doubtful accounts	(894,318)	(817,359)
Net	<u>\$ 208,975,865</u>	<u>\$ 202,517,766</u>

7. LONG-TERM LOANS RECEIVABLE

	December 31	
	2014	2013
<u>Current items</u>		
Current portion of long-term loans receivable	\$ 426,329,752	\$ 471,332,036
Less: Allowance for doubtful accounts	(10,366,224)	(9,698,681)
Net	<u>\$ 415,963,528</u>	<u>\$ 461,633,355</u>
<u>Non-current items</u>		
Long-term loans receivable	\$ 3,365,429,143	\$ 3,845,746,456
Less: Allowance for doubtful accounts	(95,582,599)	(101,166,680)
Net	<u>\$ 3,269,846,544</u>	<u>\$ 3,744,579,776</u>
Total	<u>\$ 3,685,810,072</u>	<u>\$ 4,206,213,131</u>

- 1) The TaiwanICDF provides long-term loans in accordance with the Regulations for Loans by the International Cooperation and Development Fund as approved by the Executive Yuan. As of December 31, 2014 and 2013, the total outstanding loans denominated in U.S. dollars, Australia dollars and Euro dollars amounted to US\$89,928,616.51, AU\$3,068,404.07, € 20,837,674.52 and US\$109,360,234.09, AU\$ 0 and € 20,837,674.52, respectively.
- 2) Allowances for doubtful accounts were based on the Regulation for the TaiwanICDF Dealings with Past Due/Non-Performing Loans and Bad Debts.
- 3) As Parque Industrial Oriente S.A. (PIO) defaulted on the loan extended for the Industrial Park Development Project in Paraguay amounting to US\$11,003,488.32, the TaiwanICDF filed a legal claim against PIO on September 1, 2003. The court in Ciudad del Este ruled in favor of the TaiwanICDF in the first trial on March 26, 2004. PIO filed an appeal, which was rejected. Accordingly, it was proposed that the Industrial Park be auctioned off. Under TaiwanICDF's 51st board resolution, TaiwanICDF has agreed, under a term of 20 years, for MOFA to repay the remaining loan balance. Although the MOFA agreed to pay off the remaining balance annually for 3 years beginning 2012 on December 13, 2012, payments of only US\$3,293,162.77 and US\$400,000 were made in years 2012 and 2013, respectively. There were no payments made by MOFA for year 2014. The MOFA stated in a letter dated on April 16, 2014 that installments will resume starting from 2015 through annual budgets, and a payment of US\$500,000 has been allocated in the 2015 annual budget. As of December 31, 2014, the MOFA had repaid US\$5,793,162.77 and the remaining balance is US\$5,210,325.55.

- 4) In order to acquire the right to operate the Industrial Park, the MOFA issued the Letter No. Wai-Jing-Mao 09333002180 requesting the TaiwanICDF to establish the private Paraguay Synthetic Corporation, which has a registered share capital of US\$10,000 in Panama on its behalf. The TaiwanICDF assisted Paraguay Synthetic Corporation to submit a bid of US\$7,100,000 and acquired the title to the land of the Industrial Park.
- 5) There was no significant past due loan as of December 31, 2014 and 2013.
- 6) See Appendix 1 for the statement of changes in long-term loans for the year ended December 31, 2014.

8. FINANCIAL ASSETS CARRIED AT COST

	December 31, 2014		December 31, 2013	
	Carrying Amount (NT\$)	Ownership	Carrying Amount (NT\$)	Ownership
<u>Equity investments accounted for using cost method:</u>				
Overseas Investment & Development Corporation	\$ 130,000,000	14.44%	\$ 130,000,000	14.44%
Less: Accumulated Impairment	(6,000,000)		(6,000,000)	
	<u>124,000,000</u>		<u>124,000,000</u>	
BTS India Private Equity Fund Limited	123,578,854	6.80%	124,024,153	6.80%
	(=US\$ 3,959,840)		(=US\$ 3,975,147)	
Less: Accumulated Impairment	(79,243,059)		(53,499,324)	
	(=US\$ 2,559,025)		(=US\$ 1,608,939)	
	<u>44,335,795</u>		<u>70,524,829</u>	
	<u>168,335,795</u>		<u>194,524,829</u>	
<u>International institution investment fund:</u>				
FHSF-Small Business Account	325,000,000		325,000,000	
	(=US\$ 10,000,000)		(=US\$ 10,000,000)	
FHSF-Small Business Account II	330,660,000		330,660,000	
	(=US\$ 10,000,000)		(=US\$ 10,000,000)	
FHSF-Small Business Account III	591,550,000		410,650,000	
	(=US\$ 20,000,000)		(=US\$ 14,000,000)	
MIF-Specialized Financial Intermediary Development Fund	476,300,000		476,300,000	
	(=US\$ 15,000,000)		(=US\$ 15,000,000)	
FHSF-Trade facilitation programme	-		161,750,000	
			(=US\$ 5,000,000)	
Less: Accumulated Impairment	-		(161,750,000)	
			(=US\$ 5,000,000)	
	<u>-</u>		<u>-</u>	
	<u>1,723,510,000</u>		<u>1,542,610,000</u>	
	<u>\$ 1,891,845,795</u>		<u>\$ 1,737,134,829</u>	

- 1) The TaiwanICDF engaged the European Bank for Reconstruction and Development (EBRD) to manage the Financial Intermediary Investment Special Fund (FIISF)-Small Business Account and to jointly provide funds for loans in small businesses. Under the agreement, the total investment amount was US\$10,000,000, and the TaiwanICDF's accumulated contribution amounted to US\$10,000,000 as of December 31, 2014 and 2013.
- 2) The TaiwanICDF engaged the EBRD to manage the FIISF-Trade Facilitation Programme to provide trade finance guarantees and loan facilities for local banks. Under the contract, the TaiwanICDF had invested US\$5,000,000 as of December 31, 2014 and 2013. Based on conservatism principle, the TaiwanICDF provided for impairment of NT\$161,750,000 in 2009. The programme has been terminated, and the guarantee period expired in 2013. The EBRD has formally notified that the aforementioned loss was materialized and the programme was closed.
- 3) The TaiwanICDF engaged the Multilateral Investment Fund (MIF), which belongs to the Inter-American Development Bank Group, to manage the Specialized Financial Intermediary Development Fund, a financing vehicle co-established by the said two parties. MIF uses resources of its own and the fund's on a pari-passu basis to directly or indirectly invest in, or make loans to well-performing microfinance institutions in Taiwan's partner countries in Central and South America. As of December 31, 2014 and 2013, the TaiwanICDF's accumulated contribution to the fund amounted to US\$15,000,000.
- 4) The TaiwanICDF engaged the EBRD to manage the FIISF-Small Business Account II and to jointly provide funds for investments and loans in small businesses. Under the agreement, the total investment amount was US\$10,000,000, and the TaiwanICDF's accumulated contribution amounted to US\$10,000,000 as of December 31, 2014 and 2013.
- 5) The TaiwanICDF engaged the EBRD to manage the FIISF-Small Business Account III and to jointly provide funds for investments and loans in small businesses. Under the agreement, the total investment amount was US\$20,000,000, and the TaiwanICDF's accumulated contribution amounted to US\$20,000,000 and US\$14,000,000 as of December 31, 2014 and 2013, respectively.
- 6) The above listed foreign currency investments projects are stated using the historical exchange rate.

7) After assessing the loss on the investment in BTS India Private Equity Fund Limited, the TaiwanICDF provided for impairment (classified as banking and finance operations expenses) of NT\$25,743,735 and NT\$42,692,839 in 2014 and 2013 based on conservatism principle.

8) See Appendix 2 for the statement of changes in financial assets carried at cost for the year ended December 31, 2014.

9. FIXED ASSETS

	December 31, 2014		
	Cost	Accumulated Depreciation	Net Book Value
Mechanical equipment	\$ 33,530,680	\$ 19,209,578	\$ 14,321,102
Communication & transportation equipment	2,827,915	1,764,935	1,062,980
Miscellaneous equipment	3,836,515	2,665,017	1,171,498
Leasehold improvements	3,289,466	1,838,252	1,451,214
	<u>\$ 43,484,576</u>	<u>\$ 25,477,782</u>	<u>\$ 18,006,794</u>

	December 31, 2013		
	Cost	Accumulated Depreciation	Net Book Value
Mechanical equipment	\$ 31,393,887	\$ 20,882,379	\$ 10,511,508
Communication & transportation equipment	2,847,815	1,597,960	1,249,855
Miscellaneous equipment	4,104,535	2,728,799	1,375,736
Leasehold improvements	2,309,466	1,448,587	860,879
	<u>\$ 40,655,703</u>	<u>\$ 26,657,725</u>	<u>\$ 13,997,978</u>

See Appendix 3 for the statement of changes in fixed assets for the year ended December 31, 2014.

10. PAYABLES

	December 31	
	2014	2013
Accrued expenses	\$ 49,714,479	\$ 40,623,025
Retained money payable on completed projects	153,867,156	149,322,718
Other payables	162,120,401	195,599,715
	<u>\$ 365,702,036</u>	<u>\$ 385,545,458</u>

11. CONTRACTED PROJECT EXPENSES

	For the years ended December 31	
	2014	2013
Contracted project expenses		
Personnel expenses	\$ 453,287,274	\$ 505,428,743
Operating expenses	420,512,632	466,677,292
Travel and transportation expense	56,374,809	62,817,383
Equipment investment expense	60,365,526	22,165,366
	<u>\$ 990,540,241</u>	<u>\$ 1,057,088,784</u>

12. INCOME TAX

Activities and related expenses of the TaiwanICDF are in compliance with “Standard for Non-profit Organizations Exempt from Income Tax”. Accordingly, the TaiwanICDF is exempt from income tax. The income tax returns through 2012 have been assessed and approved by the Tax Authority.

13. FUNDS

	2014	2013
Founding Fund	\$ 11,614,338,576	\$ 11,614,338,576
Donated Fund	854,499,496	854,499,496
Total	<u>\$ 12,468,838,072</u>	<u>\$ 12,468,838,072</u>

- 1) The founding fund balance (NT\$11,614,338,576) was derived from the closure of the IECDF management committee on June 30, 1996. In the official registration with the court, the total property value filed was based on the closing balance of assets of the IECDF management committee. As of March 18, 2015, the total amount of the assets registered with TaiwanICDF was NT\$15,888,379,324.
- 2) The donated fund (NT\$854,499,496) of TaiwanICDF consisted of the following items:
 - A. The amount of NT\$4,423,541 from MOFA’s Committee of International Technical Cooperation (CITC) was consolidated in TaiwanICDF on July 1, 1997.
 - B. The amount of NT\$600,000,000 was donated by the MOFA on January 16, 1999.

C. The MOFA provided the amount of NT\$250,075,955 on December 31, 2001 under the Regulation for the TaiwanICDF in Providing Guarantee for Credit Facilities Extended to Private Enterprises Which Invest in Countries with Formal Diplomatic Relationships. The TaiwanICDF had fulfilled the obligations of the guarantee amounting to NT\$152,665,834 as of December 31, 2014.

14. ACCUMULATED EARNINGS

The TaiwanICDF is registered as a consortium juridical person with the aim of strengthening international cooperation and enhancing foreign relations by promoting economic development, social progress and the welfare of the people in partner nations around the world. As the TaiwanICDF is a non-profit organization, distribution of income is not permitted in accordance with its Articles of Association.

15. OTHER REVENUES

	<u>For the years ended December 31</u>	
	<u>2014</u>	<u>2013</u>
Reversal of allowance for doubtful accounts	\$ 4,839,579	\$ 4,453,537
Others	16,704,121	9,451,588
Total	<u>\$ 21,543,700</u>	<u>\$ 13,905,125</u>

16. RETIREMENT FUNDS

1) The TaiwanICDF contributes monthly an amount based on seven percent of the employees' remuneration and deposits it with a financial institution. This fund balance is not reflected in the financial statements. The fund balance with financial institution were NT\$87,378,901 and NT\$86,393,838 as of December 31, 2014 and 2013, respectively.

2) The account for employees' retirement funds allocated by the TaiwanICDF was detailed as follows:

	<u>2014</u>	<u>2013</u>
Balance at the beginning of the year	\$ 86,393,838	\$ 92,318,901
Interest income	1,041,320	1,177,330
Contribution during the year	4,000,000	4,000,000
Payments during the year	(4,056,257)	(11,102,393)
Balance at the end of the year	<u>\$ 87,378,901</u>	<u>\$ 86,393,838</u>

3) Effective September 1, 2009, TaiwanICDF has been the entity covered by the Labor Standards Law and has adopted the following two schemes:

Scheme A: the pension and severance obligation are settled and the settled amounts are transferred to TaiwanICDF's retirement fund deposited with the financial institution. The employees may claim pension benefits when they retire or reach 55 years old or upon their death.

Scheme B: the pension and severance obligation are not settled and the old pension plan is extended.

Accordingly, the TaiwanICDF recognized an accrued pension reserve of \$16,014,156 for the excess of present value of pension benefits for the past and future service years under the old pension plan over the fair value of the pension fund at the measurement date, September 1, 2009 and contributed the amount to the account in 2010.

4) Effective September 1, 2009, the TaiwanICDF has established a funded defined contribution pension plan (the "New Plan") under the Labor Pension Act. Under the New Plan, the TaiwanICDF contributes monthly depending on the contribution grades an amount based on 7% of the payroll grades corresponding to the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued in the employees' individual pension accounts could be received in full or in monthly installments when the employees retire. The pension costs under the New Plan for the years ended December 31, 2014 and 2013 amounted to \$10,769,383 and \$10,246,497, respectively.

17. PERSONNEL EXPENSES, DEPRECIATION AND AMORTIZATION

	For the years ended December 31	
	2014	2013
Personnel expenses		
Salaries	\$ 130,746,288	\$ 117,642,581
Labor and health insurance	11,179,002	11,482,370
Pension	10,769,383	10,246,497
Others	3,651,338	3,274,559
	<u>\$ 156,346,011</u>	<u>\$ 142,646,007</u>
Depreciation	<u>\$ 3,892,215</u>	<u>\$ 3,873,530</u>
Amortization	<u>\$ 778,405</u>	<u>\$ 1,245,510</u>

18. PLEDGED ASSETS

The TaiwanICDF's assets pledged as collateral as of December 31, 2014 and 2013 are as follows:

<u>Pledged asset</u>	<u>December 31</u>		<u>Purpose</u>
	<u>2014</u>	<u>2013</u>	
Other financial assets-current	\$ -	\$ 932,897	Tender security

19. COMMITMENTS AND CONTINGENCIES

- 1) Pursuant to the Regulations for Loans by the International Cooperation and Development Fund, the loan amount in U.S. dollars under the loan agreements entered into by the TaiwanICDF amounted to US\$192,839,063.81 and US\$235,271,488.80 as of December 31, 2014 and 2013, respectively. The total amount of loans drawn down amounted to US\$180,151,084.23 and US\$221,306,635.12, and the undisbursed committed balance amounted to US\$12,687,979.58 and US\$13,964,853.68 as of December 31, 2014 and 2013, respectively. Additionally, the loan amount in Euro dollars amounted to € 56,553,755.54 as of December 31, 2014 and 2013. The total amount of loans drawn down amounted to € 20,837,674.52, and the undisbursed committed balance amounted to € 35,716,081.02 as of December 31, 2014 and 2013. Moreover, the loan amount in Australia dollars amounted to AU\$20,227,983 as of December 31, 2014. The total amount of loans drawn down amounted to AU\$3,068,404.07 and the undisbursed committed balance amounted to AU\$17,159,578.93.
- 2) Pursuant to the Regulations for Investments by the International Cooperation and Development Fund, the committed amounts denominated in U.S. dollars under the outstanding contracts entered into by the TaiwanICDF amounted to US\$60,000,000 and US\$65,000,000, of which US\$59,168,366 and US\$58,132,652 had been invested as of December 31, 2014 and 2013, respectively. The amount committed but not yet disbursed was US\$831,634 and US\$6,867,348 as of December 31, 2014 and 2013, respectively. Additionally, the committed amounts denominated in NT dollars under the outstanding investment agreement entered into by the TaiwanICDF has been fully disbursed, with the balance of NT\$130,000,000 as of December 31, 2014 and 2013.

3) The TaiwanICDF had entered into a lease agreement with the MOFA to lease state-owned real estate properties. As per the lease agreement, the lease period is from October 1, 2010 to September 30, 2015 with the rents charged on a monthly basis. The rents are calculated as follows:

A. Land: 3% of the most recent official land price per square meter multiplied by the rental area and divided by 12.

B. Building: 10% of the current taxable building value divided by 12.

20. PROPERTIES UNDER CUSTODIANSHIP

1) The government has placed certain assets under the TaiwanICDF's custodianship and management. These properties are entered into memo accounts: "Properties under Custodianship" and "Custodianship Property Payable".

The properties under custodianship were accounted for at cost. Expenditures for major procurement, renewals and improvements were debited to "Properties under Custodianship" and credited to "Custodianship Property Payable". Moreover, the repairs and maintenance expenditures shall be treated as revenues and expenditures of these projects. Upon disposal, the cost was deducted from the book amount. As of December 31, 2014 and 2013, the book value of fixed assets under custodianship was NT\$274,876,043 and NT\$375,922,962, respectively. The amount of MOFA's stock certificate of Paraguay Synthetic Corporation placed under the TaiwanICDF's custodianship amounted to US\$10,000 as of December 31, 2014 and 2013, as described in Note 7(4). In addition, as of December 31, 2014 and 2013, the reserve for severance pay for personnel stationed abroad in charge of the government's assignments, which were administered by the TaiwanICDF on behalf of government and for contracted assistants of the TaiwanICDF amounted to NT\$48,631,084 and NT\$57,084,686, respectively.

2) The MOFA has engaged the TaiwanICDF to manage the Central American Economic Development Fund (ROC-CAEDF). As of December 31, 2014 and 2013, the total amount of the ROC-CAEDF was NT\$8,117,925,132 and NT\$7,647,188,575, respectively, and the details of the financial assets of the ROC-CAEDF are as follows:

	December 31, 2014		December 31, 2013	
	US\$	NT\$	US\$	NT\$
Cash in bank	\$ 858,289	\$ 27,164,844	\$ 679,332	\$ 20,247,502
Time deposits	253,502,327	8,023,348,634	254,376,718	7,581,698,086
Interest receivable	2,078,684	65,790,350	1,366,219	40,720,162
Prepaid expenses	<u>51,226</u>	<u>1,621,304</u>	<u>150,761</u>	<u>4,522,825</u>
Total	<u>\$ 256,490,526</u>	<u>\$ 8,117,925,132</u>	<u>\$ 256,573,030</u>	<u>\$ 7,647,188,575</u>

The balances are not reflected in the financial statements.

International Cooperation and Development Fund
Statement of Changes in Long-term Loans
For the Year Ended December 31, 2014

Item	Beginning Balance	Increase in long-term loans	Collection of long-term loans	Reclassified from non-performing loans receivable	Reclassified to non-performing loans receivable	Ending Balance		Collection Term
						\$	(Note)	
Industrial Park Development Project in Paraguay, reimbursed by the guarantor, MOFA	\$ 175,620,243	-	-	-	-	\$ 175,620,243	May, 2010-May, 2029	(Note)
Highway Construction Loan Project in Costa Rica	438,411,107	-	97,861,238	-	-	340,549,869	Nov, 2006-May, 2018	
The expansion of Terminal Moín Port in Costa Rica	29,309,493	-	29,309,493	-	-	-	Jun, 2003-Dec, 2014	
Quimistan Valley Irrigation Project in Honduras	148,219,880	-	19,206,864	-	-	129,013,016	Nov, 2005-Nov, 2021	
Housing Solidarity Reconstruction Program in Honduras	92,400,000	-	9,240,000	-	-	83,160,000	May, 2004-Nov, 2023	
Phase I Housing Solidarity Reconstruction Program in Nicaragua	103,798,995	-	9,920,790	-	-	93,878,205	Jul, 2004-Jan, 2024	
Phase II Housing Solidarity Reconstruction Program in Nicaragua	97,658,611	-	8,082,670	-	-	89,575,941	Mar, 2006-Sep, 2025	
Guatemala Rio Polochic Region Recovery Program	69,292,626	-	6,882,360	-	-	62,410,266	Jul, 2004-Jan, 2024	
Technical Education Project in Guatemala	149,690,454	-	17,776,446	-	-	131,914,008	Aug, 2007-Feb, 2022	
Housing Solidarity Reconstruction Program in El Salvador	69,671,542	-	6,672,460	-	-	62,999,082	Nov, 2004-May, 2024	
Program for Environmental Pollution Control in Critical Areas in El Salvador	125,921,242	-	17,328,093	-	-	108,593,149	Nov, 2006-May, 2021	
Belize Tourism Development Project / Caracol road	53,027,030	-	4,372,502	-	-	48,654,528	Nov, 2005-May, 2026	
Belize Southern Highway Rehabilitation Project	118,277,114	-	22,021,376	-	-	96,255,738	Aug, 2003-Feb, 2019	
CABEI SMME Re-lending Project	86,942,858	-	43,471,428	-	-	43,471,430	May, 2009-Nov, 2015	
Program for Modernizing the National Congress and the Office of the Comptroller General in Dominican Republic	82,153,908	-	6,799,276	-	-	75,354,632	Nov, 2004-May, 2026	
Drinking Water Distribution Project in Petion-Ville-Lot I in Haiti	29,621,760	-	-	-	-	29,621,760	May, 2007-Nov, 2029	
Subic Bay Industrial Park Development Project-Phase I	280,684,845	-	280,684,845	-	-	-	Aug, 2001-Feb, 2014	
Third Urban Water-Supply Project in Papua New Guinea	56,965,956	-	11,438,126	-	-	45,527,830	Nov, 2000-Nov, 2018	
Credit Project for Small Farms in South Africa	19,781,614	-	19,781,614	-	-	-	Mar, 2000-Mar, 2014	
Two International Roads Project	33,040,267	-	3,671,140	-	-	29,369,127	Nov, 2003-May, 2018	
Rural Credit Project in Burkina Faso	45,581,054	-	2,389,708	-	-	43,191,346	Nov, 2005-May, 2023	
Microfinancing and Capacity Building Project in the Gambia	11,744,329	-	533,833	-	-	11,210,496	Mar, 2010-Sep, 2024	
Agricultural Production Reactivation Phase II in Nicaragua	130,034,462	-	8,916,096	-	-	121,118,366	Mar, 2011-Sep, 2028	
Lower Usuthu Smallholder Irrigation Project in Swaziland	111,212,610	-	8,897,010	-	-	102,315,600	Jul, 2009-Jan, 2026	
Information Technology School Project	122,738,048	-	3,835,977	-	-	118,902,071	Sep, 2014-Mar, 2031	
Microcredit project in St. Vincent and the Grenadines Second Phase	6,112,500	-	2,445,000	-	-	3,667,500	Nov, 2012-May, 2016	
Microcredit project in St. Kitts & Nevis Second Phase	8,092,500	-	3,237,000	-	-	4,855,500	Sep, 2012-Mar, 2016	
Technical and Vocational Education and Training project in the Gambia	58,552,716	-	-	-	-	58,552,716	Jan, 2016-Jul, 2031	
Small Farmholders Loan Project in Belize for Export Papaya Production	6,751,950	-	-	-	-	6,751,950	Jan, 2016	
CABEI's Special Fund for the Social Transformation of Central America	161,414,054	-	10,088,378	-	-	151,325,676	May, 2012-Nov, 2029	
CABEI SMME Re-lending Project-Phase II	291,873,993	-	41,957,144	-	-	249,916,849	Jan, 2014-Jul, 2020	
CABEI's Special Fund for the Social Transformation of Central America Phase II	98,354,275	-	2,732,063	-	-	95,622,212	Nov, 2014-May, 2032	
Taiwan/CDF-CABEI Technological and Vocational Education and Training Student Loan Fund	22,349,977	17,234,114	-	-	-	39,584,091	Jan, 2015-Jul, 2024	

International Cooperation and Development Fund
Statement of Changes in Long-term Loans
For the Year Ended December 31, 2014

Item	Beginning Balance	Increase in long-term loans	Collection of long-term loans	Reclassified from non-performing loans receivable	Reclassified to non-performing loans receivable	Ending Balance	Collection Term
FINCORP MSME Re-lending Project	118,680,000	89,595,000	11,868,000	-	-	196,407,000	Jul. 2014–Jan. 2019
Repair and Upgrade of Bonriki International Airport (Kiribati)	-	79,272,219	-	-	-	79,272,219	Sep. 2021–Mar. 2044
The Green Energy Special Fund	863,096,479	-	-	-	-	863,096,479	The period depends on the sub-project.
	\$ 4,317,078,492	\$ 186,101,333	\$ 711,420,930	\$ -	\$ -	\$ 3,791,758,895	
	(110,865,361)					(105,948,823)	
	\$ 4,206,213,131					\$ 3,685,810,072	

Less: Allowance for doubtful accounts

Note :Although the MOFA agreed to pay off the remaining balance annually for 3 years beginning 2012 on December 13, 2012, payments of only US\$3,293,162.77 and US\$400,000 were made in years 2012 and 2013, respectively. There were no payments made by MOFA for year 2014. The MOFA stated in a letter dated on April 16, 2014 that installments will resume starting from 2015 through annual budgets, and a payment of US\$500,000 has been allocated in the 2015 annual budget. As of December 31, 2014, the MOFA had repaid US\$5,793,162.77 and the remaining balance is US\$5,210,325.55.

International Cooperation and Development Fund
Statement of Changes in Financial Assets Carried at Cost
For the Year Ended December 31, 2014

	Beginning Balance		Acquisition of Long-term Investments		Decrease in Long-term Investments		Ending Balance		Note
	Ownership	Carrying Amount	Ownership	Carrying Amount	Ownership	Carrying Amount	Ownership	Carrying Amount	
Equity investments accounted for using cost method:									
Overseas Investment & Development Corporation	14.44%	130,000,000	-	-	-	-	14.44%	130,000,000	None
Less: Accumulated impairment		(6,000,000)						(6,000,000)	
		<u>124,000,000</u>						<u>124,000,000</u>	
BTS Private Equity Fund in India	6.8%	124,024,153	-	1,082,202	-	1,527,501	6.8%	123,578,854	None
Less: Accumulated impairment		(53,499,324)		(25,743,735)		-		(79,243,059)	
		<u>70,524,829</u>		<u>24,661,533</u>		<u>1,527,501</u>		<u>44,335,795</u>	
		<u>194,524,829</u>		<u>24,661,533</u>		<u>1,527,501</u>		<u>168,335,795</u>	
International Institution Investment Fund:									
FIISF-Small Business Account		325,000,000		-		-		325,000,000	None
FIISF-Small Business Account-Phase II		330,660,000		-		-		330,660,000	None
FIISF-Small Business Account-Phase III		410,650,000		180,900,000		-		591,550,000	None
MIF-Specialized Financial Intermediary Development Fund		476,300,000		-		-		476,300,000	None
FIISF-Trade Facilitation Program		161,750,000		-		161,750,000		-	None
Less: Accumulated impairment		(161,750,000)				(161,750,000)			
		<u>1,542,610,000</u>		<u>180,900,000</u>		<u>-</u>		<u>1,723,510,000</u>	
		<u>\$ 1,737,134,829</u>		<u>\$ 156,238,467</u>		<u>\$ 1,527,501</u>		<u>\$ 1,891,845,795</u>	

International Cooperation and Development Fund
Statement of Changes in Fixed Assets
For the Year Ended December 31, 2014

	Beginning Balance	Acquisition	Disposal	Ending Balance	Note
Cost					
Mechanical equipment	\$ 31,393,887	\$ 7,965,733	(\$ 5,828,940)	\$ 33,530,680	None
Communication & transportation equipment	2,847,815	-	(19,900)	2,827,915	None
Miscellaneous equipment	4,104,535	26,880	(294,900)	3,836,515	None
Leasehold improvements	2,309,466	980,000	-	3,289,466	None
	<u>\$ 40,655,703</u>	<u>\$ 8,972,613</u>	<u>(\$ 6,143,740)</u>	<u>\$ 43,484,576</u>	
Accumulated depreciation					
Mechanical equipment	\$ 20,882,379	\$ 3,129,932	(\$ 4,802,733)	\$ 19,209,578	
Communication & transportation equipment	1,597,960	183,559	(16,584)	1,764,935	
Miscellaneous equipment	2,728,799	189,059	(252,841)	2,665,017	
Leasehold improvements	1,448,587	389,665	-	1,838,252	
	<u>26,657,725</u>	<u>\$ 3,892,215</u>	<u>(\$ 5,072,158)</u>	<u>25,477,782</u>	
Net book value	<u>\$ 13,997,978</u>			<u>\$ 18,006,794</u>	