

ORGANIZATION OF AMERICAN STATES



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REPORT TO THE
PERMANENT COUNCIL
OF THE
ORGANIZATION OF AMERICAN STATES

AUDIT OF ACCOUNTS AND
FINANCIAL STATEMENTS
FOR THE YEAR
ENDED
DECEMBER 31, 1990

By the
Board of External Auditors

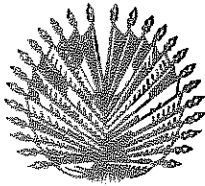
GENERAL SECRETARIAT
ORGANIZATION OF AMERICAN STATES
WASHINGTON, D.C. 20006
1991

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**ORGANIZATION OF AMERICAN STATES
BOARD OF EXTERNAL AUDITORS**

The Board is responsible for the external audit of the accounts of the General Secretariat pursuant to the General Assembly Resolution 123 adopted on April 14, 1973, and Permanent Council Resolution 124 dated June 30, 1975. It began to function in March 1976, and adopted detailed rules and procedures to carry out its duties and responsibilities. These rules reflect the standards and requirements prescribed by the General Assembly and the Permanent Council for the external audit of the OAS.

The Board is composed of three members elected by the General Assembly.



ORGANIZACION DE LOS ESTADOS AMERICANOS
ORGANIZAÇÃO DOS ESTADOS AMERICANOS
ORGANISATION DES ETATS AMERICAINS
ORGANIZATION OF AMERICAN STATES

JUNTA DE AUDITORES EXTERNOS
BOARD OF EXTERNAL AUDITORS
JUNTA DE AUDITORES EXTERNOS
COMMISSION DE VÉRIFICATEURS EXTÉRIEURS

17th Street and Constitution Avenue, N.W. Washington, D.C. 20006

June 28, 1991

To the Permanent Council of the
ORGANIZATION OF AMERICAN STATES

The Board of External Auditors is pleased to present its annual report on the external audit of the accounts and financial statements of the ORGANIZATION OF AMERICAN STATES (OAS). This report covers the year ended December 31, 1990, and includes:

- Comments and recommendations by the Board for improving the OAS operating procedures and internal accounting controls.
- Audit of the accounts and financial statements of major OAS funds.
- Audit of the accounts and financial statements of the Retirement and Pension Fund.
- Audit of the accounts and financial statements of the Rowe Memorial Benefit Fund and the Leo S. Rowe Pan American Fund.
- Audit of the accounts and financial statements of the Inter-American Defense Board.
- Audit of the accounts and financial statements of the International Commission of Support and Verification and the Observations of the Electoral Process in Nicaragua and Haiti Funds.

The Board's annual report is based primarily on the independent audit by

Ernst & Young performed in accordance with generally accepted auditing standards. The Board reviewed and discussed the audit work and related work papers with representatives of the firm. In preparing its report, the Board has also considered the reports of the General Secretariat's Inspector General and discussions with management officials.

The financial statements included in this report represent the financial activity for the year ended December 31, 1990, on a comparative basis with December 31, 1988 -- the first year of the previous biennium. (See Note 3 to the financial statements). The statements have been prepared in conformity with accounting practices prescribed by the Budgetary and Financial Rules of the General Secretariat which require the measurement of financial position and operating results in terms of historical cost without regard to changes in the purchasing power of money over time.

Ernst & Young's opinion on the financial statements continues to be qualified because of the recording of obligations carried forward in 1987 in the special Multilateral Funds and their subsequent carryover effects. The recognition of the global obligations was authorized by the General Assembly through resolution AG/RES.905. These obligations depart from the criteria set forth in the Budgetary and Financial Rules of the Organization as they do not represent firm commitments as prescribed by such rules.

Based on the opinions rendered by Ernst & Young on funds audited, the Board certifies in accordance with Article 102 of the General Standards to Govern the Operations of the General Secretariat that:

- The financial statements of all funds audited agree with the books, records, documents, and vouchers of the General Secretariat.

- Except as described in the preceding paragraph, the transactions reflected in the financial statements of the funds audited are in accord with the General Standards to govern the operations of the General Secretariat, the financial regulations, and other applicable provisions.
- The securities and cash on deposit have been checked by means of certification from depositories of the General Secretariat and the cash on hand has been checked by actually counting it as deemed appropriate by the Board in accordance with generally accepted auditing standards.

We have included as Appendix A of Section I Ernst & Young's opinion on compliance with the General Standards to govern the operations of the General Secretariat, the financial regulations, and other applicable provisions. In addition, our report contains a number of recommendations designed to improve OAS operating procedures and internal controls both at Headquarters and at the Offices away from Headquarters.

Article 107 of the General Standards, provides:

"The Board shall submit its report to the Permanent Council and the General Secretariat within the first semester of every year. The Permanent Council shall make the observations it deems necessary. Bearing in mind such observations, within sixty days of receiving them, the General Secretariat shall submit a report to the Permanent Council on the measures taken to implement the Board's recommendations."

The Board's report for 1989 was referred by the Permanent Council to its Committee on Program and Budget on December 20, 1990.

The Regular Fund continues to sustain a fund deficit position at December 31, 1990. Considerable improvement has been made in the financial position of the Regular Fund during 1990. The accumulated deficit has been reduced by \$10.0 million to \$21.5 million at December 31 1990,

compared to \$31.5 million at December 31, 1989. The improved fund balance reflects the combined effects of the following factors: (1) the fund received a \$4.2 million quota collection from its new member, Canada, which was not budgeted and (2) the fund's non-quota income was \$4.5 million over budget while its obligations were \$4.9 million under budget. However, quota collections from current members were \$3.6 million less than assessed. Regular Fund quota arrearages increased to \$66.3 million at December 31, 1990 from \$62.7 million at December 31, 1989.

While the financial position of the Regular Fund has improved considerably, it is extremely important that the Organization continue to pursue the collection of all quotas and to ensure that the level of budget execution coincides with the amounts realistically expected to be currently collected.

The members of the Board wish to express their appreciation for the cooperation of the General Secretariat in facilitating the audit work and to the General Assembly and Permanent Council for the opportunity to assist in evaluating the financial operations of the OAS.


Brian P. Crowley
Chairman


Adrian P. Strachan
Member

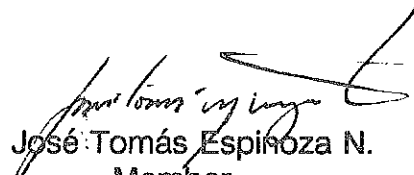

José Tomás Espinoza N.
Member

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SECTION I
COMMENTS AND RECOMMENDATIONS TO IMPROVE
OPERATIONAL AND INTERNAL CONTROL PROCEDURES

CHAPTER 1

RECOMMENDATIONS RELATING TO THE GENERAL SECRETARIAT

MAJOR ISSUES

Financial Position of the General Secretariat

While the Regular Fund continues to sustain a deficit position at December 31, 1990, considerable improvement in the financial position of the Regular Fund occurred during 1990. The accumulated deficit has been reduced by \$10.0 million to \$21.5 million at December 31, 1990, from \$31.5 million at December 31, 1989. The improved fund balance reflects the combined effects of the following factors: (1) the fund received a \$4.2 million quota collection from its new member, Canada, which was not budgeted, (2) the fund's non-quota income was \$4.5 million over budget, and (3) its obligations were \$4.9 million under budget. However, quota collections from current members were \$3.6 million less than assessed. Regular Fund quota arrearage increased to \$66.3 million at December 31, 1990 from \$62.7 million at December 31, 1989.

The financial position of the Regular Fund still remains serious since quota collections are of paramount importance to the fiscal health of the Organization, we recommend that management continue its efforts to pursue collections of quotas in order to prevent a deterioration of the fund balance. Also we recommend that member states intensify their efforts to make their quota contributions on a timely basis. Lastly, the Organization should continue to look for ways to reduce expenditures as was done during 1990.

Improved quota collections and continued budget execution at levels below cash collections permitted repayment of \$7.5 million of the external loan and no additional internal borrowing was required during 1990. At December 31, 1990, \$8.2 million of interfund loans remained outstanding.

Accounting for Fixed Assets

As a result of continuing staff shortages in the Department of Material Resources, transactions for the acquisition and disposal of fixed assets made during 1990 were not recorded in the fixed asset detail records. As in 1989, the Department of Financial Services obtained an estimate of the amount of acquisitions during 1990 and recorded this amount in the general ledger. This estimate was developed based upon the total of all expenditures recorded as equipment purchases in the budgetary transactions journal. While Ernst & Young believes the estimate to be materially correct, improvement is required in the accounting for fixed assets.

Management must assign the necessary resources to ensure that fixed assets acquisitions and deletions are recorded in the fixed asset accounts on a timely basis.

Additionally, as a means of simplifying accounting for acquisitions, we recommend that management consider increasing the capitalizable limit of fixed assets from \$50 as required by the Budgetary and Financial Rules to \$500.

Ernst & Young noted that while physical inventories were initiated during 1990, these attempts were sporadic and incomplete. Consequently, fixed asset records have not been updated to reflect the results of the physical inventories. The General Secretariat must complete a physical inventory and reconcile the results to its fixed asset records.

The General Secretariat has advised the Board that it recognizes the need to improve its accounting of fixed assets. Because of the need to devote the available human resources to other priority assignments in 1990, it was not possible to accomplish the fixed asset work schedule for the year. Furthermore it advised the Board that in 1991 a renewed effort would be made to bring the accounting for fixed assets up-to-date.

INTERNAL CONTROL ISSUES

Specific Fund Compliance with Reporting Requirements

As Ernst & Young has previously reported, the Organization in certain instances has not been able to meet required reporting deadlines included in numerous specific projects funded by various donors, including the U.S. Agency for International Development. Acknowledging the increased workload of the employees remaining from the 1989 personnel adjustment, the Board believes that management should make every effort to ensure compliance with project agreements to avoid the risk of losing project funding.

The General Secretariat has advised the Board that the Department of Financial Services continues to lack the necessary staff to complete the required reporting on the ever increasing number of specific funds on a timely basis, and that it gives priority to reporting which is required for future funding.

Conflict of Interest Statements

During our review of a sample of Conflict of Interest Statements, we noted that although the statements are collected from the employees, no reviews of the Statements are performed.

Apparently, an annual notice is sent out to the employees reminding them to submit their statement and an effort is made to ensure that all required statements are collected, but the statements are maintained without a review.

We believe that the statements are a good means of detecting conflicts of interest and strongly urge that review procedures be implemented. We recommend that the Secretary General establish procedures whereby all employees' statements are reviewed both for completion and substance by supervisors knowledgeable about employees duties and responsibilities.

Travel Advances

As a result of prior findings with regards to travel advances in past years and the significant amounts advanced for election observation activities during 1990, Ernst & Young reviewed outstanding advances at year end. They noted considerable improvements in the review and monitoring of travel advances issued by Headquarters. A standard memo is consistently sent to delinquent employees as a reminder that expenditure claim forms are due within ten days of return from travel, and that monies advanced will be deducted from pay should the forms not be submitted on a timely basis. Although the accounting for travel advances appears to be satisfactory, Ernst & Young noted delays in the submission of expenditure claim forms by employees assigned to election observation and CIAV/OAS activities in Nicaragua and the subsequent processing of these forms.

We recommend that management extend the reviewing and monitoring policies currently exercised over advances made by Headquarters to those issued for special projects.

The General Secretariat has advised the Board that it will take the necessary steps to see that the follow-up on travel advances for staff at CIAV/OAS is done on a more timely basis.

Preparation of Budgetary Statements

Ernst & Young's review of the Statements of Summary of Appropriations, included as supplemental information to the financial statements, resulted in numerous revisions to the statements. These statements were prepared by individuals with only limited involvement in the budget process of the Organization.

We recommend that management consider assigning the preparation and review of these statements to the Department of Program Budget which is responsible for budgetary data.

Reassigning the responsibility in this manner and requiring the timely preparation of the statements would ensure the statements contain accurate budgetary information prepared in the most efficient manner.

The General Secretariat has advised the Board that the suggested change in the preparation of the budgetary statements will be made in 1991.

ACCOUNTING POLICIES

Contribution for Administrative and Technical Support

We continue to believe that the Organization should study the current fifteen percent rate used to reimburse the Regular Fund for administrative and technical support costs borne on behalf of Special Multilateral Fund programs in order to determine a more accurate reimbursement percentage. Ernst & Young indicated that fifteen percent may be too low. Additionally, we believe that management should consider the practicality of charging salaries and related benefits for all individuals whose activities directly support Special Multilateral Fund activities to the programs benefitted, rather than including these costs in the general administrative reimbursement rate.

Specific Fund Balances

Ernst & Young's review of the Specific Funds of the Organization indicated that certain Specific Funds have had negative fund balances for several years. While some of these deficits are being funded by other Specific Funds, others arise solely due to a timing lag between the OAS incurring obligations and the subsequent reimbursement from donors.

The General Secretariat should review and evaluate Specific Funds currently having non-temporary deficit fund balances and define effective steps to ensure collection of outstanding amounts. Those balances which are in question as to their collection should be absorbed by the Regular Fund or other unrestricted funds.

CHAPTER 2

RECOMMENDATIONS RELATING TO OFFICES OF THE GENERAL SECRETARIAT AWAY FROM HEADQUARTERS

Significant cutbacks in staff and funds available to support audit activities at OAS offices away from headquarters has put considerable strain on the Inspector General's office. Despite staffing and funding shortages, six reviews were performed using Inspector General staff resources and the services of an independent contractor. In addition, the Jamaican Auditor General performed a follow up review of the Office of the General Secretariat in Jamaica.

Essentially the same types of control deficiencies continue to occur at the Organization's Offices away from headquarters. The Inspector General has reported to the Secretary General findings indicating:

- failure to follow the Organization's Field Financial Manual and other OAS policies and procedures,
- inadequate separation of duties due to the limited number of personnel in certain offices,
- expenditures made without appropriate authorization or approval from headquarters.

This year's follow-up review of the Office of the General Secretariat in Jamaica, conducted under the Board's auspices, reported similar conditions as noted above in the Inspector General's reviews. Additionally, the follow up review found that inadequate project monitoring is still a concern. The Jamaican audit report also identified a serious problem concerning poor communications between OAS headquarters and the offices away from headquarters with respect to audit follow-up. The Jamaican Office did not receive last year's final audit report and, the follow-up audit disclosed that most of the recommendations had not been implemented.

We believe that adequate support must be provided to the Inspector General to effectively carry out the General Secretariat's mandate of timely reviews of the field offices. The success of the Organization's efforts to enhance National Office away from Headquarters and project execution controls rests with the level of support afforded the Inspector General's Office. Also, appropriate disciplinary actions for violations of the Organization's policies and procedures should be levied against responsible parties.

CHAPTER 3

RECOMMENDATIONS RELATING TO THE INSPECTOR GENERAL

The Audit Office issued five reports on offices of the General Secretariat away from headquarters and three other reports in 1990. Additionally, during 1990, an independent contractor performed one audit of an office away from headquarters.

The Board applauds the extra effort, dedication, and efficiency exerted by the Audit Office as evidenced by the number of reports issued with an extremely limited number of staff and tight monetary resources. Nevertheless, the Board continues to express its concern that the reduced staff level may prevent the Office from providing adequate coverage of the Organization's activities. We believe that suitable support must be provided to the Inspector General to allow effective audit coverage of headquarter's operations and to carry out the Secretary General's mandate of performing timely reviews of the field offices. Accordingly, we urge the Secretariat to review the staffing and funding of the Audit Office in order to ensure its ability to maintain a proper control environment in the Organization. Furthermore, we encourage and support the hiring of independent contractors, as was done in 1990, in order to supplement the Inspector General's audit resources.

The Board is troubled by poor communications between OAS headquarters and the Offices away from headquarters with regard to audit recommendations and their implementation. We, strongly urge the General Secretariat to improve its monitoring of audit recommendations in order to ensure the necessary audit follow-up.

Audit reports issued in 1990:

Offices away from headquarters Audits:

- Grenada
- St. Kitts
- St. Lucia
- Colombia
- Chile
- Guatemala

Other Audits:

- Electoral Observation in Nicaragua
- Special Project Review, Guatemala
- Interamerican Commission of Women.

The General Secretariat has advised the Board that given the staffing and funding limitations imposed by the General Assembly, it will provide whatever staffing, training, and supervision it can of the offices away from Headquarters necessary to improve the accounting controls and procedures.

CHAPTER 4

RECOMMENDATIONS RELATING TO THE INTER-AMERICAN DEFENSE BOARD

Financial Position of the Inter-American Defense Board

During recent years the Board has faced the possibility of decreased funding from the Organization, the primary contributor of the Board. As previously noted, the current financial situation of the Organization has improved during 1990, and as a result, the Board received from OAS an additional \$503,000 in general purpose funding over the 1989 level. The appropriated 1991 funding is expected to remain at the 1990 level. We recommend that the Board continue to explore alternative sources of financing. Also, we believe the Board and the Organization should discuss the future availability of financing for the Board and execute formal agreements where appropriate.

Fixed assets

Ernst & Young noted that the fixed asset subsidiary ledger was not updated on a timely basis, due to a turnover of personnel. To safeguard assets and ensure an accurate accountability of fixed assets, we recommend that the subsidiary ledger be updated and reconciled to the general ledger on a monthly basis. To ensure the most effective control, the custody of assets should be separate from the accounting for them. We, therefore, suggest the segregation of the responsibilities for custody from that of recordkeeping for the assets.

APPENDIX A

Independent Auditors' Report on Compliance

Board of External Auditors
Organization of American States

We have audited the financial statements of the funds of the Organization of American States (the Organization) as of and for the year ended December 31, 1990, listed in the accompanying table of contents, and have issued our reports (the Audit Reports) thereon dated May 7, 1991.

We conducted our audits in accordance with generally accepted auditing standards and the external auditing requirements prescribed in Chapter VII of the General Standards of the Organization of American States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with the rules and regulations of the Organization (rules and regulations) is the responsibility of the Organization's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Organization's compliance with certain provisions of the rules and regulations. However, our objective was not to provide an opinion on overall compliance with such provisions.

We also tested certain expenditures of senior executives concerning executive compensation, travel, official entertainment, contracting and consulting services, speaking honoraria and gifts, and executive perquisites to determine compliance with the Organization's Staff Rules and Chapters III and VIII of the General Standards.

The results of our tests indicate that, with respect to the items tested, the Organization complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Organization had not complied, in all material respects, with those provisions. We noted certain immaterial instances of noncompliance with the rules and regulations in the following areas: fixed assets, investment activity, outstanding



obligations, use of allotments, and employee benefits. Our comments on these matters have been reported to the Board of External Auditors in separate correspondence dated May 7, 1991.

This report is intended solely for the information of the Board of External Auditors and the General Secretariat of the Organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Ernst & Young

May 7, 1991

SECTION II
FINANCIAL STATEMENTS OF THE ORGANIZATION OF AMERICAN STATES
WITH
REPORT OF INDEPENDENT AUDITORS

RESPONSIBILITY FOR FINANCIAL STATEMENTS

The General Secretariat has prepared and is responsible for the integrity of the financial data included in the accompanying financial statements. The statements have been prepared in conformity with accounting practices prescribed by the Budgetary and Financial Rules of the Organization which include the financially oriented General Standards to Govern the Operations of the General Secretariat and other provisions approved by the General Assembly.

The accounting practices utilized by the General Secretariat differ in certain respects from generally accepted accounting principles customarily applied in the presentation of financial statements. A description of the significant differences from generally accepted accounting principles is set forth in Note 4 to the financial statements. The General Secretariat maintains an accounting system and related controls to provide reasonable assurance that financial records are reliable for preparing financial statements. The system includes a program of internal audit to provide assurance that proper procedures and methods of operations are used to implement plans, policies and directives of the Secretary General.

In addition, the Board of External Auditors, which consists of three members elected by the General Assembly, is authorized to audit all accounts, funds, and operations of the Organization. The Board of External Auditors has engaged the services of the independent accounting firm of Ernst & Young to audit the financial statements. Their opinion on the financial statements is based on auditing procedures which include a review of internal control structure and selected tests of transactions and records. These auditing procedures are intended to provide a reasonable level of assurance that the financial statements are fairly stated in all material respects. The Board periodically meets with the independent auditors, officials of the General Secretariat, and internal auditors to review and evaluate accounting, auditing and financial reporting activities and responsibilities. The Board of External Auditors, the independent auditors as well as the internal auditors have unlimited access to all records maintained by the General Secretariat.

Report of Independent Auditors

Board of External Auditors
Organization of American States

We have audited the combining financial statements of the following funds of the Organization of American States (the Organization) as of December 31, 1990 and 1988 and for the year then ended, listed in the accompanying table of contents on page II - 9 herein. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the external auditing requirements prescribed in Chapter VII of the General Standards of the Organization of American States. 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.

As described in Note 4, the Organization of American States prepares its financial statements on the basis of accounting practices prescribed by the Budgetary and Financial Rules (which include the applicable financially-oriented General Standards adopted by the General Assembly of the Organization of American States) which is a comprehensive basis of accounting other than generally accepted accounting principles.

As described in Note 7, at December 31, 1987, the Organization recorded certain obligations carried forward in the Special Multilateral Funds in accordance with the authorization of the General Assembly. In our opinion, these obligations depart from the criteria set forth in the Budgetary and Financial Rules of the Organization in that they did not represent firm commitments as prescribed by such rules. In addition, the Regular Fund recognized its administrative and technical support contribution from the Special Multilateral Funds during 1987 on the basis of these obligations carried forward.

In our opinion, such charges to the Special Multilateral Funds during 1987 and corresponding Regular Fund income, should not have been recognized because the obligations on which such amounts were determined did not constitute valid obligations under the terms of the Budgetary and Financial Rules. As a result of these departures from the Budgetary and Financial Rules of the Organization during 1987, the December 31, 1988 financial statements reflect misstatements causing 1988 deobligations to be overstated by \$3.3 million; 1988 obligations to be understated by \$4.5 million; and, charges to the Special Multilateral Funds for administrative and technical support and corresponding Regular Fund income to be understated by \$0.7 million.

The Regular Fund had a fund deficit of \$21.5 million at December 31, 1990, compared to deficits of \$31.5 million and \$12.5 million at December 31, 1989 and 1988 respectively. The Organization relies on quota collections to finance virtually all of the operations of the Regular Fund and delays in quota payments by the member states continued to be a primary cause of the deficit. Regular Fund quotas unpaid by active member increased from \$40.9 million at December 31, 1988, to \$66.3 million at December 31, 1990. Any further shortfall in quota collections during 1991 will need to be offset by an equivalent reduction in budgetary execution or by obtaining an alternative means of financing in order to avoid exacerbating the Organization's financial condition.

In our opinion, except for the effects on the financial statements for the year ended December 31, 1988, caused by the recording of certain obligations carried forward as discussed above, the financial statements listed in the accompanying table of contents present fairly, in all material respects, the individual and combined funds' assets, liabilities and fund balances for the funds of the Organization of American States referred to above at December 31, 1990 and 1988, and the changes in fund balances for the years then ended on the basis of accounting described in Note 4.

Our audits have been made primarily for the purpose of expressing an opinion on the basic financial statements listed on the accompanying table of contents for the funds of the Organization of American States referred to in the first paragraph of this report taken as a whole. The accompanying supplementary information in Schedules 1 through 20 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the procedures applied in the audits of the basic financial statements and, in our opinion, except as stated in the third preceding paragraph, is fairly stated in all material respects in relation to the basic financial statements mentioned above taken as a whole.

We have previously audited and expressed a qualified opinion for the effects of recording certain obligations carried forward, as discussed in the fourth preceding paragraph, on the financial statements of the above funds of the Organization of the American States for the year ended December 31, 1988, summarized comparative information from which is presented herein.

As discussed in note 13, in 1990 the Organization changed its method of recognizing retired executive and ex-gratia pensions with which we concur.

Ernst & Young

May 7, 1991

ORGANIZATION OF AMERICAN STATES

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ORGANIZATION OF AMERICAN STATES

FINANCIAL STATEMENTS

ORGANIZATION OF AMERICAN STATES

**GENERAL, OPERATING, WORKING CAPITAL AND RESERVE SUBFUNDS
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES**
(in thousands)

| | December 31, 1990 | | | | | December 31, 1988 |
|--|-------------------|------------------|------------------|---------------|-----------------|----------------------|
| | Regular | SDAF | FEMCIECC | CEC | CMP | |
| ASSETS | | | | | | |
| Cash and equity in OAS Treasury Fund (Note 6) | \$ 10,913 | \$ 8,194 | \$ 6,879 | \$ 563 | \$ 2,456 | \$ 27,597 |
| Due from affiliated OAS funds (Note 16) | | 3,469 | 3,599 | 306 | 3,744 | (a) |
| Advances to employees | 34 | 10 | 18 | | 1 | 88 |
| Other assets | 23 | | 2 | 6 | | 221 |
| Amounts to be charged to future years' appropriations (Note 4) | 3,458 | 2 | 10 | | | 137 |
| Equity in land, buildings and equipment (Notes 5 and 11) | 27,119 | | | | | 26,164 |
| | <u>\$ 41,547</u> | <u>\$ 11,675</u> | <u>\$ 10,508</u> | <u>\$ 875</u> | <u>\$ 6,201</u> | <u>\$ 54,207</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Unliquidated obligations (Note 7) | \$ 8,698 | \$ 1,482 | \$ 1,776 | \$ 242 | \$ 387 | \$ 14,356 |
| Quotas/Pledges collected in advance | 1,074 | 21 | | 8 | 25 | 1,626 |
| Accounts payable and other liabilities | 6,105 | 418 | 35 | | 13 | 2,824 |
| Due to affiliated OAS funds (Note 16) | 11,119 | | | | | 1 (a) |
| Long-term debt (Note 11) | 22,414 | | 790 | 71 | 1,670 | 14,340 (b) |
| Deferred interest income (Note 16) | | | | | | 46 (a) |
| Fund balances (deficits) | | | | | | 22,414 (b) |
| General/Operating Subfund | (21,484) | | | | | 900 (b) |
| Working Capital/Reserve Subfund | | 6,946 | 7,907 | 549 | 4,106 | 2,591 |
| Investment in land, buildings and equipment | 13,621 | 2,463 | | 5 | | 11,824 |
| | <u>\$ 41,547</u> | <u>\$ 11,675</u> | <u>\$ 10,508</u> | <u>\$ 875</u> | <u>\$ 6,201</u> | <u>\$ 59,688</u> |

(a) The combined amount excludes \$11,118,000 of interfund loans and receivables in 1990 and \$7,547,000 in 1988

(b) The combined amount excludes deferred interfund interest income of \$2,876,000 in 1990 and 1988

See accompanying notes

ORGANIZATION OF AMERICAN STATES

GENERAL, OPERATING, RESERVE, AND WORKING CAPITAL SUBFUNDS
COMBINING STATEMENT OF CHANGES IN FUND BALANCES
(in thousands)

| | Year ended December 31, 1990 | | | | | Year ended |
|--|------------------------------|-----------------|-----------------|---------------|-----------------|-------------------------------|
| | Regular | SDAF | FEMCECC | CEC | OMP | December 31, 1988 Combined |
| Increases | | | | | | |
| Quota/Pledge collections (Note 4) | \$ 60,638 | \$ 5,946 | \$ 6,115 | \$ 618 | \$ 1,407 | \$ 73,440 |
| Contribution for administrative and technical support (Note 4) | 1,321 | | | | | 20 (a) |
| OAS Treasury Fund income (Note 6) | 1,001 | 701 | 588 | 60 | 193 | 2,372 |
| Other income, refunds, and deobligations (Note 7) | 2,192 | 38 | 1,148 | 78 | 673 | 6,047 |
| | <u>\$ 65,152</u> | <u>\$ 6,685</u> | <u>\$ 7,851</u> | <u>\$ 756</u> | <u>\$ 2,273</u> | <u>\$ 81,416</u> |
| Decreases | | | | | | |
| Expenditures and obligations pursuant to appropriations: | | | | | | |
| General Assembly and Permanent Council | \$ 7,640 | | | | | \$ 7,640 |
| Executive Office of the General Secretariat | 5,222 | | | | | 5,222 |
| Activities of the Secretariat for Economic and Social Affairs | 5,243 | \$ 5,386 | | | | 9,926 (a) |
| Activities of the Secretariat for Educational, Scientific and Cultural Affairs | 10,667 | | \$ 3,462 | \$ 409 | \$ 713 | 14,653 (a) |
| Activities of the Offices Away from Headquarters | 5,284 | | | | | 5,284 |
| Activities of the Secretariat for Legal Affairs | 1,290 | | | | | 1,290 |
| Activities of the Secretariat for Management | 6,712 | | | | | 6,712 |
| Common administrative and personnel costs | 9,007 | | | | | 9,007 |
| Contributions to other agencies | 4,067 | | | | | 4,067 |
| Special contribution to Regular Fund and fellowships | | | | | | 374 |
| | <u>55,132</u> | <u>5,386</u> | <u>3,462</u> | <u>409</u> | <u>713</u> | <u>73,024</u> |
| Net increase (decrease) during period | 10,020 | 1,299 | 4,389 | 347 | 1,560 | 8,855 |
| Fund balances (deficits) at beginning of period | (31,504) | 8,110 | 3,518 | 207 | 2,546 | (14,247)(b) |
| Fund balances (deficits) at end of period | <u>\$ (21,484)</u> | <u>\$ 9,409</u> | <u>\$ 7,907</u> | <u>\$ 554</u> | <u>\$ 4,106</u> | <u>\$ 3,368 (b)</u> |

(a) The combined amount excludes \$1,301,000 in 1990 and \$1,573,000 in 1988 of interfund contributions to the Regular Fund.

Such contributions are eliminated as expenditures in the respective funds.

(b) The combined amounts of the fund balances at the end of 1990 and 1988 exclude \$2,876,000 of accumulated deferred interest.

See accompanying notes

ORGANIZATION OF AMERICAN STATES

EXHIBIT 3

SPECIFIC FUNDS
COMBINING STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
(in thousands)

| ASSETS | December 31, 1990 | | | | December 31 1988 Combined | |
|---|-------------------|-----------------|-----------------|---------------|---------------------------------|------------------|
| | REGULAR | SDAF | FEMCIECC | CEC | | CMP |
| Cash and equity in OAS Treasury Fund (Note 6) | \$ 11,163 | \$ 3,899 | \$ 1,955 | \$ 215 | \$ 641 | \$ 17,873 |
| Advances to Employees and other receivables | 367 | 12 | 2 | | | 381 |
| | <u>\$ 11,530</u> | <u>\$ 3,911</u> | <u>\$ 1,957</u> | <u>\$ 215</u> | <u>\$ 641</u> | <u>\$ 18,254</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | | |
| Unliquidated Obligations (Note 7) | \$ 6,653 | \$ 2,287 | \$ 614 | \$ 43 | \$ 70 | \$ 9,667 |
| Accounts payable and other liabilities | 771 | 188 | 13 | 12 | 2 | 986 |
| Fund balances | 4,106 | 1,436 | 1,330 | 160 | 569 | 7,601 |
| | <u>\$ 11,530</u> | <u>\$ 3,911</u> | <u>\$ 1,957</u> | <u>\$ 215</u> | <u>\$ 641</u> | <u>\$ 18,254</u> |

SPECIFIC FUNDS
COMBINING STATEMENT OF CHANGES IN FUND BALANCES
(in thousands)

| Increases | Year ended December 31, 1990 | | | | Year ended December 31 1988 Combined | |
|---|------------------------------|-----------------|-----------------|---------------|---|-----------------|
| | REGULAR | SDAF | FEMCIECC | CEC | | CMP |
| Contributions (Notes 4 and 9) | \$ 32,007 | \$ 3,207 | \$ 604 | \$ 117 | \$ 210 | \$ 13,942 |
| Other income, return to donors, and transfers | 334 | 243 | 116 | (96) | (82) | (2,040) |
| | <u>32,341</u> | <u>3,450</u> | <u>720</u> | <u>21</u> | <u>128</u> | <u>11,902</u> |
| Decreases | | | | | | |
| Obligations and expenditures | 30,323 | 4,783 | 1,193 | 51 | 142 | 36,492 |
| Net increase (decrease) during period | <u>2,018</u> | <u>(1,333)</u> | <u>(473)</u> | <u>(30)</u> | <u>(14)</u> | <u>168</u> |
| Fund balances at beginning of period | 2,088 | 2,769 | 1,803 | 190 | 583 | 7,433 |
| Fund balances at end of period | <u>\$ 4,106</u> | <u>\$ 1,436</u> | <u>\$ 1,330</u> | <u>\$ 160</u> | <u>\$ 569</u> | <u>\$ 7,601</u> |

See accompanying notes

ORGANIZATION OF AMERICAN STATES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1990 AND 1988

ORGANIZATION OF AMERICAN STATES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1990 AND 1988

1. Organization and Financial Statements

The General Secretariat is the central and permanent organ of the Organization of American States (OAS). To ensure observance of limitations and restrictions placed on the use of resources available to the OAS, the accounts of the OAS are maintained in accordance with fund accounting principles. Separate accounts are maintained for each fund. In the accompanying financial statements, the funds administered by the General Secretariat are grouped in the following categories, according to their source of financing and purpose:

Regular Fund, financed mainly by the assessment of quotas to the member states and contributions from certain other OAS funds (see Note 4D). The purpose of this fund is to provide the General Secretariat with general support as well as technical supervision and administrative services to the programs;

Special Multilateral Funds, financed mainly by voluntary contributions of the member states to support the programs adopted by the Councils and approved by the General Assembly;

Specific funds and funds from special contributions (Specific Funds), financed by grants or bequests to finance activities specified by the donor or legator, and any other contributions by national or international, public or private entities, for carrying out or strengthening specific activities or programs of the General Secretariat.

The financial position and changes in fund balances of the Regular and Special Multilateral Funds are reflected in Exhibits 1 and 2 on a combined basis. In addition, the financial position and changes in fund balances of the Specific Funds are included as Exhibit 3 on a combined basis.

General and Operating Subfunds

Quota and voluntary pledge contributions and the corresponding expenditures incurred in carrying out budgetary activities of the funds are included in the accompanying financial statements, where applicable, as general or operating subfunds activity.

A. Regular Fund

In addition to the activities of the General Secretariat, the following activities are financed through budgetary appropriations of the Regular Fund and are included in the financial statements of the Regular Fund:

- General Assembly
- Meeting of Consultation of Ministers of Foreign Affairs
- Special Consultation Committee on Security
- Permanent Council of the OAS
- Inter-American Council for Education, Science and Culture
- Inter-American Economic and Social Council
- Inter-American Commission of Human Rights
- Inter-American Nuclear Energy Commission
- Inter-American Commission of Women
- Inter-American Committee on Peaceful Settlement
- Inter-American Juridical Committee
- Inter-American Children's Institute
- Inter-American Statistical Institute
- Inter-American Court on Human Rights
- Inter-American Commission for Drug Abuse Control
- Inter-American Quincentennial Fund

B. Special Development Assistance Fund

The Special Development Assistance Fund (SDAF) was established in 1964 to provide training, technical and other assistance in the economic and social affairs areas to the member states. SDAF is under the supervision of the Inter-American Economic and Social Council.

C. Special Multilateral Fund of the Inter-American Council for Education, Science and Culture

The Special Multilateral Fund of the Inter-American Council for Education, Science and Culture (FEMCIECC) was established in 1968 to promote relations and mutual understanding between the peoples of the Americas through educational, scientific and cultural cooperation and exchange among the member states. FEMCIECC is under the supervision of the Inter-American Council for Education, Science and Culture.

D. Special Account for Culture

The Special Account for Culture (CEC) was established in 1971 to promote the identification, restoration and preservation of the many manifestations of cultural heritage of Latin America and the Caribbean. CEC is under the supervision of the Inter-American Council for Education, Science and Culture.

E. Mar del Plata Account

The Mar del Plata Account (CMP) was established in 1972 as a regional effort to promote institutional development of the educational, scientific and technological infrastructure in the member states by seeking both to expand it and to apply it to practical problems of development. CMP is under the supervision of the Inter-American Council for Education, Science and Culture.

The assets and liabilities at December 31, 1990 and 1988, and the related income and expenses for the year then ended, of the following organizations, which are subject to separate budgetary control and financial reporting, are not included within the accompanying financial statements of the OAS:

- Inter-American Defense Board *
- Inter-American Indian Institute
- Inter-American Institute for Cooperation on Agriculture*
- Inter-American Library Simon Bolivar *
- Inter-American Music Council *
- Leo S. Rowe Pan American Fund *
- OAS Medical Benefits Trust Fund *
- OAS Retirement and Pension Fund *
- Pan American Development Foundation *
- Pan American Health Organization
- Pan American Institute of Geography and History
- Rowe Memorial Benefit Fund *

2. Working Capital and Reserve Subfunds

Subfunds have been established and are financed under the following criteria:

* Recipients of contributions or administrative services from the Regular Fund.

- A. Regular Fund - Working Capital Subfund is a contingency reserve to provide for the continuous functioning of the regular activities of the General Secretariat. In accordance with the General Standards to Govern the Operations of the General Secretariat (General Standards), the excess of income over obligations and expenditures of the General Subfund is to be added to the Working Capital Subfund. To the extent that there is a Working Capital Subfund balance, excess obligations and expenditures over income in the General Subfund is covered by a transfer from the Working Capital Subfund. In addition, the General Standards permit the temporary use of the Working Capital Subfund to finance Regular Fund expenditures pending the receipt of anticipated income.
- B. SDAF - Reserve Subfund is a contingency reserve to provide for the continuous functioning of the regular activities of the Operating Subfund. In accordance with the statutes of the SDAF, interest earned and miscellaneous income are added to the Reserve Subfund.

As of December 31, 1990, \$700,740 was transferred from the Operating Subfund to the Reserve Subfund. The remaining balance of \$2,462,500 in the Reserve Subfund equals the maximum statutory reserve of 25 percent of the Annual Program Budget.

- C. FEMCIECC, CEC, CMP - Reserve Subfund Pursuant to the Uniform Statutes of FEMCIECC and its accounts CEC and CMP, approved by the General Assembly in November of 1988, AG/RES. 919 (XVIII-0/88), the Reserve Subfunds are a contingency reserve to provide for the continuous functioning of the regular activities of the Operating Subfunds. The Reserve Subfunds are financed by the expired appropriations of the corresponding Operating Subfunds, interest earned on their balance, and other miscellaneous income. The Reserve Subfunds may not exceed 20% of the biennium appropriation of their corresponding Operating Subfund.

As of December 31, 1990, the following amounts were transferred from the Reserve Subfunds to the Operating Subfunds to cover the unobligated appropriations of their respective Subfunds: \$588,073 for FEMCIECC, \$55,005 for CEC, and \$192,717 for CMP.

Specific Funds (Exhibit 3)

These funds include grants and contributions from member states and other interested parties for purposes of conducting special projects and activities. These funds also include designated funds which have been segregated for specific purposes and whose use is restricted through designation by the General

Assembly or the General Secretariat.

3. Biennium Financial Reporting

The OAS operates on a two-year (biennium) budgetary reporting period. As a result, the aggregate funds appropriated for the biennium are divided into two reporting periods: 1) the Secretary General approved budget representing that portion of appropriations allocated to the first year of the biennium; and 2) appropriations reserved for execution during the second year of the biennium.

To the extent that the appropriations allocated to the first year are not obligated at the end of the first year, they are added to the second year's reserved balances and the aggregate becomes available for obligation in that year. The preparation of financial statements is based on this biennium cycle, with interim statements being prepared at the end of the first year, the midpoint of the biennium. The statements at the end of a biennium period include the cumulative financial information for the two-year period. For comparative purposes, interim statements at the midpoint of the biennium are compared to the most recent previous midpoint; statements at the end of a biennium are compared to the most recent previous biennium.

The General Standards provide that appropriations are available to meet the obligations incurred during the fiscal period for which they were approved. At the end of a fiscal period, unobligated appropriations expire and are not available for future use, unless otherwise approved by the General Assembly.

4. Accounting Principles

The accompanying financial statements have been prepared in accordance with the Budgetary and Financial Rules of the OAS (Rules). The Rules provide the basis for the accounting principles applied in the preparation of the financial statements. The Rules were adopted to meet budgetary and other requirements of the OAS and, as such, result in accounting principles which vary in certain material respects from generally accepted accounting principles. The significant deviations from generally accepted accounting principles are as follows:

- A. The General Secretariat deems it impractical to evaluate the collectibility of assessed but uncollected quotas and voluntary pledges outstanding; therefore, quotas and pledges are included in the financial statements of the various funds only to the extent collected. Contributions from member states and from other interested parties for specific purposes are similarly recorded at the time of collection.

- B. As described in Note 7, unliquidated obligations in certain funds include amounts related to commitments resulting from offers made by the funds to member states or other institutions to disburse monies for the procurement of goods or services in future periods. Such amounts do not represent liabilities or unrelated third party commitments at the end of the respective periods. They represent amounts anticipated to be expended in the subsequent year or biennium in the completion of a particular program or activity.
- C. The OAS provides certain benefits to its employees which accrue to them during periods of employment and are payable at various times during employment or upon separation, whether voluntary or involuntary. Costs for such employee benefits are recorded upon payment rather than as such benefits accrue. Such expenditures during 1990 amounted to \$197,000 for home travel, \$164,000 for repatriation of family and household goods upon separation, \$984,000 for separation indemnity and termination pay and \$789,000 for medical benefits subsequent to separation. Unrecorded earned annual and special leave approximated \$7,332,000 and \$10,024,000 at December 31, 1990 and 1988, respectively.
- D. The General Assembly of the OAS adopts a consolidated program-budget which includes the budgets for the Special Development Assistance Fund, the Special Multilateral Fund of the Inter-American Council for Education, Science and Culture, the Special Account for Culture and the Mar del Plata Account in addition to the Regular Fund. In the consolidated budget, the amounts appropriated for substantially all approved (career) personnel costs are included in the Regular Fund's budget. In addition, certain other administrative costs benefiting all funds are included in the budget of the Regular Fund. In lieu of allocating these costs to various funds on a services-rendered basis, the General Assembly has provided that the other funds pay a contribution to the Regular Fund for administrative and technical support. The amount of the contribution may not bear a direct relationship to the actual cost of the services provided to those funds during the period.
- E. The Combining Statement of Assets, Liabilities and Fund Balances of the Regular Fund, SDAF and FEMCIECC include certain amounts to be charged against future appropriations. These expenditures are deferred as a means of budgetary financing and not because of or in relation to benefits which may accrue to future periods.
- F. The Statements of Assets, Liabilities and Fund Balances of the Regular and consolidated Special Multilateral Funds do not include unexpended

advances issued in the performance of certain OAS programs. (See Note 8).

- G. The unfulfilled subscription liability of Americas magazine at December 31, 1988 of \$468,000 is not reflected in the Statement of Assets, Liabilities and Fund Balances of the Regular Fund. The accounting practice of including the unfulfilled subscription liability on the financial statements of the Regular Fund began during 1989. At December 31, 1990 the unfulfilled subscriptions liability was \$383,000.
- H. Contributions from member states and other interested parties in the form of use of facilities and services are received by certain of the activities of the funds administered by the General Secretariat. No amounts are recorded in the accompanying financial statements relating to the use of such facilities or services inasmuch as the General Secretariat deems it impractical to measure their value.

5. Land, Buildings and Equipment

The General Secretariat follows the practice of charging to current fiscal period's appropriations the amount disbursed in acquiring real property, equipment, and works of art and subsequently capitalizing such acquisitions in a separate Fixed Assets Fund. This practice allows the OAS to continue to reflect those expenditures for fixed assets against the amounts appropriated for such purposes while, at the same time, presenting them as capitalized assets on the Combining Statement of Assets, Liabilities and Fund Balances. Such assets acquired by the Regular Fund with associated long-term debt are capitalized in the amount of the total cost including the long-term debt. That portion of the Regular Fund's purchase not financed by long-term debt is included in restricted investment in land, buildings and equipment.

The associated debt is then amortized against current and future years' appropriations (\$537,000 in 1990 and \$462,000 in 1988) to provide for current mortgage payments and the repayment of the note payable due in 1992. (See Note 11).

A sinking fund aggregating \$516,000 at December 31, 1990 (\$253,000 at December 31, 1988) was established in the Regular Fund for the purpose of retiring the original \$1,200,000 note payable in 1992. On December 31, 1986, the General Secretariat paid \$600,000 of the principal amount and the remaining balance of \$600,000 was paid in February 1991. The related fund balance is reflected in Exhibit 1 as restricted investments in fixed assets.

Fixed assets are recorded at cost and depreciated on a straight-line basis over their estimated useful lives. The composition of general fixed assets at December 31, was as follows:

| <u>Depreciation Basis</u> | <u>December 31</u> | |
|--|---------------------|---------------------|
| | <u>1990</u> | <u>1988</u> |
| Land (Note 11) - not depreciated | \$ 5,491,305 | \$ 5,491,305 |
| Buildings (Note 11) - 50 years | 24,374,561 | 24,374,561 |
| Vehicles - 5 years | 1,051,417 | 417,618 |
| Furniture and equipment - 10 years | 7,837,200 | 7,458,445 |
| Technical machinery and equipment - 10 years | 2,484,871 | 316,190 |
| Works of art - not depreciated | <u>399,142</u> | <u>392,712</u> |
| | 41,638,496 | 38,450,831 |
| Less: accumulated depreciation | <u>(14,519,776)</u> | <u>(12,287,169)</u> |
| Book value as of December 31 | <u>\$27,118,720</u> | <u>\$26,163,662</u> |

Only those assets under direct control of the General Secretariat at its headquarters and other offices are included in the financial statements. Acquisitions on behalf of OAS supported projects in the member states are recorded in memorandum accounts only since it is the policy of the General Secretariat to donate these assets to the recipient projects after a two-year period.

Effective 1988 the Executive Secretariat for Education, Science and Culture and the Secretary General approved a change in policy for donation of equipment, allowing equipment and/or scientific materials to be donated to projects in the CIECC area at the time of delivery.

6. Equity in OAS Treasury Fund

All U.S. dollars available for use in carrying out the activities of the various funds of the OAS are consolidated in the OAS Treasury Fund. The Regular Fund, the Special Multilateral Funds, and the Specific Funds maintain an equity to the extent of their cash balances retained therein. The Treasury Fund is administered by the General Secretariat and amounts not immediately required for operations are invested. Subject to certain conditions, income earned by the Treasury Fund is added to the equities of the various funds in proportion to their equity balances.

The composition of the OAS Treasury Fund at the end of the corresponding periods is as follows:

| | <u>December 31</u> | |
|---|---------------------|---------------------|
| | <u>1990</u> | <u>1988</u> |
| Demand and time deposits, net of \$1,569,000 and \$ 551,000 outstanding drafts as of December 31, 1990 and 1988, respectively | \$44,935,000 | \$40,560,000 |
| Accrued interest receivable | <u>431,000</u> | <u>427,000</u> |
| | <u>\$45,366,000</u> | <u>\$40,987,000</u> |

7. Unliquidated Obligations

At its Nineteenth Regular Session in November 1989 the General Assembly adopted resolution AG/RES.1010(XIX-O/89) to authorize CIECC projects likely to be executed by June 30, 1990 to expend up to that date the funds obligated by December 31, 1989 and to authorize the use of unobligated appropriation balances as of December 31, 1989 to complete and reinforce the execution of CIES projects programmed for the 1990-91 biennium.

At December 31, 1990, the unexpended balances of CIECC 1989 obligations were eliminated from the account. Ninety percent of the unused appropriations were added to the 1990-91 appropriations. The remaining ten percent was credited to the corresponding reserve subfund.

8. Accountable Advances

In the performance of various activities, the administrators of the various funds may deem it necessary or appropriate to advance funds for the conduct of a program or a specific event prior to the actual occurrence of the expenses. In the opinion of the administrators of the funds such action is necessary to assure the timely performance of such activities. Recipients of advances are required to submit an accounting or suitable supporting documentation for the resulting expenditures in a form deemed adequate by the administrators of the funds and by the Office of the Treasurer. Advances of this nature are recorded as expenditures in the period in which funds are advanced. Advances for which a

subsequent accounting was required at December 31, 1990 and 1988, were as follows:

| | <u>December 31</u> | |
|---|--------------------|-------------------|
| | <u>1990</u> | <u>1988</u> |
| Regular Fund | \$ 233,000 | \$ 36,000 |
| Special Development Assistance Fund | 74,000 | 51,000 |
| Special Multilateral Fund of the Inter-American Council for Education, Science & Culture | 258,000 | 312,000 |
| Special Account for Culture | 16,000 | 11,000 |
| Mar del Plata Account | <u>165,000</u> | <u>243,000</u> |
| | <u>\$746,000</u> | <u>\$ 653,000</u> |

9. Contributions to Specific Funds:

Contributions to Specific Funds during the year ended December 31, 1990 as reflected in Exhibit 3 of the accompanying financial statements were as follows:

| <u>Contributor</u> | <u>REGULAR FUND</u> | <u>SDAF</u> | <u>FEMCIECC</u> | <u>CEC</u> | <u>CMP</u> | <u>TOTAL</u> |
|-----------------------------|---------------------|--------------------|------------------|------------------|------------------|---------------------|
| Argentina | \$ 120,683 | \$ 183,356 | \$ 103,494 | | \$ 67,871 | \$ 475,404 |
| Brazil | 90,701 | 228,727 | | | | 319,428 |
| Canada | 160,813 | 262,350 | 15,649 | | | 438,812 |
| Chile | 13,000 | 170,060 | 5,001 | 45,500 | | 233,561 |
| Colombia | 1,028 | 400,000 | 54,611 | | | 455,639 |
| Costa Rica | 30,971 | | | | | 30,971 |
| Rep.Dom. | 2,118 | | | | | 2,118 |
| Ecuador | 24,243 | | | | | 24,243 |
| El Salvador | 1,792 | 236,261 | | | | 238,053 |
| Mexico | | | 162,058 | 38,828 | 141,766 | 342,652 |
| Paraguay | 180,442 | 138,335 | | | | 318,777 |
| United States | 29,681,790 | 400,900 | | | | 30,082,690 |
| Uruguay | | 113,017 | | 1,700 | | 114,717 |
| Venezuela | 115,677 | | | | | 115,677 |
| Germany | | | 204,812 | | | 204,812 |
| European Econ. Community | 126,550 | | | | | 126,550 |
| France | 114,545 | | | | | 114,545 |
| Republic of. Cyprus | 2,000 | | | | | 2,000 |
| Others | <u>1,340,889</u> | <u>1,074,195</u> | <u>58,447</u> | <u>30,638</u> | | <u>2,504,169</u> |
| | <u>\$32,007,242</u> | <u>\$3,207,201</u> | <u>\$604,072</u> | <u>\$116,666</u> | <u>\$209,637</u> | <u>\$36,144,818</u> |

10. Tax Reimbursements

Tax reimbursements represent amounts assessed or to be assessed to certain member states for reimbursements made to certain employees of the General Secretariat for income taxes paid to the respective member state.

11. Long-term Debt

Long-term debt was incurred solely by the Regular Fund under the following terms and conditions:

A. First Mortgage with Aetna Life Insurance Company (secured by the General Secretariat Building - 1889 F St.)

| | |
|---|--|
| Principal amount at December 31, 1989: | \$13,338,570 |
| Repayment terms: | 25 years, due in monthly installments through September 2004. |
| Annual interest rate: | 9.375% |
| Interest expense during 1990: | \$1,231,864 |
| Amortization of principal during 1990: | \$440,926 |
| Principal balance, December 31, 1990: | \$12,897,644 |

Principal payments due for the next five years are as follows:
1991, \$484,086; 1992, \$531,470; 1993, \$583,493; 1994, \$640,609;
1995, \$703,315.

B. Note Payable to the Dacor Bacon House Foundation incurred as part of purchase of land

| | |
|---|----------------------------|
| Original amount: | \$1,200,000 |
| Repayment terms: | 13 years, due January 1992 |
| Annual interest rate: | 8.5% |
| Principal repaid in 1986: | \$600,000 |
| Interest expense during 1990 | \$51,000 |
| Principal balance, December 31, 1990 | \$600,000 |

The principal balance due as of December 31, 1990 was repaid on February 1, 1991.

C. Second Mortgage with American Security Bank (secured by the General Secretariat Building - 1889 F St.)

Principal amount at
December 31, 1989: \$16,400,000

Repayment terms: * Repayment commenced February 10, 1990. Minimum payment of \$3,200,000 per annum payable in quarterly installments which includes all quota receipts which serve to reduce quota arrearages.

Annual Interest Rate: Variable, American Security Bank's base (prime rate).

Interest expense during
1990: \$1,451,819

Balance required: A balance of 5% of outstanding loan balance must be maintained at American Security Bank during the term of the loan.

Amortization of Principal
during 1990: \$7,484,000

Principal Balance at
December 31, 1990: \$8,916,000

The loan agreement with American Security Bank (Bank) and related documents require, among other things, a) that funds borrowed be used solely for the purpose of financing the 1989 staff adjustment; b) any quota payments received from member states which serve to reduce quota arrearage be applied as repayments of the loan; and c) periodic financial reports be submitted to the Bank.

* As amended effective January 1, 1991; prior repayments terms were; all collection of quota arrears plus \$3,280,000 per annum payable quarterly.

12. Leases

The General Secretariat leases certain facilities and equipment. Rental expense for such leases was approximately \$461,181 and \$722,000 for the years ended December 31, 1990 and 1988, respectively. Aggregate rentals subsequent to December 31, 1990 are not significant.

13. Retirement Plans

All qualified employees of the General Secretariat are participants in either the Retirement and Pension Plan or the Provident Plan. The plans are funded by the General Secretariat, other participating agencies and employee contributions at fixed percentages of salaries. Pension expense aggregated approximately \$4,861,000 in 1990 and \$6,778,000 in 1988.

As of December 31, 1990 accumulated plan benefits and plan net assets were as follows:

Actuarial present value of accumulated plan benefits:

| | |
|--|----------------------|
| Vested | \$126,464,000 |
| Nonvested | <u>2,079,000</u> |
| Total at December 31, 1990 | <u>\$128,543,000</u> |
| Net plan assets available for benefits | <u>\$187,716.437</u> |

The weighted average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 9%.

In addition to the retirement plan described above, the General Secretariat provides a lifetime annuity to former Secretaries General and Assistant Secretaries General with survival benefits for their spouses and has extended pension benefits to certain former staff members with expired fixed term pensions. The cost of these annuities, \$242,900 in 1990 and \$282,600 in 1988, is budgeted and recognized in the year paid. The present value of estimated future payments of \$2.5 million at December 31, 1988 is not reflected in the financial statements. The accounting practice of recording the present value of estimated future payment began in 1990. Accordingly the approximate present value of estimated future payments of \$3.5 million, at December 31, 1990 is reflected in the statement of Assets, Liabilities and Fund Balance of the Regular Fund.

14. Post Employment Health Care and Life Insurance Benefits

In addition to providing pension benefits as described in Note 13 above, the General Secretariat provides health care and life insurance benefits for retirees and their dependents. The cost of health care is partially borne by the retirees. The cost to the General Secretariat for its portion of the health care as well as the life insurance is recognized when paid. For 1990 and 1988 those costs were \$910,000 and \$455,000, respectively.

15. Foreign Currencies

Certain income and expense transactions during the years ended December 31, 1990 and 1988 were in currencies other than United States dollars. These transactions have been translated into United States dollar equivalents at rates of exchange in effect at the time of the transactions. Foreign currency assets included in the accompanying balance sheets, consisting principally of cash and time deposits (\$420,500 and \$245,000 as of December 31, 1990 and 1988, respectively) have been translated into United States dollars at the then applicable rates of exchange. Certain of these currencies are restricted as to convertibility and, therefore, must be utilized in OAS activities.

16. Interfund Borrowings

From time to time during 1988, the Regular Fund effected temporary borrowings from each of the Special Multilateral Funds pursuant to Permanent Council authorizations. The borrowings were non-interest bearing with various terms of repayment.

In addition to temporary borrowings the budget approved by the General Assembly for the Regular Fund for 1987 included authority to borrow \$242,800 from the Mar del Plata Account.

As of December 31, 1990 and 1988, the Regular Fund owed the Special Multilateral Funds a principal amount totalling \$8,242,800 and \$4,742,800 respectively. There are no repayment terms specified for this balance. In addition, accrued interest payable of \$2,875,809 on 1980 to 1983 borrowings was outstanding at December 31, 1990 and 1988. This amount was payable in 1985 but because of insufficient resources, the interest has not been paid. The Special Multilateral Funds have accrued the corresponding interest receivable. Interest income on the loans by the Special Multilateral Funds has been deferred, and will be recognized at such time as the Funds receive the corresponding payment from the Regular Fund.

17. Contingencies

In 1985, the General Secretariat contracted for the renovation of the building occupied by the Inter-American Defense Board (Board), as well as for the construction of an annex. Two years into the renovation, the General Secretariat terminated the contract, citing breach of duties by the builder. The construction was not completed by the builder, and additional contractors were hired by the Board to complete the construction. In 1989, the builder, exercising the arbitration clause contained in the contract, filed a claim for breach of contract and monetary damages. In the opinion of management and counsel, the possibility of the builder prevailing is remote. The General Secretariat has requested the Board to fund the costs of the arbitration. Such costs incurred in 1990 were \$22,400 and estimated future costs are \$75,000.

There are several pending and threatened actions before the Administrative Tribunal in which it is alleged that the Secretary General has taken administrative actions which have adversely affected the interests of the complaining staff members. In the opinion of management these actions will not result in any material adverse effect on the financial condition of the General Secretariat.

SUPPLEMENTARY INFORMATION

ORGANIZATION OF AMERICAN STATES

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**STATEMENTS OF QUOTA ASSESSMENTS,
PLEDGES, COLLECTIONS AND BALANCES**

REGULAR FUND
STATEMENT OF QUOTA ASSESSMENTS, COLLECTIONS AND BALANCES
YEAR ENDED DECEMBER 31, 1990

| Member State | Balances at December 31, 1989 | | Received in advance | Quota Assessments for 1990 | | Collections for tax reimbursements | | Collections for 1990 and prior years | | In advance for 1991 | Uncollected balances at December 31, 1990 |
|--------------------------------|-------------------------------|-----------|---------------------|----------------------------|---------------------|------------------------------------|--------------------------|--------------------------------------|------------------|---------------------|---|
| | Uncollected | Collected | | Percent | Amount | for tax reimbursements | For 1990 and prior years | In advance for 1991 | | | |
| Antigua and Barbuda | \$ 3,025 | | | 0.02 | \$ 12,100 | | \$ 9,075 | | \$ 6,050 | | |
| Argentina | 4,617,616 | | | 7.47 | 4,535,900 | | 1,643,738 | | 7,509,778 | | |
| Bahamas | | | | 0.07 | 42,500 | | 42,500 | | | | |
| Barbados | | | | 0.08 | 48,600 | | 41,534 | | 7,066 | | |
| Bolivia | 759,111 | | | 0.18 | 109,300 | | 198,429 | | 669,982 | | |
| Brazil | 1,541,800 | | | 9.36 | 5,683,600 | | 1,541,800 | | 5,683,600 | | |
| Canada | | | | | 4,222,700 | | 4,222,700 | | | | |
| Chile | 344,000 | | | 0.82 | 497,900 | | 441,900 | | 400,000 | | |
| Colombia | | | \$ 7,108 | 0.99 | 601,100 | | 601,100 | | \$ 61,986 | | |
| Costa Rica | 60,932 | | | 0.18 | 109,300 | | 143,862 | | 26,370 | | |
| Cuba | 2,166,322 | | | 1.17 | | | | | 2,166,322 | | |
| Dominica | | | 12,100 | 0.02 | 12,100 | | 12,100 | | | | |
| Dominican Republic | 1,014,437 | | | 0.18 | 109,300 | | | | 1,123,737 | | |
| Ecuador | 48,813 | | | 0.18 | 109,300 | | 109,149 | | 48,964 | | |
| El Salvador | 109,300 | | | 0.18 | 109,300 | | 109,300 | | 109,300 | | |
| Grenada | 32,400 | | | 0.03 | 18,200 | | | | 50,600 | | |
| Guatemala | 204,663 | | | 0.18 | 109,300 | | 17,096 | | 296,867 | | |
| Haiti | 337,997 | | | 0.18 | 109,300 | | 206,072 | | 241,225 | | |
| Honduras | 124,897 | | | 0.18 | 109,300 | | 109,300 | | 124,897 | | |
| Jamaica | | | | 0.18 | 109,300 | | 109,300 | | | | |
| Mexico | | | 195,278 | 7.02 | 4,262,700 | | 4,262,700 | | 1,146,704 | | |
| Nicaragua | 1,037,404 | | | 0.18 | 109,300 | | | | 336,958 | | |
| Panama | 336,958 | | | 0.18 | 109,300 | | 109,300 | | | | |
| Paraguay | | | | 0.18 | 109,300 | | 109,300 | | | | |
| Peru | 987,281 | | | 0.54 | 327,900 | | 299,690 | | 1,015,491 | | |
| St. Kitts and Nevis | | | | 0.01 | 6,100 | | | | | | |
| Saint Lucia | | | | 0.03 | 18,200 | | 18,200 | | | | |
| St. Vincent and the Grenadines | 1,050 | | | 0.02 | 12,100 | | 13,150 | | | | |
| Suriname | 355,774 | | | 0.14 | 85,000 | | 111,900 | | 328,874 | | |
| Trinidad and Tobago | 16,714 | | | 0.18 | 109,300 | | 92,585 | | 33,429 | | |
| United States | 48,580,390 | | | 66.00 | 40,076,700 | | 10,400,000 (**) | 44,080,000 | 44,577,090 | | |
| Uruguay | | | | 0.36 | 218,600 | | 218,600 | | | | |
| Venezuela | | | | 3.59 | 2,179,900 | | 1,757,802 | | 422,098 | | |
| | <u>\$62,680,884</u> | | <u>\$ 214,486</u> | <u>100.08 (*)</u> | <u>\$64,282,800</u> | | <u>\$10,423,100</u> | <u>\$60,638,282</u> | <u>\$ 74,186</u> | | <u>\$66,325,402</u> |

(*) Percentages frozen prior to the admission of The Commonwealth of The Bahamas and St. Kitts and Nevis.
(**) Excludes \$1,000,000 collected for 1991.

ORGANIZATION OF AMERICAN STATES

SPECIAL DEVELOPMENT ASSISTANCE FUND
STATEMENT OF PLEDGES, COLLECTIONS AND BALANCES
YEAR ENDED DECEMBER 31, 1990

| Member State | Balances at December 31, 1989 | | Received in advance | Pledges for 1990 | Collections | | Uncollected balances at December 31, 1990 |
|--------------------------------|-------------------------------|---------|---------------------|---------------------|--------------------------|---------------------|---|
| | Uncollected | advance | | | For 1990 and prior years | In advance for 1991 | |
| Antigua and Barbuda | \$ 1,225 | | | \$ 5,300 | \$ 3,975 | | \$ 2,550 |
| Argentina | 65,000 | | | 9,900 | 65,000 | | 4,600 |
| Bahamas | | | | 13,800 | 9,200 | | 22,189 |
| Barbados | 48,789 | | | 35,500 | 62,100 | | |
| Bolivia | | | | | | | |
| Brazil | 974,349 | | | 687,614 | | | 974,349 |
| Canada | | | | 2,000 | 2,000 | | 687,614 |
| Chile | | | \$ 27,124 | 177,200 | 177,200 | \$ 14,189 | |
| Colombia | | | 5,400 | 28,800 | 28,800 | 3,239 | |
| Costa Rica | | | | | | | |
| Cuba | 24,000 | | | 4,900 | 4,900 | 400 | 24,000 |
| Dominica | | | 5,300 | 21,700 | 21,700 | 948 | 10,000 |
| Dominican Republic | 10,000 | | 188 | 33,400 | 32,393 | | 1,207 |
| Ecuador | 200 | | | 35,500 | 35,500 | | |
| El Salvador | | | | | | | |
| Grenada | 2,855 | | | 10,000 | 7,855 | | 5,000 |
| Guatemala | | | 180 | 33,000 | 180 | | 32,820 |
| Haiti | | | | 41,300 | 41,300 | | |
| Honduras | | | | 18,070 | 18,070 | | 12,430 |
| Jamaica | 18,650 | | | 35,500 | 54,150 | | |
| Mexico | | | | 900,000 | 900,000 | | |
| Nicaragua | 64,806 | | | 26,600 | 42,082 | | 49,324 |
| Panama | 44,937 | | | 35,500 | 80,437 | 1,863 | |
| Paraguay | | | | 38,400 | 38,400 | | |
| Peru | 206,289 | | | 70,900 | | | 277,189 |
| St. Kitts and Nevis | | | | 1,100 | 1,100 | | |
| Saint Lucia | | | | 6,900 | 6,900 | | |
| St. Vincent and the Grenadines | 2,450 | | | 5,200 | 7,650 | | |
| Suriname | 19,425 | | | 24,600 | 44,025 | 300 | |
| Trinidad and Tobago | 3,251 | | | 21,700 | 19,548 | | 5,403 |
| United States | 3,358,020 (*) | | | 3,935,600 | 3,935,600 | | 3,358,020 |
| Uruguay | | | | 2,000 | 2,000 | | |
| Venezuela | 1,666 | | | 300,000 | 293,596 | | 8,068 |
| | <u>\$ 4,845,912</u> | | <u>\$ 36,192</u> | <u>\$ 6,574,414</u> | <u>\$ 5,945,563</u> | <u>\$ 20,939</u> | <u>\$ 5,474,763</u> |

(*) Uncollected balance of the United States results from a 1977 pledge for which the Government, in 1985, has informed the General Secretariat that funding is unavailable. It is uncertain whether future funding will be made available to enable the United States to satisfy that amount.

ORGANIZATION OF AMERICAN STATES

SPECIAL MULTILATERAL FUND OF THE INTER-AMERICAN COUNCIL FOR EDUCATION, SCIENCE AND CULTURE
STATEMENT OF PLEDGES, COLLECTIONS AND BALANCES
YEAR ENDED DECEMBER 31, 1990

| Member State | Balances at December 31, 1989 | Received in advance | Pledges for 1990 | Collections for 1990 and prior years | Uncollected balances at December 31, 1990 |
|--------------------------------|-------------------------------|---------------------|---------------------|--------------------------------------|---|
| | Uncollected | | | | |
| Antigua and Barbuda | \$ 550 | | \$ 2,200 | \$ 1,650 | \$ 1,100 |
| Argentina | 1,695,760 | | 547,900 | 54,929 | 2,188,731 |
| Bahamas | | | 6,500 | 6,500 | |
| Barbados | | | 7,500 | 5,834 | 1,666 |
| Bolivia | 7,329 | | 17,700 | 18,701 | 6,328 |
| Brazil | 348,050 | | 686,300 | 77,864 | 956,486 |
| Canada | | | 320,887 | | 320,887 |
| Chile | | | 77,500 | 77,500 | |
| Colombia | | \$ 19,799 | 95,200 | 94,488 | 712 |
| Costa Rica | | | 17,700 | 13,431 | 4,269 |
| Dominica | | 2,200 | 2,200 | 2,200 | |
| Dominican Republic | 63,884 | | 17,700 | | 81,584 |
| Ecuador | 23,823 | | 17,700 | 41,367 | 156 |
| El Salvador | | | 17,700 | 17,700 | |
| Grenada | | | 2,800 | 2,800 | |
| Guatemala | 17,700 | | 17,700 | | 35,400 |
| Haiti | | | 20,700 | 20,700 | |
| Honduras | 13,628 | | 17,700 | | 31,328 |
| Jamaica | | | 17,700 | 16,700 | 1,000 |
| Mexico | | | 514,542 | 514,542 | |
| Nicaragua | 14,025 | | 17,700 | 31,725 | |
| Panama | 24,087 | | 17,700 | | 41,787 |
| Paraguay | | | 17,700 | 17,700 | |
| Peru | 145,946 | | 51,300 | | 197,246 |
| St. Kitts and Nevis | | | 1,100 | 1,100 | |
| Saint Lucia | | | 2,800 | 2,800 | |
| St. Vincent and the Grenadines | 1,000 | | 2,000 | 3,000 | |
| Suriname | | | 12,100 | 12,100 | |
| Trinidad and Tobago | 525 | | 17,700 | 18,225 | |
| United States | 3,500,000 (*) | | 4,683,400 | 4,683,400 | 3,500,000 |
| Uruguay | | | 34,500 | 34,500 | |
| Venezuela | 211,501 | | 264,000 | 343,501 | 132,000 |
| | <u>\$ 6,067,808</u> | <u>\$ 21,999</u> | <u>\$ 7,547,829</u> | <u>\$ 6,114,957</u> | <u>\$ 7,500,630</u> |

(*) The uncollected balance of the United States results from a 1977 pledge for which the Government, in 1985, has informed the General Secretariat that funding is unavailable. It is uncertain whether future funding will be made available to enable the United States to satisfy that amount.

ORGANIZATION OF AMERICAN STATES

SPECIAL ACCOUNT FOR CULTURE
STATEMENT OF PLEDGES, COLLECTIONS AND BALANCES
YEAR ENDED DECEMBER 31, 1990

| Member State | Balances at December 31, 1989 | | Received in advance | Pledges for 1990 | | Collections | | Uncollected balances at December 31, 1990 |
|--------------------------------|-------------------------------|----|---------------------|--------------------------|---------------------|-------------|----------|---|
| | Uncollected | \$ | | For 1990 and prior years | In advance for 1991 | | | |
| Antigua and Barbuda | 225 | | | 900 | 675 | | 450 | |
| Argentina | 273,654 | | | 69,800 | 89,250 | | 254,204 | |
| Bahamas | | | | 1,100 | 1,100 | | | |
| Barbados | | | | 1,300 | 1,000 | | | 300 |
| Bolivia | | | | 3,200 | 3,200 | | | |
| Brazil | | | | 87,400 | 87,400 | | | |
| Canada | | | | 32,089 | | | | 32,089 |
| Chile | | | | 13,500 | 13,500 | | | |
| Colombia | | | 6,857 | 16,600 | 16,600 | | | |
| Costa Rica | | | | 3,100 | 3,100 | | 4,831 | |
| Dominica | | | 1,000 | | | | 325 | |
| Dominican Republic | 10,938 | | | 1,000 | 1,000 | | | |
| Ecuador | 3,640 | | | 3,100 | 14,038 | | | |
| El Salvador | | | | 3,100 | 6,740 | | | 3,129 |
| Grenada | | | | 3,100 | 3,100 | | | |
| Guatemala | | | | 500 | 500 | | | |
| Haiti | 4,359 | | | | | | | 7,459 |
| Honduras | 300 | | | 3,100 | 3,800 | | | |
| Jamaica | | | | 3,100 | 3,400 | | | |
| Mexico | | | | 3,100 | 3,100 | | | |
| Nicaragua | | | | 65,472 | 65,472 | | | |
| Panama | 2,400 | | | 3,100 | 5,500 | | | |
| Paraguay | 5,312 | | | 3,100 | 6,087 | | | 2,325 |
| Peru | 8,900 | | | 3,100 | 3,100 | | | |
| St. Kitts and Nevis | | | | 8,500 | | | | 17,400 |
| Saint Lucia | | | | 400 | 400 | | | |
| St. Vincent and the Grenadines | | | | 500 | 500 | | | |
| Suriname | 200 | | | 400 | 600 | | | |
| Trinidad and Tobago | | | | 2,000 | 2,000 | | | |
| United States | 200 | | | 3,100 | 3,300 | | | |
| | | | | 220,000 | 220,000 | | | |
| Uruguay | 33,991 | | | 6,000 | 6,000 | | | 19,050 |
| Venezuela | \$ 344,119 | | \$ 7,857 | \$ 38,100 | \$ 53,041 | | \$ 8,285 | \$ 353,277 |
| | | | | \$ 606,661 | \$ 617,503 | | | |

ORGANIZATION OF AMERICAN STATES

SCHEDULE 5

MAR DEL PLATA ACCOUNT
STATEMENT OF PLEDGES, COLLECTIONS AND BALANCES
YEAR ENDED DECEMBER 31, 1990

| Member State | Balances at December 31, 1989 | | Pledges for 1990 | Collections | | Uncollected balances at December 31, 1990 |
|--------------------------------|-------------------------------|---------------------|---------------------|--------------------------|---------------------|---|
| | Uncollected | Received in advance | | For 1990 and prior years | In advance for 1991 | |
| Antigua and Barbuda | 225 | | 900 | 675 | 450 | |
| Argentina | 329,523 | | 117,000 | 28,690 | 417,833 | |
| Bahamas | | | 2,100 | 2,100 | | |
| Barbados | | 500 | 2,400 | 1,934 | 466 | |
| Bolivia | 200 | | 5,700 | 5,900 | | |
| Brazil | 73,250 | | 146,500 | 37,000 | 182,750 | |
| Canada | | | 105,434 | | 105,434 | |
| Chile | | | 24,600 | 24,600 | | |
| Colombia | | | 30,300 | 30,300 | | |
| Costa Rica | | 27,954 | 5,600 | 4,944 | 656 | |
| Dominica | | | 896 | 896 | | |
| Dominican Republic | 22,517 | 896 | 5,600 | | 28,117 | |
| Ecuador | 3,748 | | 5,600 | 9,348 | | |
| El Salvador | | | 5,600 | 5,600 | | |
| Grenada | | | 900 | 900 | | |
| Guatemala | 5,600 | | 5,600 | | 11,200 | |
| Haiti | | | 6,200 | 6,200 | | |
| Honduras | 2,631 | | 5,600 | | 8,231 | |
| Jamaica | | | 5,600 | 5,600 | | |
| Mexico | | | 109,865 | 109,865 | | |
| Nicaragua | 4,425 | | 5,600 | 10,025 | | |
| Panama | 8,525 | | 5,600 | | 14,125 | |
| Paraguay | | | 5,600 | 5,600 | | |
| Peru | 49,915 | | 16,300 | | 66,215 | |
| St. Kitts and Nevis | | | 400 | | | |
| Saint Lucia | | | 900 | 900 | | |
| St. Vincent and the Grenadines | 300 | | 600 | 900 | | |
| Suriname | | | 3,900 | 3,900 | | |
| Trinidad and Tobago | 900 | | 5,600 | 4,648 | 1,852 | |
| United States | 1,850,000 (*) | | 1,000,000 | 1,000,000 | 1,850,000 | |
| Uruguay | 67,251 | | 11,000 | 11,000 | 28,200 | |
| Venezuela | 2,419,010 | | 56,400 | 95,451 | 2,715,529 | |
| | <u>\$ 2,419,010</u> | <u>\$ 29,350</u> | <u>\$ 1,703,895</u> | <u>\$ 1,407,376</u> | <u>\$ 25,487</u> | <u>\$ 2,715,529</u> |

(*) The uncollected balance of the United States results from a 1977 pledge for which the government, in 1985, has informed the General Secretariat that funding is unavailable. It is uncertain whether future funding will be made available to enable the United States to satisfy that amount.

STATEMENTS OF SUMMARY OF APPROPRIATIONS

ORGANIZATION OF AMERICAN STATES

REGULAR FUND
SUMMARY OF APPROPRIATIONS
YEAR ENDED DECEMBER 31, 1990

| | 1990-91 approved by the General Assembly (a) | Reserved for execution in 1991 | Approved for 1990 | Secretary General discretionary transfers | Supplementary | 1990 Final |
|--|---|---|----------------------|--|---------------|------------------------|
| General Assembly and Permanent Council | \$ 17,127,300 | \$ 8,603,400 | \$ 8,523,900 | \$ (400,245) | | \$ 8,123,655 |
| Executive Office of the General Secretariat | 9,874,900 | 4,877,100 | 4,997,800 | (25,082) | \$ 322,345 | 5,295,063 |
| Activities of the Executive Secretariat for Economic and Social Affairs | 13,708,200 | 6,888,900 | 6,819,300 | 133,878 | | 6,953,178 |
| Activities of the Executive Secretariat for Educational, Scientific, and Cultural Affairs | 22,881,900 | 11,486,800 | 11,395,100 | (53,978) | | 11,341,122 |
| Offices Away from Headquarters | 11,834,500 | 5,931,300 | 5,903,200 | (517,773) | | 5,385,427 |
| Activities of the Secretariat for Legal Affairs | 3,027,000 | 1,525,200 | 1,501,800 | (203,766) | | 1,298,034 |
| Activities of the Secretariat for Management | 15,296,000 | 7,750,300 | 7,545,700 | (385,421) | | 7,160,279 |
| Common Administrative and Personnel Costs Global Adjustment of Personnel Costs | 18,029,600 | 8,805,800 | 9,223,800 | 1,398,618 | | 9,223,800 1,398,618 |
| Contributions to: | | | | | | |
| Inter - American Defense Board | 4,917,400 | 2,458,700 | 2,458,700 | | | 2,458,700 |
| Inter - American Children's Institute | 1,884,400 | 955,000 | 929,400 | 38,276 | | 967,676 |
| Inter - American Commission of Women | 1,068,100 | 539,600 | 528,500 | 15,493 | | 543,993 |
| Pan American Development Foundation | 192,100 | 97,600 | 94,500 | | | 94,500 |
| Inter - American Library Simon Bolivar | 100,000 | 50,000 | 50,000 | | | 50,000 |
| Inter - American Music Council | 178,800 | 90,400 | 88,400 | | | 88,400 |
| | \$ 120,120,200 | \$ 60,060,100 | \$ 60,060,100 (*) | \$ - | \$ 322,345 | \$ 60,382,445 |

(a) AG/Res. 1012 (XIX-O/89) and AG/Res. 1072 (XX-O/90)

(*) Excludes the first year quota of Canada of \$4,222,700.

ORGANIZATION OF AMERICAN STATES

REGULAR FUND
SUMMARY OF DISPOSITION OF APPROPRIATIONS
YEAR ENDED DECEMBER 31, 1990

| | 1990 Final | Charges for expenditures | Unliquidated Obligations | Total expenditures and obligations | Unobligated balance carried forward | Unobligated and reserved for execution in 1991 |
|--|--------------------------|--------------------------|--------------------------|------------------------------------|-------------------------------------|--|
| General Assembly and Permanent Council | \$ 8,123,655 | \$ 7,153,998 | \$ 486,027 | \$ 7,640,025 | \$ 483,630 | \$ 9,087,030 |
| Executive Office of the General Secretariat | 5,295,063 | 4,657,322 | 564,821 | 5,222,143 | 72,920 | 4,950,020 |
| Activities of the Executive Secretariat for Economic and Social Affairs | 6,953,178 | 5,011,897 | 231,281 | 5,243,178 | 1,710,000 | 8,598,900 |
| Activities of the Executive Secretariat for Educational, Scientific and Cultural Affairs | 11,341,122 | 7,173,589 | 3,493,443 | 10,667,032 | 674,090 | 12,160,890 |
| Offices Away from Headquarters | 5,385,427 | 5,151,700 | 132,651 | 5,284,351 | 101,076 | 6,032,376 |
| Activities of the Secretariat for Legal Affairs | 1,298,034 | 1,260,113 | 29,805 | 1,289,918 | 8,116 | 1,533,316 |
| Activities of the Secretariat for Management | 7,160,279 | 6,586,989 | 124,738 | 6,711,727 | 448,552 | 8,198,852 |
| Common Administrative and Personnel Costs | 9,223,800 | 7,525,171 | 1,481,851 | 9,007,022 | 216,778 | 9,022,578 |
| Global adjustment of Personnel Costs | 1,398,618 | | | | 1,398,618 | 1,398,618 |
| Contributions to: | | | | | | |
| Inter - American Defense Board | 2,458,700 | 2,456,119 | 2,709 | 2,458,828 | (128) | 2,458,572 |
| Inter - American Children's Institute | 967,676 | 898,589 | 27,215 | 925,804 | 41,872 | 996,872 |
| Inter - American Commission of Women | 543,993 | 445,931 | 60,146 | 506,077 | 37,916 | 577,516 |
| Pan American Development Foundation | 94,500 | 94,500 | | 94,500 | | 97,600 |
| Inter - American Library Simon Bolivar | 50,000 | | | | 50,000 | 100,000 |
| Inter - American Music Council | 88,400 | 81,094 | 396 | 81,490 | 6,910 | 97,310 |
| | <u>\$ 60,382,445 (a)</u> | <u>\$ 48,497,012</u> | <u>\$ 6,635,083 (b)</u> | <u>\$ 55,132,095</u> | <u>\$ 5,250,350</u> | <u>\$ 65,310,450</u> |
| (a) Budgeted funding: Quotas | \$ 60,060,100 (*) | | | | | |
| Other sources: Americas subscription revenue | 322,345 | | | | | |
| | <u>\$ 60,382,445</u> | | | | | |
| (b) Unliquidated obligations: | | | | | | |
| Charged to 1990 appropriations | | | \$ 6,635,083 | | | |
| Charged to prior years appropriations | | | 2,063,273 | | | |
| | | | <u>\$ 8,698,356</u> | | | |

(*) Excludes the first year quota of Canada of \$4,222,700.

ORGANIZATION OF AMERICAN STATES

SPECIAL DEVELOPMENT ASSISTANCE FUND
SUMMARY OF APPROPRIATIONS
YEAR ENDED DECEMBER 31, 1990

| | 1990 - 91 Approved by the General Assembly (a) + (b) | Reserved for execution in 1991 (b) | Approved for 1990 (a) | Adjusted by CEPCIES (c) | CEPCIES discretionary transfers | 1990 Final |
|--|---|--|-----------------------------|----------------------------------|---------------------------------------|---------------------|
| National Technical Cooperation Projects | \$ 13,420,000 | \$ 6,728,500 | \$ 6,691,500 | \$ (2,539,400) | \$ 25,288 | \$ 4,177,388 |
| Plurinational Projects | 1,399,000 | 688,000 | 711,000 | (265,000) | | 446,000 |
| Inter-American Centers | 2,027,000 | 1,044,300 | 982,700 | 45,500 | 23,998 | 1,052,198 |
| Support Resources | 285,200 | 104,800 | 180,400 | (91,300) | (49,286) | 39,814 |
| Contribution for Administrative and Technical Support | 2,568,800 | 1,284,400 | 1,284,400 | (427,400) | | 857,000 |
| | <u>\$ 19,700,000</u> | <u>\$ 9,850,000</u> | <u>\$ 9,850,000</u> | <u>\$ (3,277,600)</u> | <u>\$ -</u> | <u>\$ 6,572,400</u> |

(a) 1990: AG/Res. 1012 (XIX-O/89).

(b) 1991: AG/Res. 1072 (XX-O/90).

(c) CEPCIES Doc. SPP 13/90.

ORGANIZATION OF AMERICAN STATES

SPECIAL DEVELOPMENT ASSISTANCE FUND
SUMMARY OF DISPOSITION OF APPROPRIATIONS
YEAR ENDED DECEMBER 31, 1990

| | 1990 Final | Charges for expenditures | Unliquidated Obligations | Total expenditures and obligations | Unobligated balance carried forward | Unobligated and reserved for execution in 1991 |
|--|---------------------|--------------------------|--------------------------|------------------------------------|-------------------------------------|--|
| National Technical Cooperation Projects | \$ 4,177,388 | \$ 1,050,615 | \$ 543,889 | \$ 1,594,504 | \$ 2,582,884 | \$ 9,311,384 |
| Plurinational Projects | 446,000 | 230,192 | 60,338 | 290,530 | 155,470 | 843,470 |
| Inter-American Centers | 1,052,198 | 828,724 | 3,203 | 831,927 | 220,271 | 1,264,571 |
| Support Resources | 39,814 | 1,592 | 608 | 2,200 | 37,614 | 142,414 |
| Contributions for Administrative and Technical Support | 857,000 | 407,878 | | 407,878 | 449,122 | 1,733,522 |
| | <u>\$ 6,572,400</u> | <u>\$ 2,519,001</u> | <u>\$ 608,038 (a)</u> | <u>\$ 3,127,039</u> | <u>\$ 3,445,361 (b)</u> | <u>\$ 13,295,361</u> |

(a) - Unliquidated obligations
Charged to 1990 appropriations
Charged to prior years appropriations

\$ 608,038
874,032
\$ 1,482,070

(b) - Unobligated balance carried forward
Balance at Dec. 31, 1990 of unobligated appropriation carried forward at Dec. 31 1989.

\$ 3,445,361
\$ 229,707
\$ 6,735,068

ORGANIZATION OF AMERICAN STATES

SPECIAL MULTILATERAL FUND OF THE INTER-AMERICAN COUNCIL
FOR EDUCATION, SCIENCE AND CULTURE
SUMMARY OF APPROPRIATIONS
YEAR ENDED DECEMBER 31, 1990

| | 1990-91 approved by the General Assembly (a)+(b) | Reserved for execution in 1991 (b) | Approved for 1990 (a) | Unobligated appropriations carried forward at Dec. 31, 1989 (c) | Adjusted by CEPCIIECC (d) | Discretionary transfer authorized by CEPCIIECC | 1990 Final |
|---|---|--|-----------------------------|--|------------------------------------|---|----------------------|
| Activities of the Executive Secretariat | \$ 592,000 | \$ 296,000 | \$ 296,000 | \$ 22,769 | \$ (289,400) | \$ 324,631 | \$ 354,000 |
| Regional Educational Development Programs | 7,816,000 | 3,910,000 | 3,906,000 | 1,906,647 | (747,900) | (64,847) | 4,999,900 |
| Regional Scientific and Technological Development Programs | 7,824,000 | 3,910,000 | 3,914,000 | 2,290,563 | (747,900) | (27,163) | 5,429,500 |
| Contribution for Administrative and Technical Support | 2,434,000 | 1,217,000 | 1,217,000 | 416,207 | | (232,507) | 1,400,700 |
| | <u>\$ 18,666,000</u> | <u>\$ 9,333,000</u> | <u>\$ 9,333,000</u> | <u>\$ 4,636,186</u> | <u>\$ (1,785,200)</u> | <u>\$ 114</u> | <u>\$ 12,184,100</u> |

(a) 1990: AG/Res. 1012 (XIX-O/89).

(b) 1991: AG/Res. 1072 (XX-O/90).

(c) AG/Res. 1010 (XIX-O/89) - 90% 1989 Unobligated appropriations.

(d) CEPCIIECC Doc. 232 (XVII-E/90) and Doc. 1137/90.

ORGANIZATION OF AMERICAN STATES

SPECIAL MULTILATERAL FUND OF THE INTER-AMERICAN COUNCIL
FOR EDUCATION, SCIENCE AND CULTURE
SUMMARY OF DISPOSITION OF APPROPRIATIONS
YEAR ENDED DECEMBER 31, 1990

| | <u>1990 Final</u> | <u>Charges for expenditures</u> | <u>Unliquidated Obligations</u> | <u>Total expenditures and obligations</u> | <u>Unobligated balance carried forward</u> | <u>Unobligated and reserved for execution in 1991</u> |
|--|----------------------|---|-------------------------------------|---|--|---|
| Activities of the Executive Secretariat | \$ 354,000 | \$ 154,910 | \$ 58,524 | \$ 213,434 | \$ 140,566 | \$ 436,266 |
| Regional Educational Development Programs | 4,999,900 | 527,767 | 1,416,268 | 1,944,035 | 3,055,865 | 6,965,865 |
| Regional Scientific and Technological Development Programs | 5,429,500 | 552,216 | 300,925 | 853,141 | 4,576,359 | 8,486,359 |
| Contribution for Administrative and Technical Support | 1,400,700 | 451,592 | | 451,592 | 949,108 | 2,166,408 |
| | <u>\$ 12,184,100</u> | <u>\$ 1,686,485</u> | <u>\$ 1,775,717</u> | <u>\$ 3,462,202</u> | <u>\$ 8,721,898</u> | <u>\$ 18,054,898</u> |

ORGANIZATION OF AMERICAN STATES

SPECIAL ACCOUNT FOR CULTURE
SUMMARY OF APPROPRIATIONS
YEAR ENDED DECEMBER 31, 1990

| | 1990-91 approved by the General Assembly (a)+(b) | Reserved for execution in 1991 (b) | Approved for 1990 (a) | Unobligated appropriation carried forward at Dec. 31, 1989 (c) | Adjusted by CEPCIECC (d) | Discretionary transfer authorized by CEPCIECC | 1990 Final |
|--|---|--|-----------------------------|---|-----------------------------------|--|-------------------|
| Activities of the Executive Secretariat | \$ 25,900 | \$ 13,300 | \$ 12,600 | \$ (9,987) | \$ (3,598) | \$ 10,585 | \$ 9,600 |
| Regional Cultural Development Program Direction | 303,200 | 33,000 | 270,200 | (48,341) | (185,022) | 67,563 | 104,400 |
| Cultural Policies and Financing | 993,800 | 614,000 | 379,800 | 44,926 | | 259,974 | 684,700 |
| Cultural Heritage | 167,100 | 84,700 | 82,400 | 255,902 | | (258,102) | 80,200 |
| Arts | | | | 24,127 | | (24,127) | |
| Youth Affairs | | | | 23,252 | | (23,252) | |
| Contribution for Administrative and Technical Support | 223,400 | 111,700 | 111,700 | 32,002 | (32,002) | (32,600) | 79,100 |
| | <u>\$ 1,713,400</u> | <u>\$ 856,700</u> | <u>\$ 856,700</u> | <u>\$ 321,881</u> | <u>\$ (220,622)</u> | <u>\$ 41</u> | <u>\$ 958,000</u> |

(a) 1990: AG/Res. 1012 (XIX-O/89).
 (b) 1991: AG/Res. 1072 (XX-O/90).
 (c) AG/Res. 1010 (XIX-O89) - 90% 1989 Unobligated appropriations.
 (d) CEPCIECC Doc. 232 (XVII-E/90).

ORGANIZATION OF AMERICAN STATES

SPECIAL ACCOUNT FOR CULTURE
SUMMARY OF DISPOSITION OF APPROPRIATIONS
YEAR ENDED DECEMBER 31, 1990

| | 1990 Final | Charges for expenditures | Unliquidated Obligations | Total expenditures and obligations | Unobligated balance carried forward | Unobligated and reserved for execution in 1991 |
|--|-------------------|--------------------------------|-----------------------------|---|--|---|
| Activities of the Executive Secretariat | \$ 9,600 | \$ 2,820 | \$ 5,000 | \$ 7,820 | \$ 1,780 | \$ 15,080 |
| Regional Cultural Development Program Direction | 104,400 | 40,604 | 1,415 | 42,019 | 62,381 | 95,381 |
| Cultural Policies and Financing | 684,700 | 49,286 | 212,897 | 262,183 | 422,517 | 1,036,517 |
| Cultural Heritage | 80,200 | 21,122 | 22,406 | 43,528 | 36,672 | 121,372 |
| Arts | | | | | | |
| Youth Affairs | | | | | | |
| Contribution for Administrative and Technical Support | 79,100 | 53,332 | | 53,332 | 25,768 | 137,468 |
| | <u>\$ 958,000</u> | <u>\$ 167,164</u> | <u>\$ 241,718</u> | <u>\$ 408,882</u> | <u>\$ 549,118</u> | <u>\$ 1,405,818</u> |

ORGANIZATION OF AMERICAN STATES

MAR DEL PLATA ACCOUNT
SUMMARY OF APPROPRIATIONS
FOR THE YEAR ENDED DECEMBER 31, 1990

| | 1990-91 Approved by the General Assembly (a)+(b) | Reserved for execution in 1991 (b) | Approved for 1990 (a) | Unobligated appropriation carried forward at Dec. 31, 1989 (c) | Adjusted by CEPCIECC (d) | Discretionary transfers authorized by CEPCIECC | 1990 Final |
|--|---|--|-----------------------------|---|-----------------------------------|--|---------------------|
| Executive Secretariat | \$ 513,600 | \$ 203,800 | \$ 309,800 | \$ 475,957 | \$ (465,005) | \$ 141,248 | \$ 462,000 |
| Director of the Education Department | 550,500 | 39,300 | 511,200 | (29) | (172,800) | 160,229 | 498,600 |
| Improvement of Educational System | 1,565,300 | 1,018,600 | 546,700 | 111,847 | | 505,553 | 1,164,100 |
| Education Planning and Research | | | | 367,087 | | (317,187) | 49,900 |
| Experimental Education for Work | | | | 186,659 | | (186,659) | |
| Communication for Education | | | | 149,919 | | (149,919) | |
| Director of the Science and Technology Department | 363,500 | 108,600 | 254,900 | 139,623 | (555,700) | 956,977 | 795,300 |
| Basic Sciences | 2,271,300 | 1,209,000 | 1,062,300 | 290,417 | | 18,583 | 1,371,300 |
| Applied Sciences | 15,600 | 15,600 | | 112,768 | | 6,632 | 119,400 |
| Technology | | | | 944,126 | | (944,126) | |
| Science and Technology Planning | | | | 8,505 | | (8,505) | |
| Technology Team on Planning | | | | (170) | | 170 | |
| Contribution for Administrative and Technical Support | 744,200 | 372,100 | 372,100 | 186,792 | | (182,392) | 376,500 |
| | <u>\$ 6,024,000</u> | <u>\$ 2,967,000</u> | <u>\$ 3,057,000</u> | <u>\$ 2,973,501</u> | <u>\$ (1,193,505)</u> | <u>\$ 604</u> | <u>\$ 4,837,600</u> |

(a) 1990: AG/Res. 1012 (XIX-O/89).
 (b) 1991: AG/Res. 1072 (XX-O/90).
 (c) AG/Res. 1010 (XIX-O/89) - 90% 1989 Unobligated appropriations.
 (d) CEPCIECC Doc.232 (XXVII-E/90) and Doc. 1137/90.

ORGANIZATION OF AMERICAN STATES

MAR DEL PLATA ACCOUNT
 SUMMARY OF DISPOSITION OF APPROPRIATIONS
 FOR THE YEAR ENDED DECEMBER 31, 1990

| | <u>1990 Final</u> | <u>Charges for expenditures</u> | <u>Unliquidated Obligations</u> | <u>Total expenditures and obligations</u> | <u>Unobligated balance carried forward</u> | <u>Unobligated and reserved for execution in 1991</u> |
|---|---------------------|---------------------------------|---------------------------------|---|--|---|
| Executive Secretariat | \$ 462,000 | \$ 82,917 | \$ 80,366 | \$ 163,283 | \$ 298,717 | \$ 502,517 |
| Director of the Education Department | 498,600 | (485) | | (485) | 499,085 | 538,385 |
| Improvement of Educational System | 1,164,100 | 69,869 | 255,078 | 324,947 | 839,153 | 1,857,753 |
| Education Planning and Research | 49,900 | 9,008 | 35,830 | 44,838 | 5,062 | 5,062 |
| Experimental Education for Work | | | | | | |
| Communication for Education | | | | | | |
| Director of the Science and Technology Department | 795,800 | 44,010 | 1,010 | 45,020 | 750,780 | 859,380 |
| Basic Sciences | 1,371,300 | 2,444 | 3,556 | 6,000 | 1,365,300 | 2,574,300 |
| Applied Sciences | 119,400 | 25,571 | 11,160 | 36,731 | 82,669 | 98,269 |
| Technology | | | | | | |
| Science and Technology Planning | | | | | | |
| Technology Team on Planning | | | | | | |
| Contribution for Administrative and Technical Support | 376,500 | 93,050 | | 93,050 | 283,450 | 655,550 |
| | <u>\$ 4,837,600</u> | <u>\$ 326,384</u> | <u>\$ 387,000</u> | <u>\$ 713,384</u> | <u>\$ 4,124,216</u> | <u>\$ 7,091,216</u> |

**SPECIFIC FUNDS - STATEMENTS OF ASSETS,
LIABILITIES AND CHANGES IN CASH AND FUND BALANCES**

REGULAR FUND
SPECIFIC FUNDS
STATEMENT OF ASSETS, LIABILITIES, CHANGES IN NET ASSETS AND FUND BALANCES

| Project | Year ended December 31, 1990 | | | | | Cash Balance Dec. 31, 1990 | Unliquidated Obligations Dec. 31, 1990 | Fund Balance (deficit) Dec. 31, 1990 |
|--|------------------------------|----------------|-------------|-----------------------------|--------------|----------------------------|--|--------------------------------------|
| | Cash Balance Dec. 31, 1989 | Contributions | Transfers | Interest Income and Refunds | Expenditures | | | |
| <u>Designated by Donor:</u> | | | | | | | | |
| Argentina XII CIECC Meeting | \$ (66,356) | | | | | (66,356) | | \$ (66,356) |
| Bolivia I-A Conference Int'l Law | (41,870) | | | | | (41,870) | | (41,870) |
| Bolivia IX General Assembly | (55,001) | | | | | (55,001) | | (55,001) |
| Brazil Social Integrated Development Program | 54,409 | \$ 90,701 | | \$ 110,416 | \$ (19,715) | 34,694 | \$ 18,737 | 15,957 |
| Chile I-A Commission of Nuclear Energy | 2,292 | | \$ (2,292) | | (2,292) | | | |
| Colombia XI Ordinary Meeting - CIECC | (25,763) | | | | | (25,763) | | (25,763) |
| Colombia Commemorative IA Centenary | | 1,028 | | 1,082 | (54) | (54) | 918 | (972) |
| Dominican Republic IACW - XX Assembly | (11,335) | | | | | (11,335) | | (11,335) |
| Dominican Republic I-A Discovery America Meeting | 103 | | | | | 103 | | |
| Ecuador OAS Building | 31,749 | | | | | 31,749 | | 31,749 |
| El Salvador XVIII General Assembly | 21,579 | | | 12,292 | (12,292) | 9,287 | 7,223 | 2,064 |
| Grenada VII General Assembly | (14,341) | | | | | (14,341) | | (14,341) |
| Guatemala XVI General Assembly | (1,373) | | | | | (1,373) | | (1,373) |
| Guatemala I-A Commission of Nuclear Energy | 39,136 | | | 6,290 | (6,290) | 32,846 | 681 | 32,165 |
| Honduras/El Salvador Military Observers Mission | (363,508) | | | | | (363,508) | | (363,508) |
| Jamaica XIV CIECC Meeting - 1983 | (6,769) | | | | | (6,769) | | (6,769) |
| Jamaica Chalkmaking Industry - St. Thomas | 1,619 | | | | | 1,619 | | 1,619 |
| Jamaica Food & Nutrition Policy - Prog. Course | 6,398 | | | | | 6,398 | | 6,398 |
| Nicaragua/Costa Rica Civilian Observers | (24,703) | | | | | (24,703) | | (24,703) |
| Panama Canal Treaty | (24,487) | | | | | (24,487) | | (24,487) |
| Paraguay XX Ordinary Meeting CIECC | 37,548 | 146,442 | | 60 | (60) | 37,598 | 10,815 | 26,773 |
| Paraguay XX General Assembly | | | | 142,378 | 4,064 | 4,064 | | 4,064 |
| St. Vincent Fellowship Program | 1,374 | | | | | 1,374 | 1,374 | |
| U.S. NEA Grant - Latin American Paintings | 378 | 5,000 | | 3,322 | 1,678 | 2,056 | 350 | 1,706 |
| U.S. NEH Grant - Museum Humanities Catalog. | 6,940 | | | | | 6,940 | | 6,940 |
| U.S. XIV Panamerican Child Congress | (11,218) | | | | | (11,218) | | (11,218) |
| U.S. Telecommunications Law Symposium | 5,000 | | | | | 5,000 | 1,250 | 3,750 |
| U.S. CIAV Nicaragua | | | | | | | | |
| U.S. Observation Electoral Haiti | 630,948 | (a) 24,688,550 | | 17,542,572 | 7,371,539 | 7,371,539 | 5,785,885 | 1,585,654 |
| U.S. Observation Electoral Nicaragua | (169,276) | (b) 1,375,358 | \$ (65,043) | 1,316,908 | 58,450 | 689,398 | 417,596 | 271,802 |
| | | 500,000 | (133,420) | 189,266 | | | | |
| U.S. Observat. Electoral and CIAV Nicaragua | | 3,626,790 | 133,420 | 3,644,428 | (51,122) | 115,782 | 115,782 | |
| Uruguay IV - A Special Conference Int'l Law | 8,113 | | | 7,987 | (7,987) | 126 | | 126 |
| CICAD - IA Program of Rio de Janeiro | 484,224 | 639,297 | | 469,619 | 200,896 | 685,120 | 39,833 | 645,287 |
| Constructora Norberto Odebrecht - Peru | | 54,000 | | 28,503 | 25,497 | 25,497 | 8,434 | 17,063 |
| Emilio Odebrecht Foundation - Brazil | 5,270 | 51,400 | | 41,947 | 9,453 | 14,723 | 8,606 | 6,117 |
| FONDEM - IA Emergency Aid Fund | 19,658 | | | 1,757 | | 21,415 | | 21,415 |
| Ford Foundation - Indian Leaders Meet. | | | | 3,780 | (3,780) | (3,780) | 20,771 | (24,551) |
| IBM - Commemorative IA Centenary | | | 707 | 725 | (18) | (18) | | (18) |
| IBM/PADF/OAS Education Program | 7,936 | | | | | 7,936 | | 7,936 |
| Inter - American Children Institute | 188,084 | 231,083 | | 109,979 | 140,179 | 328,263 | 34,385 | 293,878 |
| Inter - American Comm. on Human Rights | 9,186 | | | 9,012 | (9,012) | 174 | | 174 |
| Inter - American Music Council | (4,140) | | | | | (4,140) | | (4,140) |
| Inter - American Quincentennial Fund | 927 | 12,485 | | 2,553 | 9,932 | 10,859 | | 10,859 |

ORGANIZATION OF AMERICAN STATES
REGULAR FUND
SPECIFIC FUNDS
STATEMENT OF ASSETS, LIABILITIES, CHANGES IN NET ASSETS AND FUND BALANCES

| Project | Cash Balance Dec. 31, 1989 | Year ended December 31, 1990 | | | Cash Balance Dec. 31, 1990 | Unliquidated Obligations Dec. 31, 1990 | Fund Balance (deficit) Dec. 31, 1990 |
|---|-------------------------------|------------------------------|-----------|--------------------------------|-------------------------------|--|--|
| | | Contributions | Transfers | Interest Income and Refunds | | | |
| Inter-American Statistical Institute | 201,294 | 15,032 | | 18,043 | 19,933 | 3,832 | 210,604 |
| Inter-American Women Commission | 12,466 | | 16,600 | 1,242 | 2,015 | 462 | 27,831 |
| Israel - Assistance for Latin America | (1,497) | | | | | (1,497) | (1,497) |
| Italy Cooperative Tourism | 2,300 | | | | | | 2,300 |
| Luis O Carneiro Exposition - Paraguay | 766 | | | | | | 766 |
| Modern Art of Latin America | 779 | 1,410 | | | 557 | | 1,632 |
| Ohio University - 500 Ann. Disc. of America | 1,940 | 5,056 | | | 3,865 | | 3,131 |
| PALCO to Museum | | 2,363 | | | | | 2,363 |
| SDAF/FEMCIECC to OAS Fellowship Program | 112,290 | 3,658 | | | 600 | 83,092 | 32,256 |
| Support Offices away from Headquarters | 190,244 | 232,483 | | 7,776 | 152,713 | 87,546 | 257,062 |
| UN-ACNUR - Refugees in Latin Amer. | 3,026 | | | | 271 | (271) | 2,755 |
| XI-A Indian Congress - Argentina | | | | | | | |
| Xerox Grant - Latinoamerican Art Museum | 1,997 | | | | 1,076 | (1,076) | 921 |
| XXI Consult. Meet. Ministers | | 5,000 | | | 1,400 | 3,600 | 3,600 |
| Subtotal | 1,266,495 | 31,687,136 | 15,015 | 425,343 | 23,825,549 | 8,173,237 | 6,560,855 |
| Designated by OAS: | | | | (128,709) | | | 2,858,876 |
| IICA - Administrative Tribunal | 18,036 | 14,964 | | | 24,049 | (9,085) | 7,432 |
| Art Permanent Collection | 2,119 | 26,155 | | | 24,943 | 1,212 | 715 |
| Books for OAS Education Programs | 5,706 | | (5,706) | | | (5,706) | |
| Columbus Memorial Library | 69,093 | 25,284 | | | 22,390 | 2,894 | 3,083 |
| Discovery of America Souvenir Sale | 7,813 | 4,772 | | | 7,234 | (2,462) | 1,252 |
| I-A System in its Second Century | 1,125 | 2,957 | (707) | | | 2,250 | 3,375 |
| George Mason/OAS Joint Program | 4,184 | 230 | (4,184) | | | (3,954) | 230 |
| General Publications Sales | 146,179 | 17,647 | | | 9,417 | 8,230 | 135,210 |
| GSB Cafeteria Operation | 278,081 | 47,228 | | | 20,169 | 27,059 | 19,474 |
| Microfiche Sale | 65,717 | | | | 12,621 | (12,621) | 285,666 |
| Model OAS - Public Information | 7,378 | 17,575 | | | 19,943 | (2,368) | 49,729 |
| OAS Vehicle Replacement Fund | 1,456 | 150 | | | | 150 | 1,989 |
| OAS/IDB Centennial Essay Contest | | | | | 3,660 | (3,660) | 55 |
| Rental Hall of the Americas | 313,588 | 96,718 | | | 42,277 | 54,441 | 12,591 |
| Sales Audio Visual Materials | 14,891 | 16,426 | | | 18,481 | (3,515) | 355,438 |
| Staff Development Activities | | | | (1,460) | | 9,793 | 1,893 |
| Work Related Disabilities Fund | 276,958 | 50,000 | 9,889 | | 96 | 9,793 | 9,793 |
| Subtotal | 1,214,954 | 320,106 | (708) | 24,908 | 32,516 | 42,252 | 321,280 |
| | \$2,480,945 | \$ 32,007,242 | \$ 14,307 | \$ 450,251 | \$ 24,053,443 | \$ 8,270,189 | \$ 6,852,936 |
| Consisting of: | | | | (1,460) | 237,996 | 104,950 | 72,081 |
| Cash and equity in OAS Treasury Fund | | | | | \$ 1,919,804 | \$ 6,852,936 | \$ 4,106,099 |
| Travel, salary advances and other receivables | | | | | \$ 11,163,239 | | \$ 11,163,239 |
| Accounts payable and other liabilities | | | | | 366,310 | | 366,310 |
| Unliquidated obligations | | | | | (770,510) | | (770,510) |
| | | | | | \$ 10,759,036 | | \$ 4,106,099 |

(a) Includes: \$2,000 from Republic of Cyprus, \$10,000 from Venezuela, and \$126,550 from European Economic Community.
(b) Includes: \$100,000 from Venezuela, \$160,813 from Canada, and \$114,545 from France.

ORGANIZATION OF AMERICAN STATES
SPECIAL DEVELOPMENT ASSISTANCE FUND
SPECIFIC FUNDS

STATEMENT OF ASSETS, LIABILITIES, CHANGES IN NET ASSETS AND FUND BALANCES

| Project | Year ended December 31, 1990 | | | | | | Cash Balance Dec. 31, 1990 | Unliquidated Obligations Dec. 31, 1990 | Fund Balance (deficit) Dec. 31, 1990 |
|---|------------------------------|---------------|-----------|-----------------------------|--------------|------------|----------------------------|--|--------------------------------------|
| | Cash Balance Dec. 31, 1989 | Contributions | Transfers | Interest Income and Refunds | Expenditures | Net Change | | | |
| Argentina CICAP | \$ (1,510) | \$ 10,202 | | \$ 7,442 | \$ 2,760 | \$ 1,250 | \$ 1,250 | \$ 66,374 | |
| Argentina CIDES | 40,727 | 173,154 | | 5,503 | 103,532 | 144,260 | 77,885 | 343 | |
| Argentina CIET | 54,914 | | | 51,875 | (61,875) | 3,039 | 2,696 | 529 | |
| Argentina School Dinning Program | 529 | | | | | 529 | 600 | (45) | |
| Argentina Tourism Development | 661 | | | 106 | (106) | 555 | | 1,915 | |
| Bolivia Parapeti CORDECruz | 1,915 | | | | | 1,915 | | | |
| Bolivia Pilcomayo River Basin - Phase II | 4,879 | | | 3,411 | (3,411) | 1,468 | 212 | 1,256 | |
| Bolivia Technical Cooperation CORDECH | 3,623 | | | 3,162 | (3,162) | 461 | 89 | 372 | |
| Brazil CIENES - SUDENE | 3,328 | | | 400 | (400) | 2,928 | 200 | 2,728 | |
| Brazil CODEVASF to PLANVASF | 289,021 | 5,966 | | 286,299 | (280,333) | 8,689 | 5,409 | 3,280 | |
| Brazil CODEVASF to PRONI | 690,258 | 90,782 | | 740,281 | (649,499) | 40,759 | 64,793 | (24,034) | |
| Brazil Reconstruction ALAGOAS | 138,840 | 131,979 | | 232,345 | (100,366) | 38,474 | 9,670 | 28,804 | |
| Brazil SUDAN | 548,175 | | | 401,224 | (401,224) | 146,952 | 69,328 | 77,624 | |
| Brazil SUDENE to PLANVASF | 10,655 | | | 7,595 | (7,595) | 3,060 | 381 | 2,679 | |
| Canada CIDA Interamerican Customs | 18,000 | 16,797 | \$ 7,300 | 15,382 | 1,415 | 1,415 | 5,086 | (3,674) | |
| Canada CIDA OAS | | | 110,200 | 18,000 | (10,700) | 7,300 | | 7,300 | |
| Canada CIDA River Basin Putumayo | | | 119,300 | | 110,200 | 110,200 | 18,756 | 91,444 | |
| Canada CIDA Small Business Development | 3,955 | | | 25,645 | 93,655 | 97,610 | 10,464 | 87,146 | |
| Canada CIDA Technical Coop. Unprogrammed | 139,567 | 235,340 | (253,400) | 18,021 | (39) | 139,528 | 3,133 | 139,528 | |
| Canada CITEI | 8,515 | 10,213 | | 8,933 | 1,280 | 9,795 | 6,662 | 6,662 | |
| Chile CIENES | 229,113 | 170,060 | | 100,001 | 91,310 | 320,423 | 52,136 | 268,287 | |
| Colombia CAR Conservat.Natural Resources | | 400,000 | | 2,400 | 397,600 | 397,600 | 269,200 | 128,400 | |
| Dominican Republic Public Finance IDB | 19,968 | | | 18,215 | (18,215) | 1,754 | 570 | 1,184 | |
| Dominican Republic Tech.Coop.Preinvestment | 22,238 | | | 9,413 | (9,413) | 12,824 | 12,600 | 224 | |
| Dominican Republic VII I-A Ports Conference | 6,444 | | | | | 6,444 | | 6,444 | |
| Ecuador Putumayo River Basin | 11,497 | | | 10,499 | (10,499) | 998 | 928 | 70 | |
| El Salvador Trifinio Phase II | | 236,261 | (136,261) | 41,563 | 58,437 | 58,437 | 19,694 | 38,743 | |
| Guatemala Trifinio Phase II | | | 82,261 | 40,777 | 41,484 | 41,484 | 10,791 | 30,693 | |
| Honduras Trifinio Phase II | | | 54,000 | 23,264 | 30,736 | 30,736 | 14,030 | 16,706 | |
| Paraguay Programming and Budgeting | (14,014) | 60,969 | (10,504) | 12,954 | 37,511 | 23,497 | 4,066 | 19,431 | |
| Paraguay Rural Colonies ATS - PAR/IDB/OAS | 463 | | | 49,100 | 38,771 | 463 | 25,100 | 463 | |
| Paraguay Tax Administration | (43,114) | 77,367 | 10,504 | | | (4,343) | | (29,443) | |
| Peru Capacitation Model | 1,165 | | | 34,410 | (34,410) | 1,165 | | 1,165 | |
| Suriname Van Wouw Canal | 31,905 | | | 1,656 | 285 | (2,505) | 285 | (2,505) | |
| Uruguay Forestry Development Seminary | | 26,209 | (24,268) | 158,206 | (47,130) | 21,246 | 42,315 | (21,069) | |
| Uruguay Net Public Transportation | 68,376 | 56,808 | 24,268 | | | | | | |
| U.S. Central America Energy and Food | 4,415 | | | 40 | (40) | 4,375 | | 4,375 | |
| U.S. Hazards Mitigation Latin America | 30,601 | 300,000 | | 313,800 | (13,800) | 16,801 | 90,753 | (73,952) | |
| U.S. Modernization Telecom. Systems | 660,936 | 56,000 | | 430,510 | (341,400) | 319,536 | 152,724 | 166,812 | |
| U.S. Regional Non - Formal Skills | 133,083 | | | 3,525 | (133,083) | | | | |
| U.S. TDP Telecommunications | 63,798 | 44,900 | | 75,533 | (30,733) | 33,065 | 838 | 32,227 | |

ORGANIZATION OF AMERICAN STATES

SPECIAL DEVELOPMENT ASSISTANCE FUND
SPECIFIC FUNDS

STATEMENT OF ASSETS, LIABILITIES, CHANGES IN NET ASSETS AND FUND BALANCES

| Project | Year ended December 31, 1990 | | | | Cash Balance Dec. 31, 1989 | Cash Balance Dec. 31, 1990 | Unliquidated Obligations Dec. 31, 1990 | Fund Balance (deficit) Dec. 31, 1990 |
|---|-------------------------------|--------------------|---------------------------------------|---------------------------------------|-------------------------------|-------------------------------|--|--|
| | Cash Balance Dec. 31, 1989 | Contributions | Transfers, Interest and Refunds | Expenditures Returns Net Change | | | | |
| BIRF - Center for Privatization | 6,208 | | | 5,410 | 798 | 36 | 762 | |
| BIRF - Formulation and Evaluation | 2,338 | | | | 2,338 | | 2,338 | |
| CAF - Energy in Bolivia | 853 | | | 362 | 491 | | 491 | |
| CAF - Energy in Ecuador | 6,045 | | | 3,000 | 3,045 | | 3,045 | |
| CICOM - various sources | 13,159 | 7,098 | | 12,249 | 8,008 | 3,634 | 4,374 | |
| CINDER/CIDIAT | 61,533 | | | 8,875 | 52,658 | 4,393 | 48,265 | |
| EUROPEAN Economic Community - Trifinio Grant | 40,959 | | | 43,642 | (2,683) | 585 | (3,268) | |
| IDB - Environmental Study Uruguay | 107,000 | 143,000 | | 209,040 | 40,860 | 60,539 | (19,579) | |
| IDB - Forestry Basin Artibonito Haiti | | 30,000 | | 21,140 | 8,860 | | 8,860 | |
| IDB - Inter-American Customs Program | 91,000 | 169,201 | | 308,041 | (47,840) | 15,893 | (63,733) | |
| IDB - Meeting PISDIC | 3,424 | | | | 3,424 | 3,195 | 229 | |
| IDB/GUA/HON - El Cajon River Bassin | 86,964 | 172,564 | | 333,177 | (73,629) | 21,877 | (95,506) | |
| ILDES | 15,000 | | | 1,985 | 13,015 | 1,490 | 11,525 | |
| Information Service Foreign Trade - SICE | (156,905) | 451,387 | 4,129 | 257,399 | 56,225 | 54,032 | 2,193 | |
| Inst. Coop. Ibero-Americana to CIENES | 1,497 | | | 1,264 | 233 | | 233 | |
| Italy Telecommunications Study CONSULTEL | 1,375,456 | | | 431,891 | 1,012,213 | 945,540 | 66,673 | |
| JICA/OAS Manabi Ecuador | 80,550 | 8,924 | | 68,061 | 21,413 | 5,200 | 16,213 | |
| PAHO - Parliamentarian Health Meeting | | 92,000 | | 74,389 | 17,611 | 14,465 | 3,146 | |
| Saudi Arabia - Rural Development | 17,211 | | | 1,450 | 15,761 | 402 | 15,359 | |
| UNDP - Fiscal Policy | 126,000 | | 6,483 | 77,488 | 54,995 | 34,484 | 20,511 | |
| Development Project Staff Reimbursement | 40,689 | | | 18,625 | 22,064 | 22,000 | 64 | |
| Administrative and accounting Support | 72,337 | | | 35,363 | 107,700 | | 107,700 | |
| Accounting Support | 191,881 | | | 105,931 | 176,783 | 7,171 | 169,612 | |
| Regional Development Support | 169,253 | | | 75,638 | 184,448 | 125,954 | 58,494 | |
| | <u>\$5,535,377</u> | <u>\$3,207,203</u> | <u>\$ (12,471)</u> | <u>\$ 384,489</u> | <u>\$5,262,247</u> | <u>\$ (1,812,016)</u> | <u>\$ 1,436,490</u> | |
| Consisting of: | | | | | | | | |
| Cash and equity in OAS Treasury Fund | | | | | \$3,698,575 | | \$ 3,698,575 | |
| Travel, salary advances and other receivables | | | | | 12,480 | | 12,480 | |
| Accounts payable and other liabilities | | | | | (187,693) | | (187,693) | |
| Unliquidated Obligations | | | | | | \$ 2,286,872 | (2,286,872) | |
| | | | | | <u>\$3,723,362</u> | <u>\$ 2,286,872</u> | <u>\$ 1,436,490</u> | |

ORGANIZATION OF AMERICAN STATES

SPECIAL MULTILATERAL FUND OF THE INTER-AMERICAN COUNCIL FOR EDUCATION, SCIENCE AND CULTURE
SPECIFIC FUNDS

STATEMENT OF ASSETS, LIABILITIES, CHANGES IN NET ASSETS AND FUND BALANCES

| Project | Year ended December 31, 1990 | | | | Cash Balance Dec. 31, 1990 | Unliquidated Obligations Dec. 31, 1990 | Fund Balance (deficit) Dec. 31, 1990 |
|---|------------------------------|---------------|-------------|-------------------------------------|----------------------------|--|--------------------------------------|
| | Cash Balance Dec. 31, 1989 | Contributions | Transfers | Interest Income and Refunds Returns | | | |
| Argentina Science Projects | | \$ 103,494 | | \$ 5,830 | \$ 97,664 | \$ 97,664 | \$ 97,664 |
| Canada Science Projects | \$ (15,649) | 15,649 | | | 15,649 | | |
| Chile Science Projects | | 5,000 | | 3,000 | 2,000 | 2,000 | 2,000 |
| Colombia Unprogrammed funds | 1,476 | | | | (1,476) | | |
| Colombia Secretariat Projects | 15,760 | 54,611 | \$ (56,087) | 1,159 | (1,159) | 14,601 | \$ 14,601 |
| Colombia Education Projects | 18,807 | | 56,087 | 40,862 | 15,425 | 34,232 | 11,187 |
| Dominican Republic Education Projects | 25,919 | | | | | 25,919 | 25,919 |
| Germany Science Projects | 262,044 | 204,612 | \$ 19,046 | 321,301 | (97,443) | 164,601 | 111,594 |
| Mexico Unprogrammed funds - Educ. Secretariat | 70 | 162,058 | (180,429) | 54,353 | 35,982 | 36,052 | 36,052 |
| Mexico Secretariat Projects | 309,889 | | 250,078 | 253,384 | (3,306) | 306,583 | 20,412 |
| Mexico Education Projects | 32,938 | | 38,567 | | 38,567 | 71,505 | 71,505 |
| Mexico Unprogrammed funds - Science | 160,233 | | (125,087) | | (125,087) | 35,146 | 35,146 |
| Mexico Science Projects | 40,042 | | 151,671 | 175,424 | (23,753) | 16,289 | 9,037 |
| Paraguay Unprogrammed funds | 63,148 | | | | | 63,148 | 63,148 |
| Paraguay Education Projects | 19,960 | | | 1,709 | (1,709) | 18,251 | 2,819 |
| U.S. Unprogrammed funds | 368,417 | | (41,000) | 36,030 | (4,970) | 363,447 | 363,447 |
| U.S. Education Projects | 9,343 | | 41,000 | 20,000 | 21,990 | 30,343 | 9,343 |
| U.S. Science Projects | 17,641 | | | | | 17,641 | 17,641 |
| Venezuela Unprogrammed funds | 378,447 | | (278,779) | 27,360 | (251,419) | 127,028 | 127,028 |
| Venezuela Education Projects | 38,253 | | 93,583 | 62,283 | 31,300 | 69,553 | 10,000 |
| Other Education Projects | 2,500 | | 107 | 101 | 6 | 2,506 | 2,506 |
| Other Science Projects | 6,982 | 27,000 | | 19,725 | 7,275 | 14,257 | 8,632 |
| | 1,756,220 | 572,624 | (50,289) | 904,578 | (245,454) | 1,510,766 | 938,232 |
| Scientific Monographs | 115,377 | 5,251 | | 40,553 | (35,302) | 80,075 | 54,473 |
| Caribbean Basin Scholarships | 315,656 | 26,196 | | 17,936 | 37,366 | 353,022 | 336,840 |
| | \$2,187,253 | \$ 604,071 | \$ (50,289) | \$ 963,067 | \$ (243,391) | \$ 1,943,862 | \$ 1,329,544 |
| Consisting of: | | | | | | | |
| Cash and equity in OAS Treasury Fund | | | | | | \$ 1,954,743 | \$ 1,954,743 |
| Travel, salary advances and other receivables | | | | | | 2,124 | 2,124 |
| Accounts payable and other liabilities | | | | | | (13,005) | (13,005) |
| Unliquidated obligations | | | | | | (614,318) | (614,318) |
| | | | | | | \$ 1,329,544 | \$ 1,329,544 |

ORGANIZATION OF AMERICAN STATES

SPECIAL ACCOUNT FOR CULTURE
SPECIFIC FUNDS
STATEMENT OF ASSETS, LIABILITIES, CHANGES IN NET ASSETS AND FUND BALANCES

| Project | Cash Balance Dec. 31, 1989 | Year ended December 31, 1990 | | | Cash Balance Dec. 31, 1990 | Unliquidated Obligations Dec. 31, 1990 | Fund Balance (deficit) Dec. 31, 1990 |
|---|-------------------------------|------------------------------|--------------------------|----------------------------|-------------------------------|--|--|
| | | Contributions | Transfers and Refunds | Expenditures Net Change | | | |
| Brazil Unprogrammed funds | \$ 126,500 | \$ (87,400) | \$ 5,320 | \$ (82,080) | \$ 44,420 | \$ 44,420 | |
| Chile Unprogrammed funds | | \$ 45,500 | \$ (37,200) | 11,457 | 11,457 | 11,457 | |
| Chile Cultural Projects | 3,000 | 3,157 | | | 3,000 | \$ 3,000 | |
| Colombia Cultural Projects | 8,233 | | | | 8,233 | 3,395 | 4,838 |
| Mexico Unprogrammed funds | 35,600 | 38,828 | | 38,828 | 74,428 | | 74,428 |
| Mexico Cultural Projects | 16,123 | | | | 16,123 | 16,123 | |
| Uruguay Cultural Projects | | 1,700 | (1,100) | \$ 423 | 177 | | 177 |
| Venezuela - Unprogrammed funds | 4,235 | | | | 4,235 | | 4,235 |
| Venezuela Cultural Projects | 17,523 | 20,000 | | 23,487 | 14,036 | 3,991 | 10,045 |
| Andres Bello - XV Cusco Course | | 7,800 | | 7,800 | 7,800 | | 7,800 |
| Beca Amalia Fortabat Music friends | 817 | 20,000 | | 4,148 | 16,669 | 15,760 | 909 |
| Beca Carlos y Alegria Beracasa | 3,790 | | | 4,281 | (491) | 1 | (492) |
| Miscellaneous records | 637 | 2,838 | | 1,540 | 1,935 | 288 | 1,647 |
| I/AME | 559 | | | | 559 | | 559 |
| OAS - Concert - UTAH Chambers players | | | 1,100 | 999 | 101 | 101 | |
| | \$ 217,017 | \$ 116,666 | \$ (64,243) | \$ 34,878 | \$ 202,682 | \$ 42,659 | \$ 160,023 |
| Consisting of: | | | | \$ (14,335) | | | |
| Cash and equity in OAS Treasury Fund | | | | | \$ 214,686 | | \$ 214,686 |
| Travel, salary advances and other receivables | | | | | (12,004) | | (12,004) |
| Accounts payable and other liabilities | | | | | | | (42,659) |
| Unliquidated obligations | | | | | \$ 202,682 | | \$ 160,023 |

ORGANIZATION OF AMERICAN STATES
 MAR DEL PLATA ACCOUNT
 SPECIFIC FUNDS

STATEMENT OF ASSETS, LIABILITIES, CHANGES IN NET ASSETS AND FUND BALANCES

| Project | Cash Balance Dec. 31, 1989 | Year ended December 31, 1990 | | | Cash Balance Dec. 31, 1990 | Unliquidated Obligations | Fund Balance (deficit) Dec. 31, 1990 |
|---|-------------------------------|------------------------------|-------------|-----------------------------|-------------------------------|-----------------------------|--|
| | | Contributions | Transfers | Interest Income and Refunds | | | |
| Argentina Unprogrammed funds | | \$ 67,871 | | \$ 5,600 | \$ 62,271 | \$ 62,263 | \$ 8 |
| Brazil Unprogrammed funds | \$ 3,895 | | | | | | 3,895 |
| Colombia Unprogrammed funds | 23,171 | | | | | | 23,171 |
| Costa Rica Science projects | 1,547 | | | | | | 1,547 |
| Mexico Unprogrammed funds - Educat. Secretariat | 326,884 | 141,766 | \$(229,331) | \$ 42,861 | \$(44,704) | | 282,180 |
| Mexico Secretariat Projects | 51,574 | 94,531 | | | \$(31,158) | 6,177 | 14,239 |
| Mexico Education Projects | 58,016 | | | 125,689 | | 1,365 | 56,651 |
| Mexico Unprogrammed funds - Science | 6,560 | | 61,897 | | 61,897 | | 68,457 |
| Mexico Science Projects | 64,973 | | \$(61,897) | 2,956 | \$(64,853) | 226 | (106) |
| Venezuela Unprogrammed funds | 107,665 | | | 10,220 | 10,220 | | 117,885 |
| Venezuela Science Projects | 15,932 | | | | \$(14,101) | 353 | 1,478 |
| | \$ 680,217 | \$ 209,637 | \$(134,800) | \$ 53,081 | \$ (20,426) | \$ 70,384 | \$ 569,405 |
| Consisting of: | | | | | | | |
| Cash and equity in OAS Treasury Fund | | | | | | | \$ 641,049 |
| Travel, salary advances and other receivables | | | | | | | (1,260) |
| Accounts payable and other liabilities | | | | | | | (70,384) |
| Unliquidated obligations | | | | | | | \$ 569,405 |

SECTION III
FINANCIAL STATEMENTS
OF THE RETIREMENT AND PENSION FUND
WITH
REPORT OF INDEPENDENT AUDITORS

SECTION III

RETIREMENT AND PENSION FUND

The Retirement and Pension Fund of the Organization of American States is administered by the Retirement and Pension Committee. At December 31, 1990, the committee was composed of:

| | |
|--|--|
| Chairman: | Ambassador William Douglas, representing the Permanent Council |
| Vice Chairman: | Mr. Owen B. Lee, representing the Permanent Council |
| Member: | Mr. Alan Smith, representing the Secretary General |
| Alternate: | Mr. Raul Sanguinetti, representing the Secretary General |
| Member: | Mr. Patricio Chellew, representing the participants in the Plan |
| Alternate: | Mr. Luis Oswaldo Roggi, representing the participants in the Plan |
| Secretary-Treasurer: <i>(not a member of the Committee)</i> | Mr. Luis M. Lizondo |

The jurisdiction of the Board with respect to the external audit of the Fund was clarified by the Department of Legal Affairs of the General Secretariat in 1976 at the request of the Board.

The Board used the services of Ernst & Young to audit the accounts and financial statements of the Fund at December 31, 1990 and 1989 and for the years then ended. That firm's report on the statements is included in this report.

Report of Independent Auditors

Board of External Auditors
Organization of American States

We have audited the accompanying statement of net assets available for participant benefits of the Retirement and Pension Fund of the General Secretariat of the Organization of American States (the Fund) as of December 31, 1990 and 1989, and the related statement of changes in net assets available for participant benefits for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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, information regarding the Fund's net assets available for participant benefits at December 31, 1990, and the changes therein for the year then ended, and the financial status of the fund at December 31, 1990 and 1989 and the changes therein for the years then ended, in conformity with generally accepted accounting principles.



May 2, 1991



ORGANIZATION OF AMERICAN STATES
RETIREMENT AND PENSION FUND
STATEMENT OF NET ASSETS
AVAILABLE FOR PARTICIPANT BENEFITS

| | December 31, | |
|--|-----------------------|-----------------------|
| | <u>1990</u> | <u>1989</u> |
| ASSETS | | |
| Investments, at market | | |
| Short Term Investment | \$ 21,407,194 | \$ 37,316,434 |
| U.S. Govt And Agency Issues | 61,610,512 | 47,221,495 |
| Corporate Bonds | 22,227,007 | 21,126,552 |
| Municipal Bonds | 948,249 | 1,026,266 |
| Miscellaneous Bonds | 1,919,702 | |
| Preferred Stock | 6,760 | 20,685 |
| Common Stock | 80,364,676 | 85,771,157 |
| | <u>188,484,100</u> | <u>192,482,589</u> |
| Equity in OAS Treasury Fund | 1,175,436 | 2,261,014 |
| Notes receivable from participants secured by retirement accounts | | 323 |
| | <u>1,175,436</u> | <u>2,261,337</u> |
| Receivables, principally accrued dividends and interest | 1,708,102 | 1,658,417 |
| | <u>\$ 191,367,638</u> | <u>\$ 196,402,343</u> |
| LIABILITIES | | |
| Participant accounts pending liquidation | 1,085,274 | 2,999,242 |
| Provident Plan participants accounts | 2,435,589 | 2,786,175 |
| Miscellaneous payables | 130,338 | 384,185 |
| | <u>3,651,201</u> | <u>6,169,602</u> |
| NET ASSETS AVAILABLE FOR PARTICIPANT BENEFITS | <u>\$ 187,716,437</u> | <u>\$ 190,232,741</u> |

See accompanying notes

ORGANIZATION OF AMERICAN STATES

RETIREMENT AND PENSION FUND
STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR PARTICIPANT BENEFITS

| | Years ended December 31, | |
|---|--------------------------|----------------|
| | 1990 | 1989 |
| Investment income | | |
| Net unrealized appreciation (depreciation) in value of investments | \$ (10,581,147) | \$ 4,752,369 |
| Net realized gains on sale of investments | 779,722 | 16,929,241 |
| Interest | 9,574,096 | 9,318,274 |
| Dividends | 2,656,984 | 2,532,182 |
| | 2,429,655 | 33,532,066 |
| Less investment expenses | 293,857 | 301,468 |
| | 2,135,798 | 33,230,598 |
| Contributions | | |
| Institutions | 6,155,521 | 6,826,656 |
| Participants | 3,075,774 | 3,413,533 |
| | 9,231,295 | 10,240,189 |
| Increase | 11,367,093 | 43,470,787 |
| Payments to pensioners | 1,690,994 | 1,548,622 |
| Liquidations paid to participants (or their beneficiaries) | 11,692,839 | 62,261,118 |
| Interest credited to Provident Plan accounts | 144,948 | 362,444 |
| | 13,528,781 | 64,172,184 |
| Administrative expenses | 354,616 | 341,069 |
| | 13,883,397 | 64,513,253 |
| Decrease | 13,883,397 | 64,513,253 |
| Net increase (decrease) | (2,516,304) | (21,042,466) |
| Net assets available for participant benefits: | | |
| Beginning of year | 190,232,741 | 211,275,207 |
| End of year | \$ 187,716,437 | \$ 190,232,741 |

See accompanying notes

ORGANIZATION OF AMERICAN STATES

RETIREMENT AND PENSION FUND NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1990 AND 1989

1. Description of plans

The activity of the Organization of American States Retirement and Pension Fund includes both the Retirement and Pension Plan (Plan) and the Provident Plan. The following brief description of the Plan and the Provident Plan is provided for general information purposes only.

Reference should be made to the Plan documents for complete information.

General - The Plan is a contributory plan maintained for the benefit of all staff members of the Organization of American States (OAS) and other affiliated agencies. Compulsory contributions are shared 2/3 by the institution and 1/3 by the staff member.

The Provident Plan is also a contributory plan established for the benefit of certain contracted employees. Contributions by the employer and the participant are made in equal amounts, (5%), and the balances in the accounts are fully vested in the name of the participants.

Benefits - Amounts included in participants' Plan accounts may only be withdrawn at the time of death, separation or retirement. Should participants in the Plan resign, they are entitled to receive the amount of their personal credits (contributions plus interest) and a percentage of the institutional credit (employer's contributions plus interest) based upon the vesting provisions of the Plan.

The vesting provisions provide that participants with less than four years of participation receive, in addition to 100% of their personal credits, 35% of the institutional credit. Participants with four years of participation receive 40% of the institutional credit. Participants receive an additional 20% of the institutional credit for each additional year in excess of four. They are fully vested in their institutional credits after seven years of contributory participation. Upon retiring, participants in the Plan are entitled to pensions payable for life. Participants who joined the Plan before January 1, 1982, may elect, instead of the preceding benefit, an ordinary life annuity based on the value of the total sum standing to their credit in their accounts. Alternatively, at their request, the Committee has the power to substitute some other form of benefit of equivalent value.

The Plan provides for minimum pension benefits. The minimum life pension for a participant at age sixty-five, with not less than fifteen years of participation in the Plan, is an annual amount equal to 2% of the average annual pensionable remuneration for the thirty-six consecutive months of highest pensionable remuneration within the last five years of remunerated participation, multiplied by the number of years of participation up to a maximum of thirty, and 1 2/3% additional for every year of participation in excess of thirty but less than forty. The same method is used to determine the amount of the voluntary retirement pension due to participants who elect that form of retirement which is applicable to participants fifty-five years of age or older but less than sixty-five whose years of participation and age, when added, total not less than eighty-five. Certain reductions are made for retirement at an age less than sixty or participation of less than thirty years when retiring at age less than sixty-five, if the participant does not qualify for voluntary retirement. The total of the accumulated funds in the Provident Plan participants' individual accounts may only be withdrawn at the time of death, transfer to the Pension Plan, or separation. Cost-of-living adjustments to pensions are contemplated in the Plan.

Death benefits - Upon death of a pensioner (or a participant with no less than five years of participation who dies while in active service), the pensioner's surviving spouse, and minor or disabled children, are entitled to a pension, as defined in the Plan. When an active participant dies with less than five years of participation, the surviving spouse and the minor or disabled children, if any, receive the total of the accumulated funds in the participant's account.

Disability benefits - Participants with not less than five years of participation in the Plan, whose services are terminated because of physical or mental disability receive annual disability benefits, in the form of a life pension, as defined in the Plan. Participants who have less than five years of participation receive the total of the accumulated funds in their accounts. A participant who joined the Plan before January 1, 1982 may elect to be covered instead by alternative provisions on disability retirement defined in the Plan.

Amendments to the Plan - Effective July 1st, 1990, following recommendations of the Retirement and Pension Committee, the General Assembly of the OAS approved the following changes in the Retirement and Pension Plan:

- A surviving spouse of a present annuitant who retired before January 1, 1982, and who is alive on July 1st, 1990, shall be entitled to an annuity on the same terms as those on which this benefit is applied to a surviving spouse of an annuitant who retired on or after that date.

- Authorized the Retirement and Pension Committee to grant cost-of-living adjustments of up to 3% per annum on annuities, subject to conditions set forth in Resolution AG/RES 1051 (XX-0/90).
- Reduced from 15 to 7 the number of years of participation required for a participant to become entitled to withdraw the entire amount of the institutional credit upon leaving the service, and modified the vesting schedule.
- Increased from 10 to 50% the annuity of unmarried children who are totally and permanently disabled, when both parents are deceased.
- Authorized payment of the respective personal credit to the beneficiaries designated by a participant who dies while in active service with no surviving spouse or children.
- Established an alternative minimum annuity to participants at the lowest salary levels.
- Repealed the rule that the surviving spouse may not continue to receive an annuity if he or she remarries.
- Incorporated the necessary provisions for the Plan to continue to enjoy the status of a "qualified plan"
- Authorized the Retirement and Pension Committee to enter into agreements with the boards of retirement plans of other international organizations and member state governments to permit the transfer and continuity of pension rights and the transfer of funds of participants who leave to work in those organizations or governments, or vice versa, as set forth in amended Plan.
- Several other amendments to facilitate the application of the Plan were approved.

2. Income tax status of the Fund

As an international organization, the OAS is exempt from U.S. Federal income taxes and such exemption applies to the Retirement and Pension Fund of the General Secretariat of the OAS.

3. Funding policy

The plans are funded by the General Secretariat, other affiliated agencies and compulsory participants contributions at fixed percentages of annual pensionable remuneration.

A portion of the income earned on the Retirement and Pension Fund's investments is allocated semi-annually to Provident and Plan participants' accounts at rates determined by the Retirement and Pension Committee. The remaining portion, if any, is retained in the Plan's General Reserve for administrative expenses and to ensure continued Plan stability. Interest credited to participants' accounts was 5.5% and 13.75% in 1990 and 1989, respectively. Present employee's accumulated contributions were \$48,900,000 and \$47,400,000 at December 31, 1990 and 1989, respectively, including interest credited at rate determined by the Committee, compounded semi-annually.

4. Investments

The Fund's investment portfolio is managed by the State Street Bank of Boston and The Northern Trust Company of Chicago, within the investment policy guidelines established by the Retirement and Pension Committee.

The State Street Bank manages the equity and bond portfolios, including the Dedicated Bond Portfolio. The Northern Trust Co. manages the short-term investment portfolio. The Northern Trust Co. is also the custodian of all the Fund's securities, except for the funds in the Treasury Account of the General Secretariat of the OAS.

The classification of investments in terms of portfolios and financial instruments allows the matrix presentation that follows:

| | PORTFOLIOS 1989 | | | | |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| | Short Term | Fixed Term | Equities | Dedicated | Total |
| FINANCIAL CATEGORIES | | | | | |
| Short Term Investment | \$ 34,602,285 | \$ 1,166,172 | \$ 825,608 | \$ 722,369 | \$ 37,316,434 |
| U.S. Government and Agency Issues | | 34,847,953 | | 12,373,542 | 47,221,495 |
| Corporate Bonds | | 21,120,892 | 5,660 | | 21,126,552 |
| Municipalities Bonds | | 1,026,266 | | | 1,026,266 |
| Miscellaneous Bonds | | | | | |
| Preferred Stock | | | 20,685 | | 20,685 |
| Common Stock | | | 85,771,157 | | 85,771,157 |
| Total | <u>\$ 34,602,285</u> | <u>\$ 58,161,283</u> | <u>\$ 86,623,110</u> | <u>\$ 13,095,911</u> | <u>\$ 192,482,589</u> |

PORTFOLIOS 1990

| | Short Term | Fixed Term | Equities | Dedicated | Total |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| <u>FINANCIAL CATEGORIES</u> | | | | | |
| Short Term Investment | \$ 16,192,375 | 4,197,453 | 481,901 | 535,466 | 21,407,195 |
| U.S. Government and Agency Issues | 11,108,295 | 38,227,108 | | 12,275,108 | 61,610,511 |
| Corporate Bonds | 7,046,250 | 15,180,757 | | | 22,227,007 |
| Municipalities Bonds | | 948,249 | | | 948,249 |
| Miscellaneous Bonds | | 1,919,702 | | | 1,919,702 |
| Preferred Stock | | | 6,760 | | 6,760 |
| Common Stock | | | 80,364,676 | | 80,364,676 |
| Total | <u>\$ 34,346,920</u> | <u>\$ 60,473,269</u> | <u>\$ 80,853,337</u> | <u>\$ 12,810,574</u> | <u>\$ 188,484,100</u> |

These tables facilitate the understanding of the composition and nature of the investment structure of the Fund. Also, beginning with this report, the listing of investment assets in the Statement of Net Assets follows the classification by financial instruments in full compliance with generally accepted accounting principles. Accordingly, the classification of said assets for 1989 has been adapted to the new type of presentation only for the purpose of facilitating comparisons.

5. Investment valuation

Common and preferred stocks and bonds are valued at fair market value measured by the quoted price of the active market on which the security is traded as of the latest trade date prior to year end.

Any asset not traded on an active market such as thinly traded issues are valued by either obtaining a price from their issuer, a reputable private dealer, or from pricing specialists. Quoted prices in active markets or prices otherwise determined are provided by The Northern Trust Company. Investments for which fair values were determined by means other than a quoted price in an active market and net appreciation (depreciation) for the year ended December 31, 1990, are as follows:

December 31, 1990

| | Net Appreciation (depreciation) | | |
|--------------------------------------|-------------------------------------|-------------------------|------------------------|
| | Quoted Price on Active Market | Otherwise Determined | Total |
| Short Term Investment | \$ (642,399) | \$ 41,634 | \$ (600,765) |
| Common and preferred stocks | (8,949,874) | 113,070 | (8,836,804) |
| United States Government Obligations | (319,891) | (196,370) | (516,261) |
| Corporate bonds and debentures | (598,741) | 20,793 | (577,948) |
| Municipalities | (49,369) | | (49,369) |
| | <u>\$ (10,560,274)</u> | <u>\$ (20,873)</u> | <u>\$ (10,581,147)</u> |

December 31, 1989

| | Net Appreciation (depreciation) | | |
|--------------------------------------|-------------------------------------|-------------------------|---------------------|
| | Quoted Price on Active Market | Otherwise Determined | Total |
| Short Term Investment | \$ 788,128 | \$ 128,835 | 916,963 |
| Common and preferred stocks | (500,656) | 430,112 | (70,544) |
| United States Government Obligations | 3,230,298 | | 3,230,298 |
| Corporate bonds and debentures | 621,992 | (7,030) | 614,962 |
| Municipalities | 60,690 | | 60,690 |
| | <u>\$ 4,200,452</u> | <u>\$ 551,917</u> | <u>\$ 4,752,369</u> |

6. Plan termination

If the Plan is terminated, every participant, regardless of length of participation, is entitled to all the contributions made on his or her behalf and the increment thereon.

Except to compensate for any actuarial errors, no part of the General Secretariat of the OAS' contributions to the Retirement and Pension Fund, or of the increment thereon, shall revert to the general funds of the General Secretariat or be used for any purpose other than the exclusive benefit of the participants or their beneficiaries.

7. Actuarial present value of accumulated plan benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the participants or their beneficiaries. The actuarial present value of accumulated plan benefits is determined by consulting actuaries, George B. Buck Consulting Actuaries, Inc.

The significant assumptions used in the valuation as of December 31, 1988, the most recent in depth valuation date and the projected valuation information as of December 31, 1990, were (a) life expectancy of participants (United Nations Mortality Tables); (b) retirement assumptions (assumed 1.05-22% for ages 55-64 with 15 or more years of participation or immediately if older than 64); (c) investment return (an assumed annual rate of return of 9%, assumed 6% per annum credited to retirement accounts semiannually); (d) retirement benefit elections (the 1988 valuation assumed 30% of participants prior to January 1, 1982, and 100% of subsequent participants elect a periodic annuity on retirement with all such individuals commuting 1/3 of their benefits, the remaining assumed to elect full commutation); (e) cost-of-living adjustment to annuities (the 1988 valuation assumes that all cost-of-living adjustments granted to current and prospective retirees will be funded directly by the Plan); (f) 2% salary increase in 1989, 3% salary increase in 1990, 4% salary increase in 1991 and 5% salary increase in 1992 and thereafter; and (g) administrative expenses of 0.4%. In addition, the 1988 study, in view of the planned personnel adjustment, assumed that the work force would decrease to 870 by March 31, 1989, thereafter rising to 900 over three years, at which point it would remain leveled. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The actuarial present value of accumulated Plan benefits determined at December 31, 1988, the most recent in depth valuation date of the Plan, and the projected benefit information for December 31, 1990, are shown in the following table:

| | <u>December 31</u> | | |
|--|--------------------|-------------------|-------------------|
| | <u>1988</u> | <u>1989</u> | <u>1990</u> |
| | (US\$ 1,000) | | |
| ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS | | | |
| Vested Benefits | | | |
| Participants | \$ 118,878 | \$ 92,913 | \$ 98,057 |
| Pensioners | <u>21,481</u> | <u>24,292</u> | <u>28,407</u> |
| Total vested benefits | 140,359 | 117,205 | 126,464 |
| Non vested benefits | <u>2,532</u> | <u>1,979</u> | <u>2,079</u> |
| Total actuarial present value of accumulated plan benefits | <u>\$ 142,891</u> | <u>\$ 119,184</u> | <u>\$ 128,543</u> |

The reconciliation shown below sets forth the reasons for the increase in the total actuarial present value of accumulated Plan benefits between December 31, 1989 and December 31, 1990; and between December 31, 1988 and December 31, 1989:

| | <u>Years ended December 31</u> | |
|---|--------------------------------|------------------|
| | <u>1989</u> | <u>1990</u> |
| | (US\$1,000) | |
| Total actuarial present value of accumulated Plan benefits at beginning of the year | \$142,891 | \$119,184 |
| Increase (decrease) attributable to: | | |
| Interest earned on accumulated Plan benefits | 12,860 | 10,812 |
| Benefits paid | (44,938) | (12,072) |
| Benefits accumulated | 8,371 | 7,904 |
| Amendments | <u> </u> | <u>2,715</u> |
| Total actuarial present value of Accumulated Plan benefits at end of the year | <u>\$119,184</u> | <u>\$128,543</u> |

The liabilities and assets were projected to December 31, 1990, by Buck Consultant Actuaries, using the valuation assumptions of the in-depth valuation as of December 31, 1988 plus relevant changes occurred since then: 1989 reduction in personnel and 1990 amendments to the Plan. The assumptions and methods used in the December 31, 1988 valuation are consistent with those which would have been used had a full valuation been performed as of December 31, 1990.

8. Equity in the OAS Treasury Fund

All United States dollars available for use in carrying out the activities of the various funds of the General Secretariat of the OAS are consolidated in the Treasury Fund, in which the Retirement and Pension Fund maintains an equity to the extent of its cash balance retained therein. The Treasury Fund is administered by the General Secretariat. Amounts not immediately required for operations are invested by the Treasury Fund and income earned thereon is added to the equity of the Retirement and Pension Fund in proportion to its equity balance.

SECTION IV
FINANCIAL STATEMENTS
OF THE ROWE MEMORIAL BENEFIT FUND AND
THE LEO S. ROWE PAN AMERICAN FUND
WITH
REPORTS OF INDEPENDENT AUDITORS

**SECTION IV
ROWE MEMORIAL BENEFIT FUND AND
LEO S. ROWE PAN AMERICAN FUND**

The Rowe Funds are trust funds established from monies made available by Dr. Leo S. Rowe, former Director General of the Pan American Union, the predecessor of the General Secretariat, and are administered within the General Secretariat by special committees.

Ernst & Young audited the financial statements of these trust funds at December 31, 1990 and 1989 and for the years then ended, and the report rendered on the statements of each fund is included in this report.

Rowe Memorial Benefit Fund

The Fund is administered by the Rowe Memorial Benefit Fund Committee. At December 31, 1990, the Committee was composed of ex-officio members.

The assets of the Fund were accumulated (beginning in 1931) principally by contributions received from Dr. Rowe during his lifetime and are held in trust to provide certain welfare benefits to staff members of the General Secretariat.

Leo S. Rowe Pan American Fund

The Fund is administered by the Committee of the Leo S. Rowe Pan American Fund. The Committee is composed of representatives from four countries from among the member states, elected by representatives from the Permanent Council for a four year term and with the Secretary General of the OAS as a permanent member.

The Fund was established in 1948 as a trust in accordance with the will of Dr. Rowe. Its purpose is to provide loans to students from member states other than residents and citizens of the United States and to make loans to OAS employees for educational purposes or in emergency situations.

**ROWE MEMORIAL BENEFIT FUND
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1990 AND 1989
WITH
REPORT OF INDEPENDENT AUDITORS**

Report of Independent Auditors

Board of External Auditors
Organization of American States

We have audited the accompanying statement of assets and fund balance of the Rowe Memorial Benefit Fund (the Fund) as of December 31, 1990 and 1989, and the related statement of income, expenses and changes in fund balance for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 Rowe Memorial Benefit Fund at December 31, 1990 and 1989, and the results of operations and changes in fund balance for the years then ended in conformity with generally accepted accounting principles.



April 16, 1991

ORGANIZATION OF AMERICAN STATES
ROWE MEMORIAL BENEFIT FUND
STATEMENT OF ASSETS AND FUND BALANCE

| | <u>December 31,</u> | |
|---|---------------------|-------------------|
| | <u>1990</u> | <u>1989</u> |
| Assets and Fund Balance | | |
| Equity in OAS Treasury Fund (Note 2) | \$ 4,951 | \$ 5,110 |
| Investments at cost (approximate market value of \$145,000 and \$143,000 at December 31, 1990 and 1989, respectively) | 138,320 | 127,385 |
| Total assets and fund balance | <u>\$ 143,271</u> | <u>\$ 132,495</u> |

**STATEMENT OF INCOME, EXPENSES AND OTHER
CHANGES IN FUND BALANCE**

| | <u>Year ended December 31,</u> | |
|--|--------------------------------|-------------------|
| | <u>1990</u> | <u>1989</u> |
| Income | | |
| Dividends and interest | \$ 7,432 | \$ 7,005 |
| Capital gain distributions from mutual funds | 3,504 | 6,236 |
| Income from OAS Treasury Fund (Note 2) | 440 | 564 |
| | <u>11,376</u> | <u>13,805</u> |
| Awards and other benefits (Note 1) | 600 | 1,155 |
| Net Increase during the year | 10,776 | 12,650 |
| Fund balance, beginning of year | 132,495 | 119,845 |
| Fund balance, end of year | <u>\$ 143,271</u> | <u>\$ 132,495</u> |

See accompanying notes

ORGANIZATION OF AMERICAN STATES

ROWE MEMORIAL BENEFIT FUND NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1990 AND 1989

1. Organization and Financing

The assets of the Rowe Memorial Benefit Fund (Fund) have been accumulated principally from contributions received from Dr. Leo S. Rowe, a former Director General of Pan American Union (PAU). These assets are held in trust to provide certain welfare benefits for employees of the OAS. Administrative functions of the Fund are provided without charge by the General Secretariat of the OAS. No amounts are recorded in the accompanying financial statements relating to the use of services and facilities provided to the Fund as no objective basis is available to measure the value of such contributions.

2. Equity in OAS Treasury Fund

All U.S. dollars available for use in carrying out the activities of the various funds of the OAS are consolidated in the Treasury Fund. Each fund administered by the General Secretariat maintains an equity to the extent of its cash balance retained therein. The Treasury Fund is administered by the General Secretariat and amounts not immediately required for operations are invested. Income earned by the Treasury Fund is added to the equity of each fund in proportion to its balance.

3. Investments

Investments are presented in the financial statements in the aggregate of the lower of cost or market value as determined by the latest available published or brokers' prices. At December 31, 1990 and 1989, gross unrealized gains pertaining to investments were \$8,960 and \$16,021, and gross unrealized losses were \$1,890 and \$930, respectively.

4. Employee Support Facility

In June 1989, the Fund Committee revoked its approval for partial funding in the amount of \$12,500 for construction of employee support facilities.

**LEO S. ROWE PAN AMERICAN FUND
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1990 AND 1989
WITH
REPORT OF INDEPENDENT AUDITORS**

Report of Independent Auditors

Board of External Auditors
Organization of American States

We have audited the accompanying statement of assets, liabilities and fund balances of the Leo S. Rowe Pan American Fund (the Fund) as of December 31, 1990 and 1989, and the related statement of income, expenses and changes in operating account fund balance for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 Leo S. Rowe Pan American Fund at December 31, 1990 and 1989, and the results of operations and changes in operating account fund balance for the years then ended in conformity with generally accepted accounting principles.



April 16, 1991

ORGANIZATION OF AMERICAN STATES
LEO S. ROWE PAN AMERICAN FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES

| | Year ended December 31 | |
|---|------------------------|--------------|
| <u>ASSETS</u> | 1990 | 1989 |
| Equity in OAS Treasury Fund (Note 2) | \$ 11,032 | \$ 15,463 |
| Investments at cost (approximate market value at December 31, 1990 and 1989, respectively shown in parentheses) | | |
| Equity investments and related mutual funds (\$1,310,699 and \$2,827,302) | 1,295,028 | 3,167,064 |
| Fixed income securities and related mutual funds (\$4,409,882 and \$2,816,691) | 4,471,901 | 2,878,589 |
| Allowance for unrealized losses (Note 5) | (46,347) | (401,661) |
| | 5,731,614 | 5,659,455 |
| Loans receivable (Note 3) | | |
| Students | | |
| Installments not yet due | 550,837 | 519,644 |
| Installments past due | 159,514 | 158,937 |
| Allowance for uncollectibles loans | (84,542) | (84,237) |
| | 625,809 | 594,344 |
| Employees of the Organization of American States | 172,626 | 126,370 |
| | 798,435 | 720,714 |
| | \$ 6,530,049 | \$ 6,380,169 |
| <u>LIABILITIES AND FUND BALANCES</u> | | |
| Miscellaneous payable | \$ 74,024 | \$ 72,596 |
| Fund balances | | |
| Capital account | 1,000,000 | 1,000,000 |
| Operating account: | | |
| Balance before unrealized loss on investments | 5,502,372 | 5,709,234 |
| Less unrealized loss on investments (Note 5) | \$ (46,347) | (401,661) |
| | 5,456,025 | 5,307,573 |
| | \$ 6,530,049 | \$ 6,380,169 |

See accompanying notes

ORGANIZATION OF AMERICAN STATES

LEO S. ROWE PAN AMERICAN FUND
STATEMENT OF INCOME, EXPENSES AND CHANGES
IN OPERATING ACCOUNT FUND BALANCE

| | Year ended December 31 | |
|--|------------------------|---------------------|
| | 1990 | 1989 |
| Income | | |
| Dividend and interest income | \$ 317,684 | \$ 276,867 |
| Capital gains distributions from mutual funds | 632 | 319,710 |
| Miscellaneous income | 21,756 | 23,960 |
| | <u>340,072</u> | <u>620,537</u> |
| Expenses | | |
| Increase (decrease) in allowance for uncollectible loans | 387 | 143 |
| Investment management and custodian fees | 15,000 | 14,807 |
| Administrative expenses (Note 4) | 20,000 | 20,000 |
| Loss on sale of investments | 483,956 | — |
| Other expenses | 27,591 | 5,985 |
| | <u>546,934</u> | <u>40,935</u> |
| Net increase (decrease) during year | (206,862) | 579,602 |
| Fund balance, beginning of year | 5,709,234 | 5,129,632 |
| Fund balance, end of year | <u>\$ 5,502,372</u> | <u>\$ 5,709,234</u> |

See accompanying notes

ORGANIZATION OF AMERICAN STATES

LEO S. ROWE PAN AMERICAN FUND NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1990 AND 1989

1. Organization and Financing

The Leo S. Rowe Pan American Fund (Fund), a charitable trust, was established in 1948 by the Governing Board of the General Secretariat of the Pan American Union (PAU) in accordance with the will of Dr. Leo S. Rowe, a former Director General of the Pan American Union. The purpose of the Fund is to provide loans to Latin American and Caribbean students who desire to study at colleges in the United States and to provide education and emergency loans to employees of the OAS. Although the assets of the capital account and the operating account are not segregated, the assets of the capital account (\$1,000,000) are regarded as being comprised of investments held by the Fund and, to that extent, are not considered to be available for the purpose of granting loans.

2. Equity in OAS Treasury Fund

All U.S. dollars available for use in carrying out the activities of the various funds of the OAS are consolidated in the Treasury Fund. Each fund administered by the General Secretariat maintains an equity to the extent of its cash balance retained therein. The Treasury Fund is administered by the General Secretariat and amounts not immediately required for operations are invested. Income earned by the Treasury Fund is added to the equity of each fund in proportion to its balance.

3. Loan Status

Non-interest bearing loans are granted to students, payable on various terms not to exceed five years from the termination of the studies for which the loans are granted. The Committee of the Leo S. Rowe Pan American Fund (Committee) has extended the repayment dates for certain loans.

The activity in the allowance for uncollectible loans was as follows:

| | <u>1990</u> | <u>1989</u> |
|-----------------------------------|-----------------|------------------|
| Balance, beginning of year | \$84,237 | \$ 84,094 |
| Write Off of Uncollectible loans | (82) | |
| Provision for uncollectible loans | <u>387</u> | <u>143</u> |
| Balance, end of year | <u>\$84,542</u> | <u>\$ 84,237</u> |

In the opinion of the Committee, the allowance of \$84,542 at December 31, 1990 is sufficient to provide for losses that may be incurred upon the ultimate realization of these loans.

During 1990 and 1989 the Fund disbursed new student loans aggregating approximately \$181,000 and \$212,000, respectively. The Fund received loan repayments of approximately \$149,000 and \$145,000 in 1990 and 1989, respectively.

New loans to employees for educational purposes or in emergency situations aggregated \$90,000 and \$42,000 in 1990 and 1989 respectively. The Fund received loan repayments of approximately \$44,000 and \$77,000 in 1990 and 1989 respectively. The interest rate on new employee loans granted in 1990 was 10%. Interest rates on outstanding loans granted in prior years varied from 10.5% to 12%.

4. Administrative Expenses

The Committee authorized payments of \$20,000 in both 1990 and 1989 to the General Secretariat of the OAS as a reimbursement for a portion of costs incurred in the administration of the Fund. The accompanying financial statements reflect approximately \$20,400 in other expenses related to the services of a contract employee in 1990. No additional amounts are recorded in the accompanying financial statements relating to the use of services and facilities provided to the Fund by the General Secretariat as no objective basis is currently available to measure the value of such contribution.

5. Investments

Investments are presented in the financial statements in the aggregate of the lower of cost or market value as determined by the latest available published or

brokers' prices. At December 31, 1990 and 1989 cost exceeded market value by \$46,347 and \$401,661, respectively. To reduce the carrying amount of the investment to aggregate market, a valuation allowance was established within fund balance.

At December 31, 1990 and 1989, gross unrealized gains pertaining to investments were \$119,320 and \$150,189 and gross unrealized losses were \$165,667 and \$551,850, respectively.

SECTION V
FINANCIAL STATEMENTS
OF THE INTER-AMERICAN DEFENSE BOARD
WITH
REPORT OF INDEPENDENT AUDITORS

Report of Independent Auditors

Board of External Auditors
Organization of American States

We have audited the accompanying statement of assets, liabilities and fund balance of the Inter-American Defense Board (the Board) as of December 31, 1990 and 1989, and the related statement of revenues, expenses and changes in fund balance, and changes in financial position for the years then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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.

As described in Note 4, the Board relies upon the Organization of American States (the OAS) for funding a significant portion of its operating activities and is dependent upon the continued financial support of the OAS, or its ability to obtain alternative sources of funding. Board funding received from the OAS has decreased in recent years due to the deteriorating financial condition of the OAS. However, the Board received from OAS an additional \$503,000 in general purpose funding in 1990 over the 1989 level and OAS support for 1991 is currently appropriated to be at the same level as in 1990.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board at December 31, 1990 and 1989, and the results of its operations and its changes in financial position for the years then ended in conformity with generally accepted accounting principles.



April 4, 1991

ORGANIZATION OF AMERICAN STATES
INTER-AMERICAN DEFENSE BOARD
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE

| | December 31, | |
|--|--------------|--------------|
| | 1990 | 1989 |
| <u>ASSETS</u> | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 917,994 | \$ 815,627 |
| Prepaid expenses and other assets (Net of allowance for doubtful accounts of \$41,320 in 1989) | 26,574 | 27,488 |
| Total current assets | 944,568 | 843,115 |
| Property and equipment, at cost: | | |
| Furniture and equipment (Note 5) | 622,000 | 528,253 |
| Vehicles | 11,891 | 11,891 |
| | 633,891 | 540,144 |
| Less accumulated depreciation | 356,250 | 297,265 |
| Net property and equipment | 277,641 | 242,879 |
| Total Assets | \$ 1,222,209 | \$ 1,085,994 |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Current liabilities: | | |
| Accounts payable | \$ 37,996 | \$ 33,659 |
| Accrued leave (Note 2) | 227,685 | 249,535 |
| Total current liabilities | 265,681 | 283,194 |
| Undesignated fund balance (Note 6) | 956,528 | 802,800 |
| Total liabilities and fund balance | \$ 1,222,209 | \$ 1,085,994 |

See accompanying notes

ORGANIZATION OF AMERICAN STATES
INTER-AMERICAN DEFENSE BOARD
STATEMENT OF REVENUE, EXPENSES AND CHANGES
IN FUND BALANCE

| | <u>Year ended December 31,</u> | |
|--|--------------------------------|-------------------|
| | <u>1990</u> | <u>1989</u> |
| Revenue: | | |
| Funding received from the Organization of American States (Note 4) | \$ 2,458,700 | \$ 1,955,400 |
| Special contributions (Note 4) | 510 | 627,039 |
| Interest and other income | 69,044 | 71,962 |
| Total revenue | <u>2,528,254</u> | <u>2,654,401</u> |
| Expenses: | | |
| Personnel expenses | 1,959,626 | 1,865,404 |
| Building and maintenance | 63,487 | 74,683 |
| Building renovation | | 5,895 |
| Equipment and supplies | 112,534 | 101,470 |
| Other general and administrative costs | 85,925 | 63,715 |
| Travel | 26,809 | 6,062 |
| Depreciation | 68,302 | 47,566 |
| Printing and reproduction | 28,378 | 26,671 |
| Contracts | 29,465 | 31,323 |
| Total expenses | <u>2,374,526</u> | <u>2,222,789</u> |
| Excess of revenue over expenses before writedown of equipment | 153,728 | 431,612 |
| Writedown of equipment (Note 5) | | 67,328 |
| Excess of revenue over expenses | <u>153,728</u> | <u>364,284</u> |
| Fund balance, beginning of year | 802,800 | 438,516 |
| Fund balance, end of year | <u>\$ 956,528</u> | <u>\$ 802,800</u> |

See accompanying notes

ORGANIZATION OF AMERICAN STATES
INTER-AMERICAN DEFENSE BOARD
STATEMENT OF CHANGES IN FINANCIAL POSITION

| | <u>Year ended December 31,</u> | |
|--|--------------------------------|-------------------|
| | <u>1990</u> | <u>1989</u> |
| Sources of cash and cash equivalents: | | |
| Excess of revenue over expenses | \$ 153,728 | \$ 364,284 |
| Decrease in other assets | 914 | |
| Increase in accounts payable | 4,337 | |
| Net disposals of property and equipment | | 34,482 |
| Items not involving use of cash: | | |
| Depreciation | 68,302 | 45,969 |
| | <u>227,281</u> | <u>444,735</u> |
| Uses of cash and cash equivalents: | | |
| Increase in other assets | | 1,038 |
| Decrease in accounts payable | | 51,595 |
| Decrease in accrued leave | 21,850 | 44,018 |
| Decrease in deferred income | | 8,439 |
| Net acquisitions of property and equipment | 103,064 | |
| | <u>124,914</u> | <u>105,090</u> |
| Net increase in cash and cash equivalents | 102,367 | 339,645 |
| Cash and cash equivalents at beginning of year | 815,627 | 475,982 |
| Cash and cash equivalents at end of year | <u>\$ 917,994</u> | <u>\$ 815,627</u> |

See accompanying notes

ORGANIZATION OF AMERICAN STATES

INTER-AMERICAN DEFENSE BOARD NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1990 AND 1989

1. Organization

The Inter-American Defense Board (the Board) was established on March 30, 1942 and was designated, by executive order, as a public international organization on March 26, 1951. The Board is comprised of military officers representing the highest echelons of their nations' defense establishments. Its mission is to maintain the collective self-defense of the Western Hemisphere with peace and security as primary objectives.

The Inter-American Defense College was established in 1962 as a suborganization of the Board. Its primary goal is the preparation of future military and civilian leaders for their role in hemispheric security.

2. Summary of Significant Accounting Policies

Basis of presentation - The accompanying financial statements are prepared on the accrual basis of accounting.

Depreciation - Depreciation expense is recognized using the straight-line method over estimated useful lives as follows: Furniture and equipment - 5 to 10 years, and vehicles - 5 years.

In-Kind Contributions - Significant contributions are received by the Board from the Organization of American States (OAS) and member countries in the form of use of facilities, services of military personnel and air transportation. No amounts are recorded in the accompanying financial statements relating to the use of such facilities or services inasmuch as the Board deems it impractical to measure the value of such contributions.

Employee benefits - The Board provides certain benefits to its employees, which accrue to them during periods of employment and are payable upon separation. All employees are entitled to accrued vacation; certain other employees receive terminal pay, merit awards and special leave. The payments made during 1990 and 1989 for these benefits amounted to approximately \$63,000 and \$64,000, respectively.

Income taxes - The Board is a public international organization, and as such is exempt from paying income tax.

3. Pension Plan

Substantially all of the employees of the Board participate in a defined benefit multi-employer pension plan (Plan) administered by the Retirement and Pension Committee of the Organization of American States. Contributions to the plan by the Board and employees are based on fixed percentages of annual pensionable salaries. Pension expense aggregated approximately \$252,000 and \$249,000 in 1990 and 1989, respectively.

4. Funding

The Inter-American Defense Board is an affiliated agency of the OAS, and as such receives a substantial portion of its funding through OAS appropriations. The managements of the two organizations, however, function independently.

Funding received from the OAS in the form of direct cash contributions increased from \$1,955,400 in 1989 to \$2,458,700 in 1990. Contributions for 1991 are currently appropriated by the OAS at the same level as in 1990. The Board relies upon the OAS for funding a significant portion of its operating activities and is dependent upon the continued financial support of the OAS, or its ability to obtain alternative sources of funding.

The headquarters of the Board is a building owned by the General Secretariat of the OAS. Expenditures incurred for building renovation and improvements are not capitalized by the Board since the building is owned by the OAS. Building renovations and improvements amounting to \$5,895 were incurred and expensed by the Board during 1989. None were incurred in 1990.

5. Furniture & Equipment

In April 1990, the Board settled a dispute with a contractor relating to the installation of a simultaneous interpretation system. In connection with the settlement, the parties obligations were cancelled and existing claims dropped. The Board has determined that an aggregate of approximately \$72,000 in capitalized costs relating to payments previously made for the simultaneous translation system are not of continuing benefit to the Board. Such assets have been reflected at net realizable value in the 1989 financial statements.

6. Contingency

In 1985, the OAS contracted for the renovation of the building occupied by the Board, as well as for the construction of a separate annex. Two years into the renovation, the OAS terminated the contract, citing breach of duties by the builder. The construction was never completed by the builder, and additional contractors were hired by the Board to complete the job. In 1989, the builder filed a claim for unpaid costs and elected the arbitration clause contained in the contract with the OAS to settle the claim. In the opinion of management and OAS counsel, the possibility of the builder prevailing is remote.

The OAS has requested the Board to fund the costs of the arbitration from its operating funds. Such costs are estimated to amount to approximate \$103,000. The Board paid \$25,000 in 1990 with the balance still expected to be paid in future years from operating amounts to be funded by the OAS.

SECTION VI
FINANCIAL STATEMENTS
FUND FOR THE INTERNATIONAL COMMISSION
OF SUPPORT AND VERIFICATION
WITH
REPORT OF INDEPENDENT AUDITORS

Report of Independent Auditors

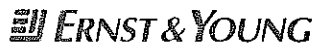
Board of External Auditors
Organization of American States

We have audited the accompanying statement of assets, liabilities and fund balance of the Fund for the International Commission of Support and Verification of the Organization of American States (the Fund), pursuant to the agreements between the Organization of American States (the OAS), the United States Department of State and the United States Agency for International Development (the Agreements), as of December 31, 1990, and the related statement of activity and changes in fund balance for the period from February 27, 1990 (inception) to December 31, 1990. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 audit provides a reasonable basis for our opinion.

As described in Note 2, the financial statements of the fund have been prepared on the basis of accounting practices prescribed by the Budgetary and Financial Rules of the Organization of American States (which include the applicable financially-oriented General Standards adopted by the General Assembly of the OAS) which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund at December 31, 1990, and its activity and its changes in fund balance for the period from February 27, 1990 (inception) to December 31, 1990 on the basis of accounting described in Note 2.



As explained in Note 1, the financial statements being presented are only for the fund referred to above, which was established by the Organization of American States to account for the assets, liabilities and fund balance and the support, revenues and expenses of the Fund pursuant to the Agreements.

Ernst & Young

May 7, 1991

**ORGANIZATION OF AMERICAN STATES
INTERNATIONAL COMMISSION OF SUPPORT AND VERIFICATION
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
AS OF DECEMBER 31, 1990**

| | <u>AID</u> | <u>USA—State Department and others</u> | <u>Combined</u> |
|---|------------------|--|---------------------|
| ASSETS | | | |
| Cash and Equity in OAS Treasury Fund (Note 3) | \$ 39,781 | \$ 5,526,188 | \$ 5,565,969 |
| Deferred Charges | 230 | | 230 |
| Other Assets | | 336,008 | 336,008 |
| Inventory on hand | | 1,807,322 | 1,807,322 |
| | <u>\$ 40,011</u> | <u>\$ 7,669,518</u> | <u>\$ 7,709,529</u> |
| LIABILITIES AND FUND BALANCE | | | |
| Unliquidated Obligations | | \$ 5,878,109 | \$ 5,878,109 |
| Accounts Payable | \$ 40,011 | 205,755 | 245,766 |
| Fund Balance | | 1,585,654 | 1,585,654 |
| | <u>\$ 40,011</u> | <u>\$ 7,669,518</u> | <u>\$ 7,709,529</u> |

**STATEMENT OF ACTIVITY AND CHANGES IN FUND BALANCE
FROM INCEPTION (February 27, 1990) TO DECEMBER 31, 1990**

| | <u>AID</u> | <u>USA—State Department and others</u> | <u>Combined</u> |
|--|------------------|--|---------------------|
| Increases | | | |
| United States contribution | \$ 1,376,790 | \$ 24,550,000 | \$ 25,926,790 |
| Venezuela contribution | | 10,000 | 10,000 |
| Republic of Cyprus contribution | | 2,000 | 2,000 |
| European Economic Community contribution | | 126,550 | 126,550 |
| OAS Treasury Fund income | 29,888 | 225,561 | 255,449 |
| | <u>1,406,678</u> | <u>24,914,111</u> | <u>26,320,789</u> |
| Decreases | | | |
| Obligations and Expenditures | | | |
| Operational Costs | 912,344 | 4,128,347 | 5,040,691 |
| Transportation | 4,254 | 1,227,348 | 1,231,602 |
| Food | 401,411 | 6,103,709 | 6,505,120 |
| Clothing | 42,885 | 1,137,311 | 1,180,196 |
| Kitchen Utensils | | 376,076 | 376,076 |
| Personal Hygiene | 15,896 | 53,503 | 69,399 |
| Construction Material and Tools | | 3,637,262 | 3,637,262 |
| Agricultural Tools | | 1,344,910 | 1,344,910 |
| Negotiation, Land Survey other | | 104,386 | 104,386 |
| Special Reconstruction Projects | | 479,185 | 479,185 |
| Cash to Demobilized | | 979,830 | 979,830 |
| Nicaraguan Repatriation Institute | | 360,000 | 360,000 |
| Phase II Distribution and Delivery | | 148,590 | 148,590 |
| Pan-American Health Organization | | 1,733,000 | 1,733,000 |
| Resettlement of Disabled | | 1,515,000 | 1,515,000 |
| | <u>1,376,790</u> | <u>23,328,457</u> | <u>24,705,247</u> |
| Interest due to contributor | 29,888 | | 29,888 |
| | <u>1,406,678</u> | <u>23,328,457</u> | <u>24,735,135</u> |
| Fund balance at end of period | <u>\$ —</u> | <u>\$ 1,585,654</u> | <u>\$ 1,585,654</u> |

See accompanying notes

ORGANIZATION OF AMERICAN STATES

FUND FOR THE INTERNATIONAL COMMISSION OF SUPPORT AND VERIFICATION NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1990

1. Organization

On August 7, 1989, the five Central American Presidents met in Tela, Honduras, and entered into what is commonly known as the Tela Agreement (Agreement).

The Agreement provides for the demobilization and voluntary repatriation or relocation into Nicaragua and third countries of the members of the former members of the Nicaraguan Resistance and their families. The agreement also provided for the assistance to persons involved in combat operation in the countries of the region at their voluntary request. On September 6, 1989, the Tela agreement further established the International Commission of Support and Verification (CIAV) to execute and fulfill the objectives of the agreement. This commission is composed of the Secretaries General of the United Nations (CIAV/UN) and of the Organization of the American States (CIAV/OAS).

In general, CIAV/UN is responsible for the activities conducted outside of Nicaragua, where as CIAV/OAS is responsible for activities within Nicaragua.

The Secretary General of the OAS established an OAS International Commission of Support and Verification (The Fund) to account for the proceeds and disbursements pursuant its CIAV's activities.

The first funding of CIAV/OAS was provided by the United States Government in March 1990.

2. Basis of Accounting

The accompanying financial statements have been prepared in accordance with the Budgetary and Financial Rules of the OAS (Rules). The Rules provide the basis for the accounting principles applied in the preparation of the financial statements. The Rules were adopted to meet budgetary and other requirements of the OAS and, as such, results in accounting principles which vary in certain material respects from generally accepted accounting principles. The significant deviation from generally accepted accounting principles is as follows:

Unliquidated obligations in the Fund include amounts related to

commitments resulting from offers made by the Fund to vendors to disburse monies for the procurement of goods or services in futures periods. This amount does not represent liabilities to unrelated third party commitments at December 31, 1990. It represents amounts anticipated to be expended in the subsequent year in the completion of the project.

3. Equity in OAS Treasury Fund

All U.S. dollars available for use in carrying out the activities of the various funds of the OAS are consolidated in the Treasury Fund. Each fund administered by the General Secretariat maintains an equity to the extent of its cash balance retained therein. The Treasury Fund is administered by the General Secretariat, and amounts not immediately required for operations are invested. Income earned by the Treasury Fund is added to the equity of each fund in proportion to its balance.

4. Inventory on Hand

Inventory consisting primarily of building materials, food and clothing is valued at cost in the statement of Assets, Liabilities, and Fund Balance as of December 31, 1990.

5. Funding

Within the framework of the Foreign Assistance Act and the Dire Emergency Supplemental Appropriations Act of 1990, the Government of United States acting through the U.S. Mission to the OAS, contributed to CIAV/OAS during 1990 a total of \$24,550,000. In addition CIAV/OAS received contributions from the Government of Venezuela in the amount of \$10,000, Cyprus in the amount of \$2,000, and from the European Community Commission the amount of \$126,000.

6. Status of the Commission

CIAV/OAS is currently headquartered in Managua, Nicaragua and its activities include a number of stages: demobilization, repatriation and monitoring of guaranteed human and civil rights, programs for development areas, assistance to members of the Resistance and their families and financial aid in the form of cash.

7. Administrative support

The General Secretariat of the OAS has provided non reimbursable administrative support in the form of personnel, communication and office space to CIAV/OAS.

SECTION VII
FINANCIAL STATEMENTS
FUND FOR THE OBSERVATION OF THE ELECTORAL PROCESS IN NICARAGUA
WITH
REPORT OF INDEPENDENT AUDITORS

Report of Independent Auditors

Board of External Auditors
Organization of American States

We have audited the accompanying statement of assets, liabilities and fund balance of the Observation of the Electoral Process in Nicaragua Fund of the Organization of American States (the Fund), pursuant to the Agreement between the Organization of American States (the OAS), the United States Department of State and the United Agency for International Development (the Agreements), as of December 31, 1990 and 1989, and the related statement of activity and changes in fund balance for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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.

As described in Note 2, the financial statements of the fund have been prepared on the basis of accounting practices prescribed by the Budgetary and Financial Rules of the Organization of American States (which include the applicable financially-oriented General Standards adopted by the General Assembly of the OAS) which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund at December 31, 1990 and 1989 and its activity and its changes in fund balance for the years then ended on the basis of accounting described in Note 2.

As explained in Note 1, the financial statements being presented are only for the fund referred to above, which was established by the OAS to account for the assets, liabilities and fund balance and the support, revenues and expenditures of the Fund pursuant to the Agreements.

As discussed in Note 5, the Fund has been effectively closed as of December 31, 1990, with the exception of a payable to the donors for unused funds.

Ernst & Young

May 7, 1991

**ORGANIZATION OF AMERICAN STATES
OBSERVATION OF ELECTORAL PROCESS IN NICARAGUA**

**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
AS OF DECEMBER 31, 1990**

| | United States | | | December 31, 1989 |
|--|------------------|---------------------|------------------|----------------------|
| | AID | State Department | COMBINED | |
| ASSETS | | | | |
| Cash and Equity in OAS Treasury Fund (Note 3) | \$ 49,206 | \$ 17,513 | \$ 66,719 | \$ 340 |
| Travel Advances | | | | 134,152 |
| Other Assets | | | | 33,249 |
| Deferred Charges | | | | 13,145 |
| | <u>\$ 49,206</u> | <u>\$ 17,513</u> | <u>\$ 66,719</u> | <u>\$ 180,886</u> |
| LIABILITIES AND FUND BALANCE | | | | |
| Accounts Payable | \$ 49,206 | \$ 17,513 | \$ 66,719 | \$ 350,162 |
| Unliquidated Obligations | | | | 144,430 |
| Fund Balance | | | | (313,706) |
| | <u>\$ 49,206</u> | <u>\$ 17,513</u> | <u>\$ 66,719</u> | <u>\$ 180,886</u> |

**STATEMENT OF ACTIVITY AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 1990**

| | United States | | | December 31, 1989 |
|-------------------------------------|------------------|---------------------|------------------|----------------------|
| | AID | State Department | COMBINED | |
| Increases | | | | |
| United States contributions | \$ 2,250,000 | \$ 500,000 | \$ 2,750,000 | \$ 1,000,000 |
| Finland government contribution | | | | 100,000 |
| OAS Treasury Fund income (Note 3) | 21,234 | 7,357 | 28,591 | 4,192 |
| | <u>2,271,234</u> | <u>507,357</u> | <u>2,778,591</u> | <u>1,104,192</u> |
| Decreases | | | | |
| Expenditures: | | | | |
| Honoraria | 128,512 | (20,323) | 108,189 | 104,347 |
| Travel | 1,507,109 | 12,097 | 1,519,206 | 665,867 |
| Documents | 2,888 | | 2,888 | 3,200 |
| Equipment and Supplies | 502,719 | 56,287 | 559,006 | 545,861 |
| Rental and Repairs | 64,864 | (1,802) | 63,062 | 49,898 |
| Other Costs | 177,328 | (3,541) | 173,787 | 48,725 |
| | <u>2,383,420</u> | <u>42,718</u> | <u>2,426,138</u> | <u>1,417,898</u> |
| Transfers and Returns | (133,420) | 143,576 | 10,156 | |
| Interest due to contributor | 21,234 | 7,357 | 28,591 | |
| | <u>2,271,234</u> | <u>193,651</u> | <u>2,464,885</u> | <u>1,417,898</u> |
| Net increase during period | | 313,706 | 313,706 | (313,706) |
| Fund balance at beginning of period | | (313,706) | (313,706) | |
| Fund balance at end of period | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (313,706)</u> |

See accompanying notes

ORGANIZATION OF AMERICAN STATES

OBSERVATION OF THE ELECTORAL PROCESS IN NICARAGUA NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1990

1. Organization

On February 14 1989, the Central American Presidents met in Costa del Sol, El Salvador and entered into what is commonly known as the Tesoro Beach Agreement (Agreement).

Within the framework of this Agreement, the President of Nicaragua, announced a series of steps to reform the electoral legislation in Nicaragua, to be followed by a two phase process leading to popular elections for President, Vice President, Representatives to the National Assembly, and municipalities. The first phase would allow for the preparation and organization of the political parties, and the second phase would allow for political activity culminating with elections to be held on February 25, 1990.

The Agreement also called for the invitation of international observers, specifically delegations of the Secretary General of the Organization of American States and the United Nations, to be present in all electoral districts to monitor the freedom and fairness of activities during the two phases.

The Secretary General established the Observation of the Electoral Process in Nicaragua Fund (The Fund) to account for the proceeds and disbursements pursuant to observation activities.

2. Basis of Accounting

The accompanying financial statements have been prepared in accordance with the Budgetary and Financial Rules of the OAS (Rules). The Rules provide the basis for the accounting principles applied in the preparation of the financial statements. The Rules were adopted to meet budgetary and other requirements of the OAS.

3. Equity in OAS Treasury Fund

All U.S. dollars available for use in carrying out the activities of the various funds of the OAS are consolidated in the Treasury Fund. Each fund administered by the General Secretariat maintains an equity to the extent of its cash balance retained therein. The Treasury Fund is administered by the General Secretariat, and amounts not immediately required for operations are invested. Income earned by the Treasury Fund is added to the equity of each fund in proportion to its balance.

4. Funding

In August 1989, the Congress of the United States appropriated and the President signed into special legislation making available \$1,500,000 to enable the General Secretariat to monitor the freedom and fairness of the organization, political activity, and election process leading to the election for President, Vice President, and Representatives to the National Assembly, and municipalities.

On August 14, 1989 the General Secretariat of the OAS and the United States Department of State entered into an Agreement which provided for the disposition of the funds. During 1989, \$1,000,000 was received by the OAS and the balance of \$500,000 was received in 1990. An additional \$100,000 was received from the Government of Finland in 1989 to support monitoring activities.

During 1990, additional funding for the purpose of monitoring the electoral process was provided pursuant to the Cooperative Agreement between the Sapoa Verification Commission (Commission) and the United States Agency for International Development (USAID) signed on May 18, 1988. Originally, the agreement called for USAID to provide \$10,000,000 to support the activities of the Commission. Because the Commission was not able to complete the peace process as envisioned, on October 21, 1989, the President signed legislation providing that \$3,000,000 in unexpended funds originally designated for the Commission could be reprogrammed to support free and fair elections in Nicaragua. During 1990, the General Secretariat received \$2,250,000 from USAID for observation activities.

5. Unused Funds

As of December 31, 1990, the activities of the fund were completed, unused funds will be returned to the donors.

SECTION VII
FINANCIAL STATEMENTS
INTER-AMERICAN FUND FOR PRIORITY ASSISTANCE TO HAITI
WITH
REPORT OF INDEPENDENT AUDITORS

Report of Independent Auditors

Board of External Auditors
Organization of American States

We have audited the accompanying statement of assets, liabilities and fund balance of the Inter-American Fund for Priority Assistance to Haiti of the Organization of American States (the Fund) as of December 31, 1990, and the related statement of activity and changes in fund balance for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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.

As described in Note 2, the financial statements of the fund have been prepared on the basis of accounting practices prescribed by the Budgetary and Financial Rules of the Organization of American States (which include the applicable financially-oriented General Standards adopted by the General Assembly of the OAS) which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund at December 31, 1990, and its activity and its changes in fund balance for the year then ended on the basis of accounting described in Note 2.

As explained in Note 1, the financial statements being presented are only for the fund referred to above, which was established by the OAS to account for the assets, liabilities and fund balance and the revenues and expenditures of the Fund.

Ernst & Young

May 7, 1991

**ORGANIZATION OF AMERICAN STATES
INTER-AMERICAN FUND FOR PRIORITY ASSISTANCE TO HAITI**

**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
AS OF DECEMBER 31, 1990**

ASSETS

| | |
|---|------------|
| Cash and Equity in OAS Treasury Fund (Note 3) | \$ 771,339 |
| Other Assets | 28,024 |
| | \$ 799,363 |

LIABILITIES AND FUND BALANCE

| | |
|----------------------------------|------------|
| Unliquidated Obligations(Note 2) | \$ 417,596 |
| Accounts Payable | 109,965 |
| Fund Balance | 271,802 |
| | \$ 799,363 |

**STATEMENT OF ACTIVITY AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 1990**

| | |
|---|--------------|
| Increases | |
| United States State Department contribution | \$ 1,000,000 |
| Venezuela contribution | 100,000 |
| Canada contribution | 160,813 |
| France contribution | 114,545 |
| OAS Treasury Fund income | 65,043 |
| | 1,440,401 |
| Decreases | |
| Obligations and Expenditures | |
| Honoraria | 124,427 |
| Travel | 911,177 |
| Equipment and Supplies | 437,799 |
| Rental and Repairs | 15,075 |
| Other Costs | 246,026 |
| | 1,734,504 |
| Interest due to contributors | 65,043 |
| | 1,799,547 |
| Net increase during period | (359,146) |
| Fund balance at beginning of period | 630,948 |
| Fund balance at end of period | \$ 271,802 |

See accompanying notes

ORGANIZATION OF AMERICAN STATES

INTER-AMERICAN FUND FOR PRIORITY ASSISTANCE TO HAITI NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1990

1. Organization

Based on Permanent Council resolution CP/RES.441 (644/86) of February 14, 1986 entitled "Recent Events in Haiti", the Secretary General of the OAS proposed to the foreign ministers of the member states the establishment of a special Inter-American Fund for Priority Assistance to Haiti (the Fund), to augment the resources assigned to this country in the regular program budget.

At its Sixteenth Regular Session in Guatemala, the General Assembly approved resolution AG/RES.824 (XVI-O/86), authorizing the establishment during 1987, of an Inter-American Fund for Priority Assistance to Haiti, and to request the Government of Haiti to present directly to the Secretary General cooperation programs appropriate for assistance within the framework of the approved programming guidelines.

The purpose of the Fund is to provide the Haitian people the fullest possible assistance to strengthen the essential principles of representative democracy.

In 1987, upon the decision of the Government of Haiti to carry out democratic elections, the General Secretariat utilized the resources of the Fund towards the purchase of materials for the elections. These elections were subsequently canceled.

In 1990 the Government of Haiti again called for democratic elections for President, Vice President and members of the National Assembly to be held on November 4, 1990. Through CP/RES.537 (805/90), the Permanent Council recommended to the Secretary General to reactivate the Fund and organize a mission to observe the November elections. The Government of Haiti formalized the request to have an observer mission of the OAS during the electoral process through an agreement signed on September 3, 1990.

2. Basis of Accounting

The accompanying financial statements have been prepared in accordance with the Budgetary and Financial Rules of the OAS (Rules). The Rules provide the basis for the accounting principles applied in the preparation of the financial statements. The Rules were adopted to meet budgetary and other requirements

of the OAS and, as such, results in accounting principles which vary in certain material respects from generally accepted accounting principles. The significant deviation from generally accepted accounting principles is as follows:

Unliquidated obligations of the Fund include amounts related to commitments resulting from offers made by the Fund to vendors to disburse monies for the procurement of goods or services in futures periods. This amount does not represent liabilities to unrelated third party commitments at December 31, 1989. It represents amounts anticipated to be expended in the subsequent year in the completion of the project.

3. Equity in OAS Treasury Fund

All U.S. dollars available for use in carrying out the activities of the various funds of the OAS are consolidated in the Treasury Fund. Each fund administered by the General Secretariat maintains an equity to the extent of its cash balance retained therein. The Treasury Fund is administered by the General Secretariat, and amounts not immediately required for operations are invested. Income earned by the Treasury Fund is added to the equity of each fund in proportion to its balance.

4. Funding

Through resolution AG/RES.824 (XVI-0/86) the General Assembly requested the Permanent Council to determine the resources to constitute the fund. The Permanent Council through CP/RES.466 (686/87) resolved to finance the fund through a contribution of 5% of the national technical cooperation program of each member state for 1987 plus an additional contribution from the United States. Approximately \$950,000 was collected from national technical cooperation programs and the U.S. contribution. During 1987, the General Secretariat disbursed approximately \$365,000 to purchase materials for the initially scheduled elections.

Upon the decision of the Government of Haiti to carry out democratic elections on November 4, 1990, the Permanent Council through resolution CP/RES.537 (805/90) authorized the Secretary General to reactivate the Fund and draw from its funds in accordance with the original objectives.

In order to strengthen the observer mission of the OAS assisting the electoral process, various member and non-member countries provided additional funding. Among the contributors were the United States Department of State with contributions of \$1,000,000 in 1990 and \$250,000 in 1991, the Government of Canada with a pledge of \$175,000, of which \$164,000 was received during 1990, the Government of France with \$114,500, and the Government of Venezuela with \$100,000.