

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 BIENNIUM
ENDED
DECEMBER 31, 1993**

By the
Board of External Auditors

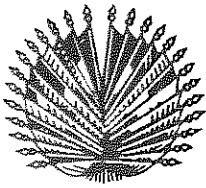
GENERAL SECRETARIAT
ORGANIZATION OF AMERICAN STATES
WASHINGTON, D.C. 20006
1994

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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 24, 1994

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). Our report covers the biennium ended December 31, 1993, 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:
 - Regular Fund
 - Special Development Assistance Fund
 - Special Multilateral Fund for Education, Science,
and Culture
 - Special Account for Culture
 - Mar del Plata Account
- 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 (CIAV-OAS); and
- Audit of the accounts and financial statements for the Activities of the Unit for the Promotion of Democracy

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 biennium ended December 31, 1993, on a comparative basis with the previous biennium. (See Note 3 to the financial statements). Except as described in the following paragraph, 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 is qualified because the carry-over effects of recording certain obligations totaling about \$16 million in 1991. These obligations departed from the criteria set forth in the General Standards to govern the operations of the General Secretariat and the Budgetary and Financial Rules in that they did not represent firm commitments as prescribed by such rules. In addition, the Regular Fund recognized 1991 administrative and technical support contributions from the CIECC Funds on the basis of these obligations. As a result of these departures from the Budgetary and Financial Rules of the OAS during 1991, the Statement of Changes in Fund Balance for the biennium ended December 31, 1993, reflect misstatements causing 1992/93 deobligations to be overstated by \$4.3 million; 1992/93 obligations to be understated by as much as \$11.3 million; and, charges to the CIECC Funds for administrative and technical support and corresponding Regular Fund income to be understated by as much as \$800,000. Since these financial statements, and Ernst & Young's opinions, are presented for the biennium, a material misstatement and the resulting qualified opinion for the first year of the biennium would necessitate a qualified opinion for the biennium as a whole.

Based on the opinions rendered by Ernst & Young on funds audited, the Board certifies in accordance with Article 103 of the General Standards to govern the operations of the General Secretariat that:

- Except as described in the preceding paragraph, the transactions reflected in the financial statements of the funds audited are in accordance with the General Standards to govern the operations of the General Secretariat, the financial regulations, and other applicable provisions.
- The financial statements of all funds audited agree with the books, records, documents, and vouchers of the General Secretariat.
- 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. In addition, our report contains a number of recommendations designed to improve OAS operating procedures and internal accounting controls both at Headquarters and at the Offices in the member states.

Article 108 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 1992 was referred by the Permanent Council to its Committee on Administrative and Budgetary Affairs on September 22, 1993. The Committee on Administrative and Budgetary Affairs has not yet submitted its report to the Permanent Council.

At December 31, 1993, the Regular Fund had a positive fund balance of approximately \$16.2 million, representing an increase of approximately \$12.4 million from the December 31, 1992 balance of \$3.8 million. This increase in fund balance was primarily attributable to continued improvement in quota collections during 1993, including \$12.9 million of reduction in arrearages. Quota payments to the Regular Fund for both the current year and for arrears during 1993 totaled \$75.1 million, compared to \$71.4 million during 1992. The Board wishes to point out that, although the OAS continues to improve financially, current claims exceed the available balance. The Organization needs to deal with the financial implications of Judgment No. 124 of the Administrative Tribunal regarding the staff claim for a cost of living adjustment system and the General Assembly Resolution (AG/COM.III/doc.8/94) relative to compliance with that judgment. Other current claims are for various activities, principally building renovations.

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.

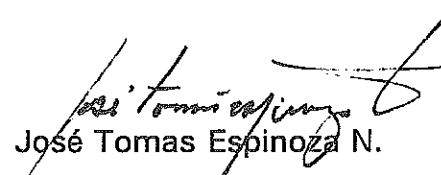


Brian P. Crowley

Chairman



Marcelo Zalles B.
Member



José Tomas Espinoza N.
Member

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SECTION I
COMMENTS AND RECOMMENDATIONS TO IMPROVE
OPERATING PROCEDURES AND INTERNAL ACCOUNTING CONTROLS

CHAPTER 1

COMMENTS RELATING TO THE GENERAL SECRETARIAT

Five issues discussed in last year's report related to the General Secretariat continue to be of concern to the Board. Also, the Board identified five new issues that it wishes to bring to the attention of the Permanent Council. Two of the issues identified in last year's report have been resolved. Issues related to the General Secretariat have been grouped into three categories as follows: (1) issues of continuing concern, (2) new issues, and (3) action on prior issues.

ISSUES OF CONTINUING CONCERN

Financial Position of the General Secretariat

During 1993, the Organization continued to make good progress in collecting quota arrearages, although about \$33 million was due from active member states at December 31, 1993. Quota collections during 1993 were \$75.1 million, which included \$12.9 million of quota arrearages, and the Regular Fund had a positive balance of \$16.2 million representing an increase of about \$12.4 million from the December 31, 1992, balance of \$3.8 million. Also, the external debt has been repaid and the interfund debt has been reduced by \$1 million. However, uncertainties regarding the settlement of the staff pay policy claim combined with current claims on the fund balance for building repairs may consume most of the available balance. To avoid subsequent deficit fund balances, the Organization should continue to emphasize quota collections.

Compliance With Reporting Requirements

Last year, the Board reported that the Organization had not been able to meet the financial reporting required by the various specific fund contribution agreements. The number and dollar volume of activities financed by specific fund contributions from member states, permanent observer countries, and other institutions has increased again this year from \$27 million in 1992 to \$33 million in 1993. As a result, the number, types, and complexity of monthly, quarterly, and ad hoc reports required by donors has further expanded beyond the capacity of the Department of Financial Services to complete the reports in a timely manner. Although Ernst & Young (E&Y) noted no instances where funding had been denied or withdrawn because of a lack of reporting, some funding has been delayed and a

lack of reporting, some funding has been delayed and a number of member states and other institutions have made written complaints about timeliness and frequency of required reports. Such complaints may well lead to a reluctance of donors to provide such funds in the future.

The Board believes that the problem could be resolved through appropriate staffing and an improved management information system as discussed below and in the section on staffing on page I-7.

**Management
Information
Systems**

Many of the accounting software programs used by the Organization were developed internally more than 15 years ago. Since then, the Department of Management Systems has modified these programs to meet internal needs. However, E&Y noted that standards for documenting and testing computer program revisions were not being followed. E&Y also noted that the Organization lacks formal contingency plans and lacks standardized file structures. In addition, all critical computers and data files are stored in the same building and there are no off-site storage facilities for backup information.

In summary, the Organization's management information systems are an out-of-date patchwork of systems which do not fully meet the modern needs of the Organization. For example, the problem of compliance with reporting requirements discussed above could be resolved through modernizing the system. Another example is the obsolete computer program used to determine the staff reimbursement for federal, state, and local income taxes paid on earnings from the Organization. Also, a manual local currency payroll register is used to account for the salaries and benefits of about 30 employees paid in local currencies in 19 different member states. This process could be more efficient if it were integrated with the regular payroll system.

The Board again recommends that the Organization study its management information system capabilities and develop a realistic plan to update the management information systems, including contingency plans and standards for program changes, so that all internal processing and reporting requirements can be met.

Budgetary Execution

For the last 2 years, the Board has reported on the delay in the execution of program budgets of the Voluntary Funds and recommended that an evaluation be made to identify the elements that preclude the timely execution of the approved budgets.

Again, this year, the Board noted excessive delays in executing program budgets of the Voluntary Funds. A total of about \$30.1 million of appropriations and obligations have been carried forward into the current biennium from prior budgetary periods. This is an increase of \$10 million from last year.

	<u>Carry-Over Appropriations</u>	<u>Carry-Over Obligations</u> (In Millions)	<u>Combined</u>	<u>%1993 Budget</u>
FEMCIECC	\$ 11.2	\$ 3.3	\$ 14.5	154%
CEC	1.1	0.2	1.3	217%
CMP	<u>4.5</u>	<u>1.2</u>	<u>5.7</u>	238%
CIECC Funds	16.8	4.7	21.5	173%
SDAF	<u>6.9</u>	<u>1.7</u>	<u>8.6</u>	109%
TOTAL	<u>\$ 23.7</u>	<u>\$ 6.4</u>	<u>\$ 30.1</u>	148%

This year, the Board was told that some of the delay was due to delays in receiving pledged funds from the donors.

The Board again recommends that the Organization determine the root causes of the delays and take appropriate action to address the identified causes.

Specific Criteria for Firm Commitments

The Board reported last year that within the technical cooperation, training, and development programs, it was not always clear when a firm commitment had been made in accordance with the Budgetary and Financial Rules. The rules are not clear in those instances when the Organization is acting as a provider of goods and services. The Board recommends that specific criteria be established, including examples, to indicate when a firm commitment has been made when the Organization is acting as the provider of goods and services.

**Other Issues
Identified in
Prior Reports**

Conflict-of-interest statements - Two years ago, the Board was informed that procedures for reviewing conflict-of-interest statements had been approved by the Secretary General, whereby all employees' statements would be reviewed both for completion and substance by supervisors knowledgeable about employees' duties and responsibilities. The Board noted this year that a process for reviewing these statements had still not been implemented.

The Board recommends that this process be implemented immediately.

Accounting for Fixed Assets - The Board continues to recommend that, in order to reduce the administrative burden associated with tracking smaller dollar items, the Department of Material Resources increase its minimum capitalization amount from the current \$50 to \$500.

NEW ISSUES

**Separation
Indemnities**

Under Article 53F of the General Standards, the Secretary General is empowered to terminate the appointment of a staff member when he considers it to be in the best interest of the Organization. Terminated employees receive separation indemnities of as much as 9 months of salary, depending on their years of service. If the required 60-day notice is not given, the employees receive an additional 2 months of salary.

During 1993, 10 staff members left the Organization under Article 53F. In 9 of the 10 separations, it was not clear that these separations were appropriate under the provisions of Article 53F.

All 9 staff members were granted 9-month indemnities totaling approximately \$278,000. Furthermore, 8 of the 9 staff members were also granted an additional 60 days pay totaling approximately \$59,000. The Board was informed that each of these staff members had requested the separations. In all cases, the identical reason supporting the conclusion of the Secretary General was cited.

The Board questions the appropriateness of these payments because the employees appeared to voluntarily resign rather than be terminated by the Secretary General as provided by

Article 53F and the identical reason was given for each termination.

The Board recommends that the Organization provide separation indemnities only when staff members meet the criteria contained in Article 53F and the specific reasons for each termination should be fully documented supporting the decision that the interests of the Organization are best served.

**Personnel
Budget**

In budgeting for the years 1994 and 1995, the Organization has been directed to absorb a 5-percent reduction in personnel costs--about \$1.9 million each year. Through normal attrition and personnel vacancies, the Organization can realistically achieve only about a 2-percent savings. The personnel costs may therefore be over budget by \$1 million each year unless the number of personnel is further reduced.

The Board also noted that the Organization had 24 long-term contract employees whose salaries of about \$1 million were not included in the current budget. By continuing to fund these positions, the Organization will either overspend its personnel budget or use funds approved for other programs or purposes. Information provided to the Board indicated that some of these positions may be essential to the functioning of the Organization.

Staffing

During its discussions with various officials of the General Secretariat, the Board has been told that the apparent cause of problems noted by the Board is a lack of adequate staffing to carry out important functions, such as physical inventories of fixed assets, compliance reporting, audits and evaluations by the Inspector General's office, and modernization of computer systems. The Board inquired as to whether the Organization had an overall staffing plan in place that would identify its staffing needs as to both the number and quality of staff. The Board was informed that such a plan did not exist and therefore recommends that the Organization conduct a thorough staffing study to ensure that an appropriate number and quality of staff are available to carry out essential functions.

Review of Policies and Procedures

E&Y reported that inconsistencies existed between daily operations at the Organization and the policies and procedures outlined in the General Standards and the Budgetary and Financial Rules. Many of these policies and procedures drafted in the 1970s or 1980s need to be evaluated and updated as necessary to enhance operational efficiency. Also, the current practice of having one person--the Secretary General--approve all obligations and expenditures as well as all personnel decisions, including staff hiring and promotions, should be evaluated. The Board recommends that the Organization thoroughly review the General Standards, the Budgetary and Financial Rules, and the current operating procedures and revise the policies and procedures as appropriate.

Pension Systems

The Retirement and Pension Fund of the General Secretariat of the Organization of American States (the Pension Fund) currently utilizes computerized accounting systems of the OAS. According to E&Y, these accounting systems were modified in order to conform to the specific accounting needs of the Pension Fund. However, E&Y now believes the effort required of the accounting staff to summarize and report periodic financial information of the Pension Fund should be reduced. Numerous manually prepared adjusting entries are required in order to summarize transactions between specific periods. Additionally, the current accounting system cannot automatically produce certain standard reports or analyses such as a trial balance or the detail of individual account balances without significant efforts from the accounting staff.

In order to help improve efficiency and effectiveness of the current accounting and reporting efforts, the Board recommends that management consider obtaining separate financial accounting software that more readily meets the current accounting and financial reporting needs of the Pension Fund.

ACTION ON PRIOR ISSUES

Accounting for Fixed Assets

During 1993, the Department of Material Resources focused primarily on recording all the fixed asset acquisitions and disposals as well as reviewing global amounts recorded in 1989 and 1990. A physical inventory was not performed again this year. However, the Department of Material Resources prepared a manual documenting the procedures to be performed in conjunction with a physical inventory. Also an inventory was conducted during 1994. The situation merits continued attention by the Department of Material Resources to ensure that future inventories are taken in accordance with the Budgetary and Financial Rules and the corresponding recordkeeping is maintained up to date.

Contribution for Administrative and Technical Support

In prior reports, the Board suggested that the Organization re-evaluate the 15-percent rate used to reimburse the Regular Fund for expenditures borne on behalf of Special Multilateral Fund programs for administrative and technical support. The Board suggested that, as part of the evaluation, the Organization should consider charging directly to the programs benefited, salaries and related benefits for all individuals who provide direct support to such programs. During its June 1994 meeting, the General Assembly adopted a resolution authorizing the General Secretariat, beginning in 1995, to obtain a contribution for technical supervision and administrative support equal to 10 percent of certain fiduciary and specific funds received which, the Board was told, should result in increased payments to the Regular Fund.

CHAPTER 2

COMMENTS RELATING TO OFFICES OF THE GENERAL SECRETARIAT IN THE MEMBER STATES

In 1993, the Inspector General conducted reviews of seven Offices of the General Secretariat in the member states: St. Vincent and the Grenadines, Suriname, Jamaica, Bahamas, Barbados, Panama, and Honduras. In addition, on behalf of the Board, the Comptroller General's Office of Bolivia conducted a special review of the Office of the General Secretariat in Bolivia.

Essentially, the same types of control deficiencies identified in past reviews continued to occur at the Organization's offices in the member states. The Inspector General's office has reported to the Secretary General the following findings at these member states:

- The fixed assets inventory was not updated - Bahamas, Barbados, St. Vincent and the Grenadines, Suriname, Panama, and Jamaica.
- No supervisory review of bank reconciliations - Barbados and St. Vincent and the Grenadines.
- Supporting documents not canceled once an invoice was paid - St. Vincent and the Grenadines, Barbados, Suriname, and Bahamas.
- Expenditures made without supporting documentation - Panama and Honduras.
- Quarterly customs reports on duty-free imports not submitted in a timely manner - Jamaica and St. Vincent and the Grenadines.
- Agreement between the host government and the General Secretariat not signed - Suriname, Panama, and Bahamas.

In addition to these common findings, the following findings were also noted by the Inspector General:

St. Vincent and the Grenadines

- Payments made for office cleaning in excess of contracted amounts.
- CPR contracts made for periods in excess of 1-year limit.
- Bank reconciliation prepared by the same technician who prepares the checks.

Suriname

- Monthly cleaning services provided without establishing a contract.
- Excessive sick leave used by staff member without providing written explanations of illnesses from doctor.
- Authorizing signature cards at local bank included a staff member no longer employed at the office.

Jamaica

- Office lease agreement was signed retroactively and payments made in excess of contract amount.
- Payments made to sponsored fellowship students without receiving certificates of attendance.
- Payments made for sales tax in violation of established agreement with the Jamaican government.
- Unused airline tickets not returned.

Bahamas

- No contract for cleaning services.
- Poor control over drafts and local checks.

Barbados

- Dual signatures not present on five bank drafts with amounts in excess of \$5,000.
- Director entered into a CPR contract for \$8,000 which exceeds the \$3,000 CPR contract limit.
- Honorarium paid to the Ministry of Education officers for work performed in the normal course of their duties.

Panama

- Family member of the Director employed without authorization.

Honduras

- Checks issued to project coordinator instead of project beneficiaries.

Special Review of Bolivia

- No accounting records existed for the Social Economic Area Projects which spent \$250,800 during the biennium.
- The authorization and disbursing records for equipment and supplies totaling \$45,324 were incomplete.
- A physical inventory was not taken.
- Supporting documents not canceled when invoices were paid.
- Payments were made for per diem and gas totaling \$3,430 without supporting documentation.

In a meeting with the Acting Secretary General, the Board expressed its concern with the continuing nature of the problems and with the apparent lack of action on the findings and recommendations made by the Inspector General. The Acting Secretary General said that he was establishing a team to review the operations of the Offices of the General Secretariat in the member states and that compliance with the Inspector General's recommendations regarding these offices would be part of the study.

CHAPTER 3

COMMENTS RELATING TO THE INSPECTOR GENERAL

In addition to the audits of the Offices of the General Secretariat in the member states discussed in chapter 2, the Inspector General also conducted audits of the Leo S. Rowe Pan American Fund and Inter-American Commission of Drug Abuse Control. The findings reported by the Inspector General included:

Leo S. Rowe Pan American Fund

- Significant increases in contracts not justified.
- Cosigners of student loans did not comply with obligations to repay delinquent loans.
- Minutes do not reflect the approval of administrative expenses and purchases of software.
- Formal procedures existed for the management of the Fund do not exist.

Inter-American Commission of Drug Abuse Control

- Contracts exist for functions similar to those done by the General Secretariat.
- Contracts were not signed until after completion of project.
- Overtime payments shown in the payroll records differ from the amounts shown on the time control cards.
- Long distance telephone calls were not reported.
- Large increases in contract payments were made without requesting justification.
- Check issued to the Director for reimbursement without authorization - Panama and Honduras.

In past reports, the Board expressed its belief that the Inspector General had done a good job given the low levels of funding and staffing available to him. The Board now believes that, with the retirements of the present Inspector General and Secretary General, it is appropriate for the Organization to re-examine the role of the Inspector General. As in past reports, the Board is again concerned about the staffing, audit coverage, and followup on audit recommendations of the Inspector

General. This year, the Board is also expressing its concern about the degree of independence of the Office.

Audit Coverage

Almost all of the Inspector General's resources are devoted to audits of the Offices of the General Secretariat in the member states and limited work is being done at the Organization's Headquarters where the majority of administrative management takes place and where the majority of the funds are disbursed. During 1993, the budgets of the Offices of the General Secretariat in the member states comprised only 5 percent of the total budget and expenditures of the Organization comprised only 6 percent of the total expenditures. Past personnel reductions in the Inspector General staff have severely hampered the Inspector General's ability to review critical areas such as cash (which was last reviewed in 1989), conferences, personnel, material resources, payroll, and scholarships--all of which were last reviewed in 1986.

The Board believes that the Organization is not benefiting from a fully staffed audit function, consequently decreasing its ability, for example, to conduct programmatic reviews and economy and efficiency audits. When conducting a programmatic review, the Inspector General could independently determine if the desired results or benefits of an existing program are being achieved and identify factors inhibiting satisfactory performance. In addition, the Inspector General could determine whether proposed or existing programs complement, duplicate, or conflict with other programs and identify ways of making programs work better. When conducting economy and efficiency audits, the Inspector General could determine whether the Organization is acquiring, protecting, and using its resources (such as personnel, property, and space) economically and efficiently. In addition, the Inspector General could determine the causes of inefficiencies or uneconomical practices and suggest possible solutions. Economy and efficiency audits may, for example, consider whether the Organization is following sound procurement practices; acquiring the appropriate type, quality, and amount of resources at the lowest cost; properly protecting and maintaining its resources; avoiding duplication of effort by employees; and using efficient operating procedures.

Staffing

The Board was informed that, during the first half of the 1980s, the Inspector General's office had 11 staff members. The office also provided assistance to the Board in its annual audit of the Organization. During the Organization-wide staff reductions, this office took a disproportional cut. The office now has a staff of three--the Inspector General, one auditor, and a secretary. The Secretary General has also made some contract money available for hiring auditors to supplement the in-house staff. The office, however, is unable to provide the Board with any assistance in its annual financial audit.

The Board acknowledges the progress made in that funds for one additional staff auditor have been approved for 1994. However, the position has not yet been filled and the Board again expresses its concern about the staffing and funding of the Inspector General's office and its ability to maintain a proper control environment in the Organization.

Audit Followup

The Board noted that the Inspector General's office had established last year a system to track action taken on its recommendations. When the Board's assistants reviewed this system, they noted that the system contained 94 recommendations, but only 19 had been acted upon. The Inspector General told the Board that as many as 600 recommendations had been made but had not been acted upon. Almost all of these recommendations involved the Offices of the General Secretariat in the member states. As mentioned in chapter 2, the Acting Secretary General told the Board that this issue would be included in a study to be made of these Offices.

Independence

The Inspector General holds a position of trust and reports directly to the Secretary General. His office does not have a separate budget and his reports are reviewed and approved by the Secretary General before they are released. Last year, the Board noted that there were delays in the completion of draft reports awaiting clearance from the Secretary General. This year the Board noted that a draft report on CPR contracts was submitted to the Secretary General on September 23, 1993, but had not been released as of May 1994.

The Board believes that the Inspector General's office does not have sufficient independence to operate most effectively. The Secretary General makes all routine and substantive decisions regarding obligations and personnel actions for the Organization. By having one person control all personnel and administrative decisions and the operation of the Inspector General's Office, there is not a separation of duties normally found in a good internal control environment.

This situation makes it difficult for the General Assembly and the Permanent Council to monitor the activities of the Secretary General. The Inspector General is not independent of the Secretary General and his reviews cannot be relied upon to help in such monitoring.

After this issue was discussed at the Twenty-fourth Regular Session of the General Assembly held in Belém do Pará, Brazil, the General Assembly adopted resolution AG/RES. 1279 (XXIV-0/94) instructing the Permanent Council to analyze the structure and functions of the auditing systems of the Organization, especially the Office of the Inspector General, and based on that study to present a report to the General Assembly at its next regular session with recommendations for increasing the scope and number of internal audits and for providing the Office of the Inspector

General with the resources and structural independence necessary for conducting those audits in accordance with current internal auditing practices and conventions. The Board would be pleased to assist the Permanent Council in its analysis.

CHAPTER 4

COMMENTS RELATING TO THE INTER-AMERICAN DEFENSE BOARD

Financial Position

The Inter-American Defense Board (IADB) receives substantially all of its funding from the Organization and this funding has decreased about 5 percent for each of the last several years. The Board's past reports have stated that, because of the reduced funding, the continued viability of the IADB was in question and suggested that alternative funding sources be considered.

During 1993, the IADB terminated 21 staff and received an advance of \$325,000 for severance pay from the Organization. This advance is to be repaid through an annual reduction in the IADB funding over the next 5 years. During its audit of 1993, E&Y noted that 16 expenditure accounts were not budgeted for. The IADB incurred a deficit of about \$750,000 for 1993.

In its meeting with the Board, the IADB presented a detailed budget and financial plan that showed how the Organization planned to operate within its budget for 1995 and included budgeted amounts for the 16 expenditure accounts.

The Board wishes to commend the IADB for taking steps to reduce its costs and for developing a plan to operate within its available resources.

APPENDIX A

Independent Auditor's 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 biennium ended December 31, 1993, listed in the accompanying table of contents, and have issued our report (the Audit Report) thereon dated May 6, 1994.

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 provisions included in Chapters IV, V, VI and VII of the General Standards. 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.

In 1991, we noted certain obligations were recorded by the Organization at December 31, 1991 in the Regular and CIECC Funds, which in our opinion, represented a significant departure from the criteria set forth in the Budgetary and Financial Rules of the Organization in that they were not supported by firm commitments as prescribed by such rules. As described in the fourth paragraph of the Audit Report referred to above, as a result of this departure from the Budgetary and Financial Rules of the Organization during 1991, the December 31, 1993 financial statements reflect significant misstatements.

The results of our tests indicate that, except as noted in the preceding paragraph, with respect to the items tested, the Organization complied, in all material respects, with the provisions referred to above. 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. In addition, we noted certain immaterial instances of noncompliance with the rules and regulations in the following areas: fixed assets, unliquidated obligations and separation indemnities. Our comments on these matters have been reported to the Board of External Auditors in separate correspondence dated May 6, 1994.

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

Ernst + Young LLP

May 6, 1994

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. Except as described in note 7 of the 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 General Secretariat.

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 the 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, 1993 and for the biennium 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 more fully described in Note 7, at December 31, 1991, the Organization recorded certain obligations in the Regular Fund and in FEMCIECC, CEC and CMP (the CIECC Funds), which in our opinion, departed from 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 1991 administrative and technical support contribution from the CIECC Funds on the basis of these obligations. Income to the Regular Fund, as well as the corresponding charges to the CIECC Funds, 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 1991, the biennium ended

December 31, 1993 financial statements reflect misstatements causing biennium deobligations to be overstated by \$4.3 million; biennium obligations to be understated by \$11.3 million; and, charges to the CIECC Funds for administrative and technical support and corresponding Regular Fund income to be understated by \$0.8 million.

In our opinion, except for the effects caused by the recording of certain obligations and related interfund income, as discussed in the preceding paragraph, 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, 1993, and the changes in fund balances for the biennium 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 in 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 second 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 and related interfund income, as discussed in the third preceding paragraph, on the financial statements of the above funds of the Organization of American States for the biennium ended December 31, 1991, summarized comparative information from which is presented herein.



May 6, 1994

Except for Note 18, as to which the date is
May 13, 1994

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, 1993					December 31, 1991 Combined
	Regular	SDAF	FEMCIECC	CEC	CMP	
<u>ASSETS</u>						
Cash and equity in OAS Treasury Fund (Note 6)	\$ 36,957	\$ 10,466	\$ 10,890	\$ 1,137	\$ 3,024	\$ 44,346
Due from affiliated OAS funds (Note 16)		3,078	3,248	277	3,272	(a) 62,474
Advances to employees	50	7	8			65
Other assets	16			6		22
Amounts to be charged to future years' appropriations (Note 4)	4,426		38			4,464
Equity in land, buildings and equipment (Notes 5 and 11)	29,732					29,732
	<u>\$ 71,181</u>	<u>\$ 13,551</u>	<u>\$ 14,184</u>	<u>\$ 1,420</u>	<u>\$ 6,296</u>	<u>\$ 96,757</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Unliquidated obligations (Note 7)	\$ 10,594	\$ 1,679	\$ 3,294	\$ 248	\$ 1,153	\$ 16,968
Quotas/Pledges collected in advance	102	8	89	19	12	230
Accounts payable and other liabilities	4,646	373	19	19	10	5,067
Due to affiliated OAS funds (Note 16)	9,875					(a) 7,790
Long-term debt (Note 11)	11,299					14,014
Deferred interest income (Note 16)		345	789	71	1,670	(b) 11,299
Fund balances:						
General/Operating Subfund Appropriated	16,060	6,940	7,881	826	3,387	37,969
General/Operating Subfund Unappropriated		2,237				2,237
Working Capital/Reserve Subfund	171	1,969	2,112	237	64	3,000
Investment in land, buildings and equipment	18,434					14,660
	<u>\$ 71,181</u>	<u>\$ 13,551</u>	<u>\$ 14,184</u>	<u>\$ 1,420</u>	<u>\$ 6,296</u>	<u>\$ 96,757</u>

(a) The combined amount excludes \$9,875,000 of Interfund Receivables/Payable in 1993 and \$10,875,000 in 1991

(b) The combined amount excludes deferred interest income of \$2,875,000 in 1993 and in 1991

See accompanying notes

ORGANIZATION OF AMERICAN STATES

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

	Biennium ended December 31, 1993				Biennium ended		
	Regular	SDAF	FEMCIECC	CEC	CMP	Combined	December 31, 1991
Increases							Combined
Quota/Pledge collections (Note 4)	\$ 146,724	\$ 12,410	\$ 13,777	\$ 1,213	\$ 3,356	\$ 177,480	\$ 161,670
Less prompt payment credits	318					318	-
Contribution for administrative and technical support (Note 4)	146,406	12,410	13,777	1,213	3,356	177,162	161,670
OAS Treasury Fund income (Note 6)	3,789					40 (a)	40 (a)
Other income, refunds, and deobligations (Note 7)	3,463	1,205	908	96	311	5,983	5,026
	8,421	226	2,665	218	850	12,380	7,290
Decreases	\$ 162,079	\$ 13,841	\$ 17,350	\$ 1,527	\$ 4,517	\$ 195,565	\$ 174,026
Expenditures and obligations pursuant to appropriations:	\$ 19,417					\$ 19,417 (a)	\$ 16,634 (a)
General Assembly and Permanent Council	14,135					14,135	11,774
Executive Office of the General Secretariat	15,090	15,033				28,163 (a)	23,463 (a)
Activities of the Secretariat for Economic and Social Affairs	24,429					36,348 (a)	41,968 (a)
Activities of the Secretariat for Educational, Scientific and Cultural Affairs	13,008					13,008	11,301
Activities of the Offices Away from Headquarters	3,085			\$ 686	\$ 3,237	3,085	2,594
Activities of the Secretariat for Legal Affairs	16,929					16,929	14,640
Activities of the Secretariat for Management	20,289					20,289	18,773
Common administrative and personnel costs	9,108					9,108	8,955
Contributions to other agencies	135,490	15,033	9,785			160,482	150,102
Net increase (decrease) during period	26,589	(1,192)	7,565	841	1,280	35,083	23,924
Fund balances (deficits) at beginning of period	(10,358)	12,338	2,428	222	2,171	9,677 (b)	(14,247) (b)
Fund balances at end of period	\$ 16,231	\$ 11,146	\$ 9,993	\$ 1,063	\$ 3,451	\$ 44,760 (b)	\$ 9,677 (b)

(a) The combined amount excludes \$3,749,000 in 1992-93 and \$4,401,000 in 1990-91 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 1992-93 and 1990-91 excludes \$2,875,000 of deferred interest income.

See accompanying notes

ORGANIZATION OF AMERICAN STATES

EXHIBIT 3

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

	December 31, 1993				December 31, 1991 Combined	
	REGULAR	SDAF	FEMCIECC	CEC		CMP
<u>ASSETS</u>						
Cash and equity in OAS Treasury Fund (Note 6)	\$ 20,858	\$ 7,555	\$ 4,100	\$ 201	\$ 369	\$ 33,083
Advances to Employees and other receivables	409	26	2			437
	<u>\$ 21,267</u>	<u>\$ 7,581</u>	<u>\$ 4,102</u>	<u>\$ 201</u>	<u>\$ 369</u>	<u>\$ 33,520</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Unliquidated Obligations	\$ 3,761	\$ 1,461	\$ 530	\$ 31	\$ 82	\$ 5,865
Accounts payable and other liabilities	804	164	(5)	18	3	984
Fund balances	16,702	5,956	3,577	152	284	26,671
	<u>\$ 21,267</u>	<u>\$ 7,581</u>	<u>\$ 4,102</u>	<u>\$ 201</u>	<u>\$ 369</u>	<u>\$ 33,520</u>

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

	Biennium ended December 31, 1993				Biennium ended December 31, 1991 Combined	
	REGULAR	SDAF	FEMCIECC	CEC		CMP
Increases	\$ 43,938	\$ 11,471	\$ 3,806	\$ 241	\$ 487	\$ 59,943
Contributions (Notes 4 and 9)	364	249	612	(255)	(518)	452
Other income, return to donors, and transfers	<u>44,302</u>	<u>11,720</u>	<u>4,418</u>	<u>(14)</u>	<u>(31)</u>	<u>60,395</u>
Decreases	32,373	9,055	2,225	57	327	44,037
Obligations and expenditures	<u>11,929</u>	<u>2,665</u>	<u>2,193</u>	<u>(71)</u>	<u>(358)</u>	<u>16,358</u>
Net increase (decrease) during period	4,773	3,291	1,384	223	642	10,313
Fund balances at beginning of period	<u>\$ 16,702</u>	<u>\$ 5,956</u>	<u>\$ 3,577</u>	<u>\$ 152</u>	<u>\$ 284</u>	<u>\$ 26,671</u>
Fund balances at end of period						<u>\$ 10,313</u>

See accompanying notes

ORGANIZATION OF AMERICAN STATES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1993 AND 1991

ORGANIZATION OF AMERICAN STATES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1993 AND 1991

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 I 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.

A. General and Operating Subfunds

Quota and voluntary pledge contributions and the corresponding costs 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

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.

f. Other Entities and Specialized Organizations

The assets and liabilities at December 31, 1993 and 1991, 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 *

* Recipients of cash and/or in kind contributions or administrative services from the Regular Fund.

2. Working Capital and Reserve Subfunds

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

- 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.

As of December 31, 1993, \$1,220,327 was transferred from the Working Capital Subfund to the General Subfund. The balance of the General Subfund of \$16,060,000 is restricted to finance unobligated appropriations.

- 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.

In order to adjust the Reserve Subfund to the maximum level of 25 percent of the annual Program Budget as of December 31, 1993, \$2,235,256 was transferred from the Reserve Subfund to the Operating Subfund.

- c. FEMCIECC, CEC, CMP - Reserve Subfund Pursuant to the Uniform Statutes of FEMCIECC, CEC and CMP, approved by the General Assembly in 1988, AG/RES. 919 (XVIII-O/88), the Reserve Subfunds are contingency reserves 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.

In order to adjust the Reserve Subfund to the maximum level of 20% of the biennium budget as of December 31, 1993, the following amounts were transferred from the Operating Subfunds to the Reserve Subfunds:

\$1,203,499 for FEMCIECC, and \$140,821 for CEC. In CMP, in order to adjust the operating subfund to the level of 1993 unobligated appropriations, \$247,246 was transferred from the Reserve Subfund to the Operating Subfund.

Specific Funds (Exhibit 3)

These funds include contributions and grants from member states observers 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

Except as described in Note 7 below, 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.

These expenditures are as follows:

	<u>1990/91</u>	<u>1992/93</u>
Home travel	458,000	476,000
Repatriation of family and household goods upon separation	220,000	168,000
Separation Indemnity and termination pay	1,731,000	2,416,000
Medical benefits subsequent to separation	<u>1,687,000</u>	<u>1,961,000</u>
Total	<u>4,096,000</u>	<u>5,021,000</u>

Unrecorded earned annual and special leave approximated \$8,193,000 and \$7,420,000 at December 31, 1993 and 1991, 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 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. 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 purchases not financed by long-term debt is included in investment in land, buildings and equipment.

The associated debt is then amortized against current and future years' appropriations (\$1,115,000 in 1992/93 and \$925,000 in 1990/91) to provide for current mortgage payments. (See Note 11).

A sinking fund aggregating \$516,000 at December 31, 1990 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 investment in land, buildings and equipment.

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

<u>Depreciation Basis</u>	<u>December 31</u>	
	<u>1993</u>	<u>1991</u>
Land (Note 11) - not depreciated	\$ 5,491,305	\$ 5,491,305
Buildings (Note 11) - 50 years	26,943,549	24,374,561
Vehicles - 5 years	1,729,182	1,092,373
Furniture and equipment - 10 years	7,040,961	7,815,900
Technical machinery and equipment - 10 years	4,228,825	2,534,476
Works of art - not depreciated	<u>1,388,762</u>	<u>858,342</u>
	46,822,584	42,166,957
Less: accumulated depreciation	<u>(17,090,493)</u>	<u>(15,093,575)</u>
Book value as of December 31	<u>\$29,732,091</u>	<u>\$27,073,382</u>

Only those assets under direct control of the General Secretariat at its headquarters, its offices in the member states and certain assets within the missions 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.

Equipment and/or scientific materials provided to projects in the CIECC area are treated as donations 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>1993</u>	<u>1991</u>
Demand and time deposits, net of \$3,864,000 and \$1,168,000 drafts not presented for payment at December 31, 1993 and 1991, respectively	\$19,864,000	\$58,623,000
Repurchase Agreements	7,282,000	-
United States Treasury Notes (1)	68,300,000	-
Accrued interest receivable	<u>1,135,000</u>	<u>341,000</u>
	<u>\$96,581,000</u>	<u>\$58,964,000</u>

(1) Maturities of US Treasury Notes:

	<u>Cost</u>	<u>Market</u>
Current (less than 1 year)	14,000,000	14,166,240
1 - 5 years	32,000,000	33,777,140
6 - 9 years	<u>22,300,000</u>	<u>24,786,428</u>
	<u>68,300,000</u>	<u>72,729,808</u>

7. Unobligated Appropriations and Unliquidated Obligations

At its Twenty-Third Regular Session in June 1993, the General Assembly adopted AG/RES.1230 (XXIII-O/93) which authorized the carryover of unobligated appropriations in the Special Development Assistant Fund from the 1991 and 1993 biennia into the 1995 biennium. In the CIECC Funds, 90% of the unobligated appropriations as of June 30, 1994 were authorized for use in 1995 programming, while 10% was designated for the reserve subfunds.

In conjunction with the 1991 biennium closing, obligations totalling approximately \$16 million were recorded in the Regular and CIECC Funds which were not in compliance with criteria set forth in the General Standards. The effect of recording the obligations was that at December 31, 1991: a) obligations and unliquidated obligations of the Regular and CIECC Funds were overstated by approximately \$7 million and \$9 million, respectively, and b) the contribution for administrative and technical support (income of the Regular Fund and expense of the CIECC Funds) was overstated by \$1.4 million.

As a result of this departures from the Budgetary and Financial Rules of the Organization during 1991, the biennium ended December 31, 1993 financial statements reflect misstatements causing deobligations to be overstated by \$4.3 million; obligations to be understated by as much as \$11.3 million; and, charges to the CIECC Funds for administrative and technical support and corresponding Regular Fund income to be understated by as much as \$0.8 million.

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 Department of Financial Services. 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, 1993 and 1991, were as follows:

December 31

	1993	1991
Regular Fund	\$ 150,000	\$ 62,000
Special Development Assistance Fund	35,000	62,000
Special Multilateral Fund of the Inter-American Council for Education, Science & Culture	56,000	291,000
Special Account for Culture	5,000	17,000
Mar del Plata Account	<u>9,000</u>	<u>141,000</u>
	<u>\$255,000</u>	<u>\$573,000</u>

9. Contributions to Specific Funds

Contributions to Specific Funds during the biennium ended December 31, 1993 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>
<u>Members:</u>						
Argentina	\$ 160,636	\$ 2,832,996	\$ 441,590		\$ 282,316	\$ 3,717,538
Bahamas	316,763					316,763
Bolivia	5,000	(93)				4,907
Brazil	50,000	1,101,723				1,151,723
Canada	2,640,508	735,697	200,499			3,576,704
Chile	64,075	320,525		\$ 167,000		551,600
Colombia	70,703		32,384			103,087
Costa Rica	46,178					46,178
Dominica	2,000					2,000
Dom. Rep.	966					966
Ecuador		5,874				5,874
El Salvador	1,144	913,940				915,084
Guatemala	67,205					67,205
Honduras	2,325	21,596				23,921
Jamaica	15,269					15,269
Mexico	12,000	908,000	637,230	26,600	205,000	1,788,830
Panama	1,000	176,000				177,000
Paraguay	90,001					90,001
St. Lucia	3,720					3,720
St. Kitts & Nevis	3,000					3,000
Trinidad Tobago	8,230					8,230
United States	34,103,287	1,994,912	1,100,000			37,198,199
Uruguay	24,551	516,185				540,736
Venezuela	18,847	17,808	136,995	17,611		191,261
<u>Observers:</u>						
European E.C.	757,386					757,386
Finlandia		507,631				507,631
France	372,164					372,164
Germany	342,335		1,183,855			1,526,190
Italy	183,750					183,750
Japan	1,500,000					1,500,000
Netherlands	570,081					570,081
Spain	351,367			17,000		368,367
<u>Non Member States:</u>						
England	22,071					22,071
Norway	56,317					56,317
Sweden	98,748					98,748
United Nations	453,631	293,400				747,031
Others	<u>1,522,529</u>	<u>1,125,262</u>	<u>73,006</u>	<u>13,075</u>		<u>2,733,872</u>
	<u>\$43,937,787</u>	<u>\$11,471,456</u>	<u>\$3,805,559</u>	<u>\$241,286</u>	<u>\$487,316</u>	<u>\$59,943,404</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, 1993:	\$11,298,594
Repayment terms:	25 years, due in monthly installments through September 2004.
Annual interest rate:	9.375%
Interest expense during 1992/93:	\$2,230,616
Amortization of principal during 1992/93:	\$1,114,964
Principal balance, December 31, 1991:	\$12,413,558

Principal payments due for the next five years are as follows:
1994, \$640,609; 1995, \$703,315; 1996, \$772,159; 1997, \$847,741;
1998, \$930,723.

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 1991:	\$600,000
Interest expense during 1990/91	\$55,250
Principal balance, December 31, 1991	\$0

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, 1991:	\$1,600,000
Repayment terms:	Repayment commenced February 10, 1990. As amended effective January 1, 1991, all quota receipts which serve to reduce quota arrearages with minimum repayment of \$3,200,000 per annum payable in quarterly installments. Prior repayments terms were collection of quota arrears plus \$3,280,000 per annum payable quarterly.
Annual Interest Rate:	Variable, American Security Bank's base (prime rate).
Interest expense during 1992:	\$34,942
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 1992:	\$1,600,000
Principal Balance at December 31, 1992:	\$0

12. Leases

The General Secretariat leases certain facilities and equipment. Rental expense for such leases was approximately \$1,278,000 and \$984,000 for the biennium ended December 31, 1993 and 1991, respectively. Aggregate rentals subsequent to December 31, 1993 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 \$10,571,000 in 1992/93 and \$10,132,000 in 1990/91.

As of December 31, 1993 accumulated plan benefits and plan net assets were as follows:

Actuarial present value of accumulated plan benefits:

Vested	\$190,686,000
Nonvested	<u>3,928,000</u>
Total at December 31, 1993	<u>\$194,614,000</u>
Net plan assets available for benefits	<u>\$262,619,000</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, \$497,000 in 1992/93 and \$495,000 in 1990/91, is budgeted and recognized in the year paid. The approximate present value of estimated future payments of \$4.1 million, and 3.5 million at December 31, 1993 and December 31, 1991 respectively, 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 1992/93 and 1990/91 those costs were \$2,209,000 and \$1,959,000, respectively.

15. Foreign Currencies

Certain income and expense transactions during 1992/93 and 1990/91 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 financial statements, consisting principally of cash and time deposits (\$243,000 and \$621,000 as of December 31, 1993 and 1991,

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, 1993 and 1991, the Regular Fund owed the Special Multilateral Funds a principal amount totalling \$7,000,000 and \$8,000,000 respectively. In addition, accrued interest payable of \$2,875,809 on 1980 to 1983 borrowings was outstanding at December 31, 1993 and 1991. 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.

In February, 1993, the Secretary General decided that resources available in the Regular Fund permitted a partial repayment of the interfund loans. The following repayment of \$391,000 to SDAF, \$351,000 to FEMCIECC, \$29,000 to CEC, and \$229,000 to CMP, was made to reduce the outstanding principal balance from \$8.0 million to \$7.0 million.

17. Contingencies

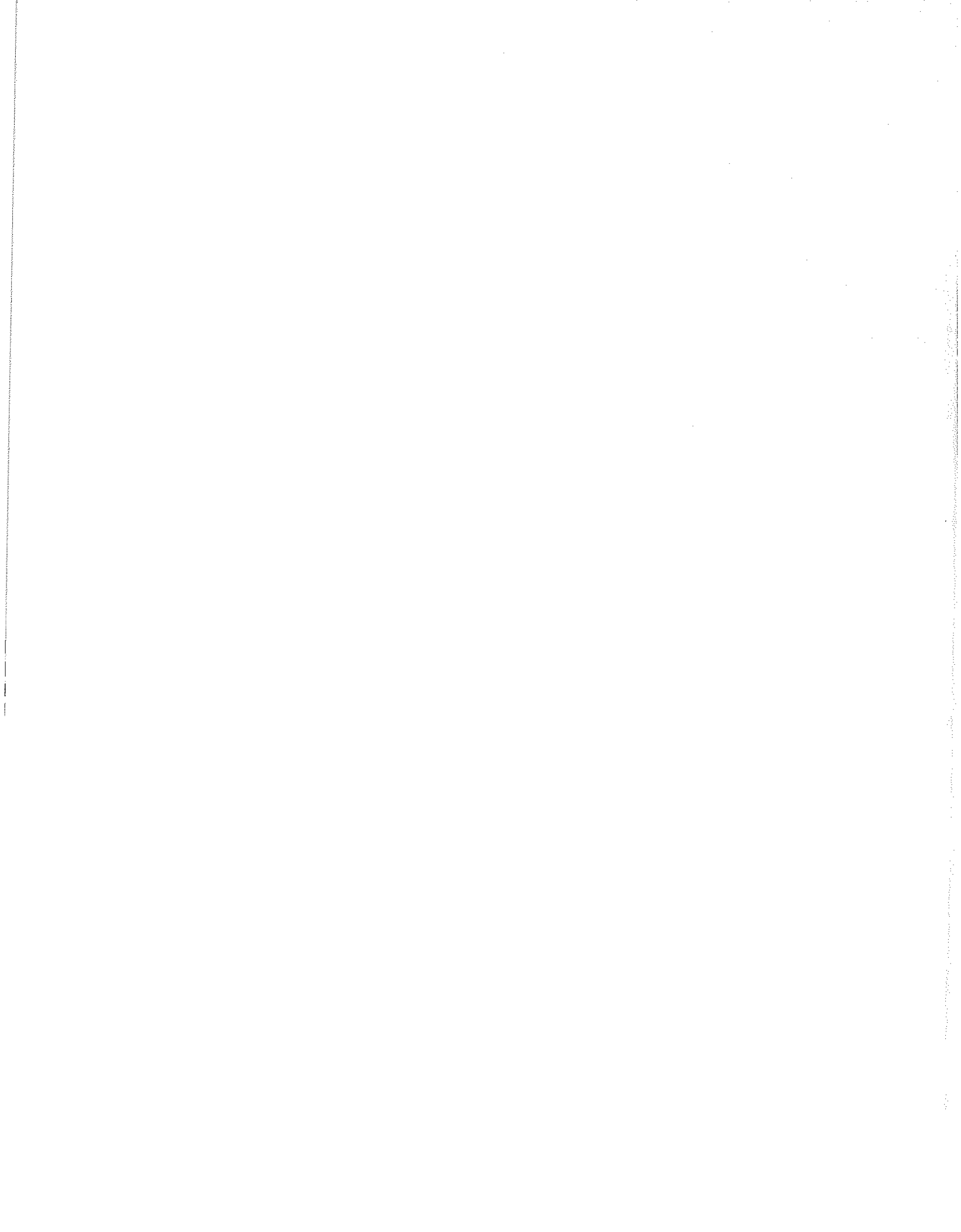
There are several cases pending in the labor courts of Brazil brought by individuals who allege to have been employees of the General Secretariat. So far, the Brazilian Courts have handed down judgments in two cases awarding damages of about \$200,000 against the General Secretariat. These cases as well as similar ones are now in various stages of appeal. Additionally there are several claims asserted by others arising from the normal course of the Organization's activities. In the opinion of management, these cases and assertions will not result in a material adverse financial effect on the financial condition of the General Secretariat.

18. Staff Judgement

There are a number of pending and threatened actions before the Administrative Tribunal (Tribunal) in which it is alleged that the Secretary General has taken administrative measures which have adversely affected the interest of the complaining staff members.

On May 13, 1994 the Tribunal rendered Judgment No. 124 against the Secretary General brought by more than 400 staff members with respect to the non application of a contractual cost-of-living provision. The estimated cost implications of the Judgment are \$9.4 for the period from June 1990 to May 1994 (applicable for the most part to Complainants); \$2.8 for the period June 1994 to December 1994; and \$5.6 for 1995 (both applicable to almost the entire staff). Unless the present salary policy of the General Secretariat is modified in a manner satisfactory to the staff, there will be cost implications of the judgment which will continue in future years. The Permanent Council has authorized payments and benefits to staff members and former staff members through December 31, 1994, equal to those called for in the Judgment. The costs for the period though May 1994 will be satisfied, in the most part, by the granting of additional leave to staff members.

Of cases presently pending, approximately 82 staff members have claimed that the pay level of the posts they occupy are lower than they should be. The Secretary General is proceeding to have levels of those posts reviewed, but it not known how many, if any, might be reclassified to a higher level which would give rise to retroactive as well a prospective cost increases. There are no other staff cases which when resolved are likely to have significant financial consequences.



SUPPLEMENTARY INFORMATION

ORGANIZATION OF AMERICAN STATES

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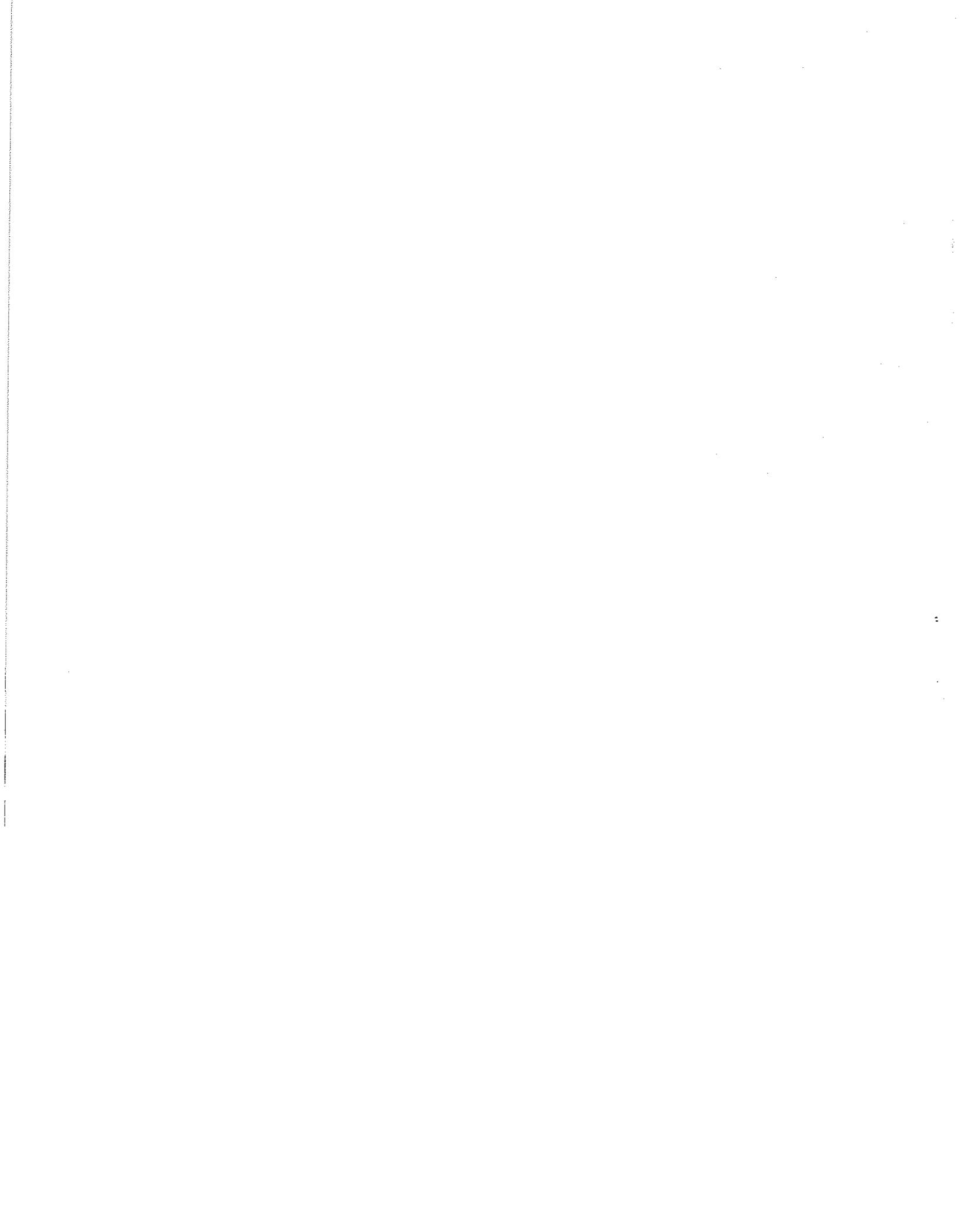
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**STATEMENTS OF QUOTA ASSESSMENTS,
PLEDGES, COLLECTIONS, AND BALANCES**



ORGANIZATION OF AMERICAN STATES
REGULAR FUND
STATEMENT OF QUOTA ASSESSMENTS, COLLECTIONS, AND BALANCES
BIENNIUM ENDED DECEMBER 31, 1993

Member State	Balances at December 31, 1992		Quota assessments for 1993		Collections for tax reimbursements*	Prompt payment credits	Collections		Uncollected balances at December 31, 1993
	Uncollected	Received in advance	Percent	Amount			For 1993 and prior years	In advance for 1994	
Antigua and Barbuda	\$ 21,675		0.02	\$ 12,700			\$ 3,156,800	\$ 34,375	
Argentina			4.96	3,156,800			55,850	11,150	
Bahamas	22,400		0.07	44,600			50,900		
Barbados			0.08	50,900		\$ 400	18,700		
Belize			0.03	19,100					
Bolivia	553,582		0.07	44,600			184,000	414,182	
Brazil	10,874,600		8.66	5,511,700			10,874,600	5,511,700	
Canada			11.27	7,172,800		127,900	7,044,900		
Chile			0.55	350,100		6,900	343,200		
Colombia		\$ 145,067	0.95	604,600		12,000	592,600		
Costa Rica			0.13	82,700			62,449	20,251	
Cuba	2,166,322		1.24					2,166,322	
Dominica			0.02	12,700		300	12,400		
Dominican Republic	1,345,637		0.18	114,600			114,600	1,345,637	
Ecuador	47,021		0.18	114,600			23,240	138,381	
El Salvador	2,047		0.07	44,600			46,647		
Grenada	77,300		0.03	19,100			20,205	96,400	
Guatemala	250,174		0.13	82,700			12,700	312,669	
Guyana			0.02	12,700					
Haiti	327,525		0.07	44,600				372,125	
Honduras	43,700		0.07	44,600			41,790	46,510	
Jamaica	211,900		0.18	114,600			193,300	133,200	
Mexico		702	6.16	3,920,600	\$ 10,700		3,920,600		
Nicaragua	906,344		0.07	44,600			153,016	797,928	
Panama	298,158		0.13	82,700			130,000	250,858	
Paraguay	112,400		0.18	114,600			227,000		
Peru			0.42	267,300				267,300	
St. Kitts and Nevis			0.02	12,700		100	12,600		
Saint Lucia			0.03	19,100		400	18,700		
St. Vincent and the Grenadines		12,700	0.02	12,700			12,700		
Suriname	415,174		0.07	44,600			68,297	459,774	
Trinidad and Tobago	19,814		0.18	114,600				66,117	
United States	29,580,509		60.24	38,339,800	4,600,000		45,597,800	22,322,509	
Uruguay			0.26	165,500			165,500		
Venezuela			3.24	2,062,100	1,200	41,000	1,850,652	170,448	
	\$ 47,276,282	\$ 158,469	100.00	\$ 62,856,300	\$ 4,611,900	\$ 189,000	\$ 75,005,746	\$ 34,937,836	
Collections in the year ended December 31, 1992							71,399,679		
Total collections in the biennium ended December 31, 1993							\$ 146,405,425		

* Uncollected balance at December 31, 1993: Barbados \$2,200.

ORGANIZATION OF AMERICAN STATES
SPECIAL DEVELOPMENT ASSISTANCE FUND
STATEMENT OF PLEDGES, COLLECTIONS, AND BALANCES
BIENNIUM ENDED DECEMBER 31, 1993

Member State	Balances at December 31, 1992		Received in advance	Pledges for 1993	Collections		Uncollected balances at December 31, 1993
	Uncollected	Received in advance			For 1993 and prior years	In advance for 1994	
Antigua and Barbuda	\$ 4,125			\$ 5,500	\$ 5,500	\$ 4,125	
Argentina				200,000	200,000		
Bahamas	6,050			11,000	14,300	2,750	
Barbados		\$ 1,702		15,400	15,400		
Belize				8,800	8,800		
Bolivia	22,164			39,600		61,764	
Brazil	7,228					7,228	
Canada				913,900	892,288	21,612	
Chile	2,000			2,000	4,000		
Colombia				187,800	187,800		
Costa Rica	24,032			36,300	47,067	13,265	
Cuba	24,000					24,000	
Dominica	10,000	1,096		5,500	5,500		
Dominican Republic	4,617			21,600	5,466	26,134	
Ecuador				21,600	9,917	16,300	
El Salvador	74,891			39,600	39,600		
Grenada	575			8,800	8,800		
Guatemala	20,536			33,000	30,134	2,866	
Guyana				5,500	5,500		
Haiti				42,800		117,691	
Honduras							
Jamaica	575			34,100	34,675		
Mexico	20,536			39,600	30,436	29,700	
Nicaragua	64,174			550,000	550,000		
Panama		4,184		29,700	31,617	62,257	
Paraguay	32,175			37,821	37,821		
Peru	303,834			42,800	74,975		
St. Kitts and Nevis				79,000	79,000		
Saint Lucia				1,100	1,100		
St. Vincent and the Grenadines		4,700		7,700	7,700		
Suriname	18,579			5,500	4,700	800	
Trinidad and Tobago	15,299			27,500	18,748	27,331	
United States	3,358,020 *			21,000	21,429	14,870	
Uruguay				4,000,000	4,000,000	3,358,020 *	
Venezuela	96,855			129,500	129,500		
				300,000	267,671	129,184	
				\$ 6,904,021	6,769,444	\$ 4,223,731	
Collections in the year ended December 31, 1992		\$ 11,682				\$ 8,261	
Total collections in the biennium ended December 31, 1993					5,640,205		
							\$ 12,409,649

* Uncollected balance of the United States results from

ORGANIZATION OF AMERICAN STATES

SPECIAL MULTILATERAL FUND OF THE INTER-AMERICAN COUNCIL FOR EDUCATION, SCIENCE AND CULTURE
STATEMENT OF PLEDGES, COLLECTIONS, AND BALANCES
BIENNIUM ENDED DECEMBER 31, 1993

Member State	Balances at December 31, 1992		Pledges for 1993	Collections		Uncollected balances at December 31, 1993
	Uncollected	Received in advance		For 1993 and prior years	In advance for 1994	
Antigua and Barbuda	\$ 3,450	\$ 5,813	\$ 2,100	\$ 3,450	\$ 2,100	
Argentina			394,900	5,813	389,087	
Bahamas	3,450		7,400	9,000	1,850	
Barbados			8,500	8,500	-	
Belize			3,200	3,200	-	
Bolivia		3,576	7,400	3,576	3,824	
Brazil	460,524			18,371	442,153	
Canada			426,487	426,487	-	
Chile		26,500	44,100	44,100	-	
Colombia		32,388	75,500	75,500	-	
Costa Rica			13,800	9,935	3,865	
Dominica			2,000	2,000	-	
Dominican Republic	117,784		19,100	19,100	136,884	
Ecuador	14,763		19,100	19,689	14,174	
El Salvador			7,400	7,400	-	
Grenada			3,200	3,200	-	
Guatemala	46,006		13,800	13,800	59,806	
Guyana			2,100	2,100	-	
Haiti	14,100		7,400	7,400	14,100	
Honduras		30,177			-	
Jamaica	12,700		19,100	22,250	9,550	
Mexico			490,900	490,900	-	
Nicaragua	3,500		7,400	10,900	-	
Panama	3,975		13,800	16,875	900	
Paraguay	12,925		19,100	32,025	-	
Peru	242,046				242,046	
St. Kitts and Nevis			2,100	2,100	-	
Saint Lucia			3,200	3,200	-	
St. Vincent and the Grenadines		2,100	2,100	2,100	-	
Suriname	7,000		7,400	8,850	5,550	
Trinidad and Tobago			19,100	19,100	-	
United States	3,448,000 *		4,800,000	4,800,000	3,448,000 *	
Uruguay			27,500	27,500	-	
Venezuela	42,980		258,000	42,980	258,000	
	\$ 4,433,203	\$ 100,554	\$ 6,727,187	6,128,501	\$ 89,400	\$ 5,031,889
Collections in the year ended December 31, 1992.....				7,648,822		
Total collections in the biennium ended December 31, 1993.....				\$ 13,777,323		

* Uncollected balance of the United States results from a 1977 pledge for which the government, in 1985, 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
BIENNIUM ENDED DECEMBER 31, 1993

SCHEDULE 4

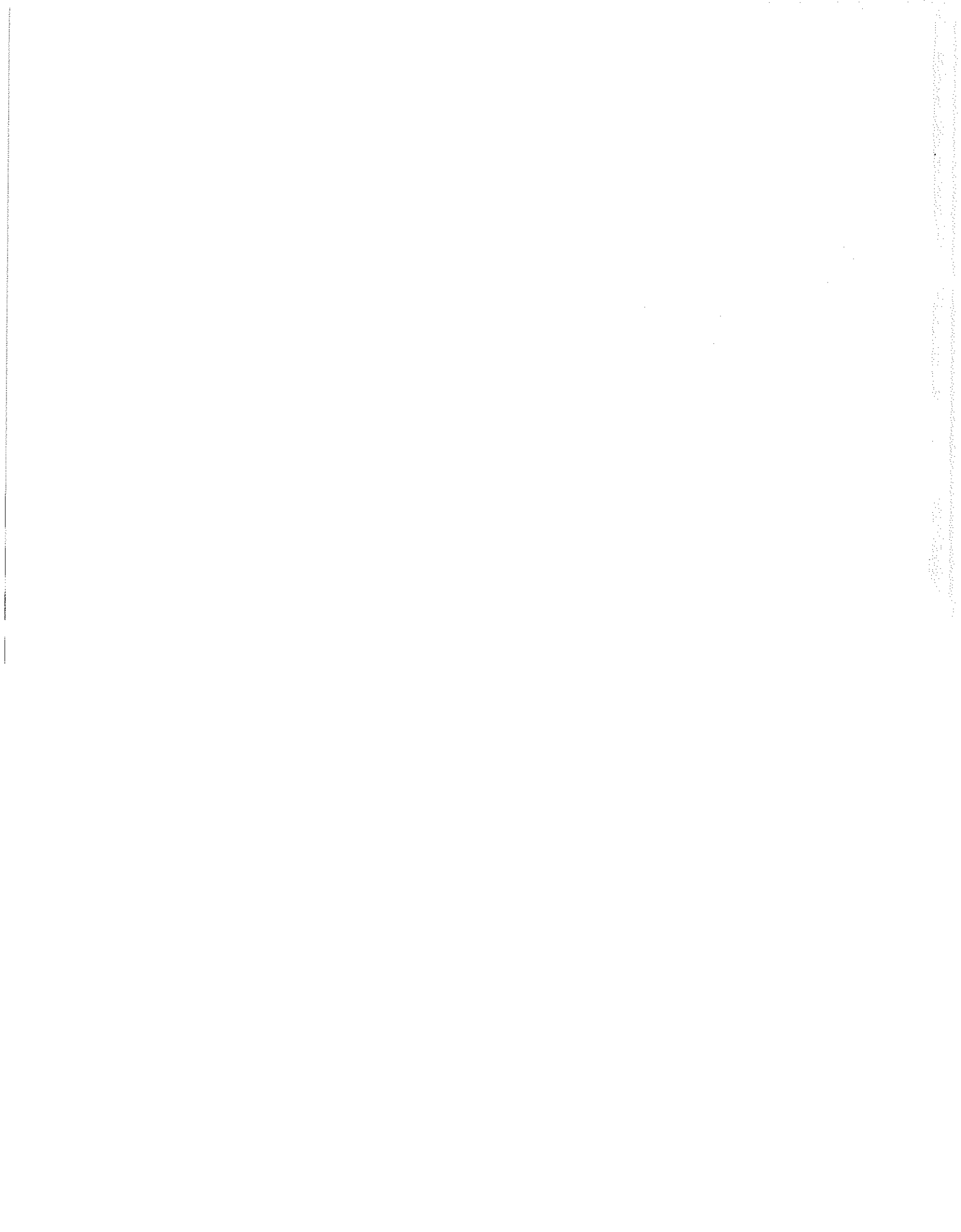
Member State	Balances at December 31, 1992		Received in advance	Pledges for 1993	Collections		Uncollected balances at December 31, 1993
	Uncollected				For 1993 and prior years	In advance for 1994	
Antigua and Barbuda	\$ 375			\$ 300	\$ 375		\$ 300
Argentina				45,700			45,700
Bahamas	450			1,100	1,275		275
Barbados				1,300	1,300		
Belize				500	500		
Bolivia							
Brazil		\$ 1,100		1,100	1,100		
Canada				42,649	42,649		
Chile			23,397	5,100	5,100		
Colombia				8,800	8,800	\$ 14,900	
Costa Rica				2,000	999		1,001
Dominica				300	300		
Dominican Republic				2,900	2,900		
Ecuador		510		2,900	2,900	630	
El Salvador				1,100	1,100		
Grenada				500	500		
Guatemala	11,459			2,000			13,459
Guyana				300	300		
Haiti	2,100						2,100
Honduras		943		1,100	1,100	2	
Jamaica				2,900	2,900		
Mexico				56,900	56,900	11	
Nicaragua	500			1,100	1,600		
Panama			2,200	2,000	2,000	3,300	
Paraguay	1,950			2,900	4,850		
Peru	24,300						24,300
St. Kitts and Nevis				300	300		
Saint Lucia				500	500		
St. Vincent and the Grenadines		300		300	300		
Suriname	1,000			1,100	1,275		825
Trinidad and Tobago				2,900	743		2,157
United States				200,000	200,000		
Uruguay				4,200	4,200		
Venezuela	6,175			32,126	6,175		32,126
	\$ 48,309	\$ 28,450		\$ 426,875	352,941	\$ 18,843	\$ 122,243
Collections in the year December 31, 1992.....					860,056		
Total collections in the biennium ended December 31, 1993.....					\$ 1,212,997		

ORGANIZATION OF AMERICAN STATES

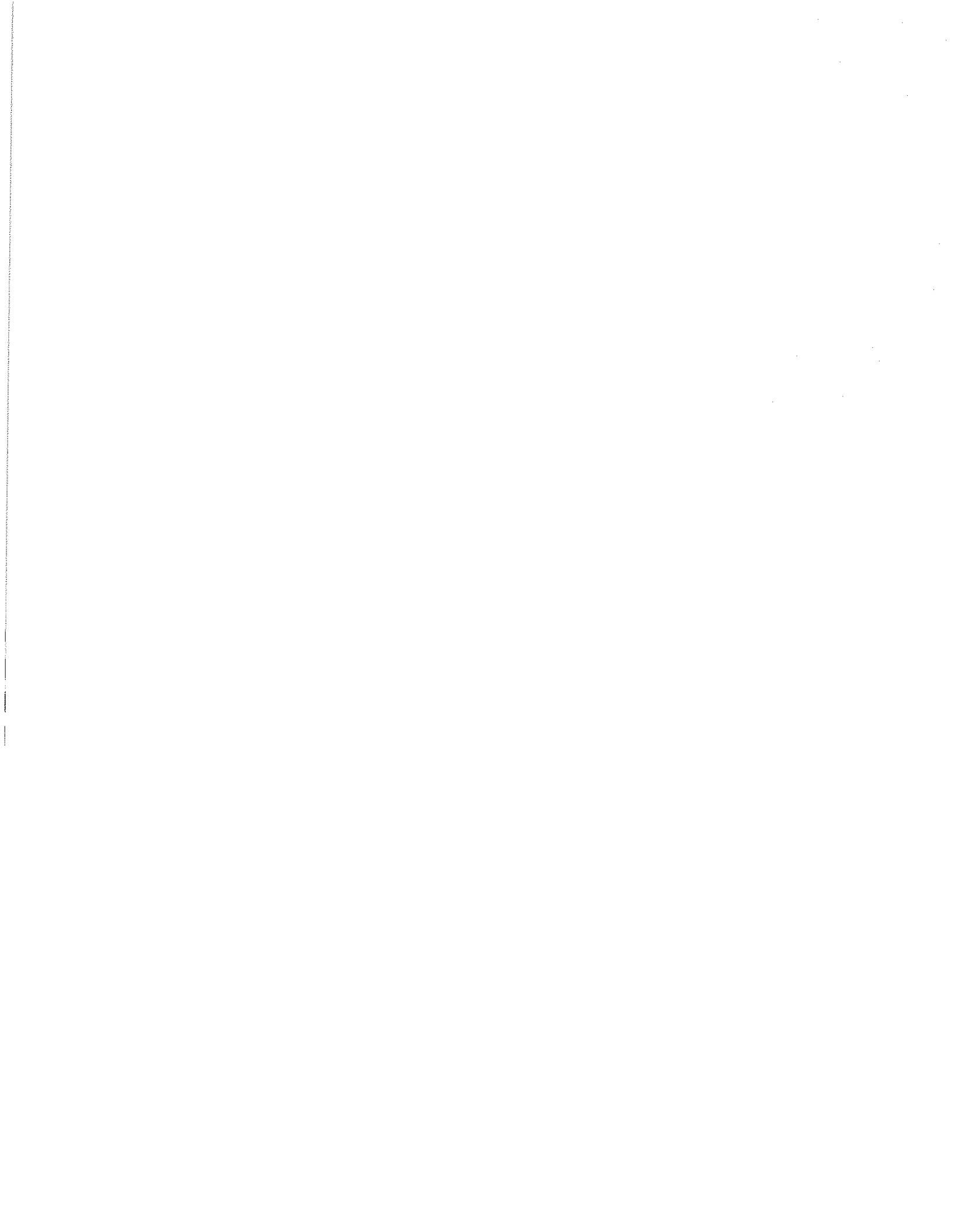
MAR DEL PLATA ACCOUNT
STATEMENT OF PLEDGES, COLLECTIONS, AND BALANCES
BIENNIUM ENDED DECEMBER 31, 1993

Member State	Balances at December 31, 1992		Pledges for 1993	Collections		Uncollected balances at December 31, 1993
	Uncollected	Received in advance		For 1993 and prior years	In advance for 1994	
Antigua and Barbuda	\$ 975		\$ 700	\$ 975		\$ 700
Argentina			82,300			82,300
Bahamas	1,050		2,400	2,850		600
Barbados			2,700	2,700		
Belize			1,000	1,000		
Bolivia		\$ 1,200	2,400	1,200		1,200
Brazil	13,543					13,543
Canada			140,132	140,132		
Chile	600		9,200	9,800		
Colombia	32,300		15,700	48,000		
Costa Rica			4,400	3,624		776
Dominica			600	600		
Dominican Republic	39,617		6,100	3,569		45,717
Ecuador	1,672		6,100	2,400		4,203
El Salvador			2,400			
Grenada			1,000	1,000		
Guatemala	13,900		4,400			18,300
Guyana			700	700		
Haiti	4,500					4,500
Honduras		17,634	2,400	2,400	\$ 11,832	
Jamaica			6,100	6,100		
Mexico			102,300	102,300		
Nicaragua	1,100		2,400	3,500		
Panama	5,337		4,400	9,537		200
Paraguay	4,275		6,100	10,375		
Peru	64,100					64,100
St. Kitts and Nevis			700	700		
Saint Lucia			1,000	1,000		
St. Vincent and the Grenadines		700				
Suriname	2,200		2,400	2,800		1,800
Trinidad and Tobago			6,100			6,100
United States	1,850,000 *		1,000,000	1,000,000		1,850,000 *
Uruguay			8,700	8,700		
Venezuela	10,275		53,800	10,275		53,800
	\$ 2,045,444	\$ 19,534	\$ 1,479,332	1,376,937	\$ 11,832	\$ 2,147,839
Collections in the year December 31, 1992.....				1,979,195		
Total collections in the biennium ended December 31, 1993.....				\$ 3,356,132		

* Uncollected balance of the United States results from a 1977 pledge for which the Government, in 1985, 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
BIENNIUM ENDED DECEMBER 31, 1993

	1992-93 Budget approved by the General Assembly a/	Cost of living adjustment b/	Discretionary Transfers by the Secretary General	1992-93 Adjusted Budget	Americas Magazine	Final 1992-93 Appropriations
General Assembly and Permanent Council	\$ 20,320,500	\$ 207,700	\$ (1,130,862)	\$ 19,397,338		\$ 19,397,338
Executive Office of the General Secretariat	12,318,500	99,700	866,713	13,284,913	\$ 835,066	14,119,979
Activities of the Executive Secretariat for Economic and Social Affairs	15,854,300	111,400	933,873	16,901,573		16,901,573
Activities of the Executive Secretariat for Educational, Scientific, and Cultural Affairs	26,347,600	98,700	(725,819)	25,720,481		25,720,481
Offices Away from Headquarters	13,305,000	134,200	(790,244)	12,648,956		12,648,956
Activities of the Secretariat for Legal Affairs	3,066,000	30,300	(36,281)	3,060,019		3,060,019
Activities of the Secretariat for Management	16,066,100	157,600	376,421	16,600,121		16,600,121
Common Administrative and Personnel Costs	20,058,800		367,900	20,426,700		20,426,700
Contributions to:						
Inter - American Defense Board	4,554,600			4,554,600		4,554,600
Inter - American Children's Institute	2,413,400	22,100	(9,635)	2,425,865		2,425,865
Inter - American Commission of Women	1,445,500	6,400	151,266	1,603,166		1,603,166
Pan American Development Foundation	409,200			409,200		409,200
Inter - American Music Council	195,000	1,900	(5,332)	191,568		191,568
	<u>\$ 136,354,500</u>	<u>\$ 870,000</u>	<u>\$ -</u>	<u>\$ 137,224,500</u>	<u>\$ 835,066</u>	<u>\$ 138,059,566</u>

(a) AG/Res. 1137 (XXI-O/91) and AG/Res. 1177 (XXII-O/92).

(b) AG/Res. 1177 (XXII-O/92).

ORGANIZATION OF AMERICAN STATES

REGULAR FUND
SUMMARY OF DISPOSITIONS OF APPROPRIATIONS
BIENNIUM ENDED DECEMBER 31, 1993

	Final 1992-93 Appropriation	Charges for expenditures	Unliquidated Obligations	Total expenditures and obligations	Unused Appropriations
General Assembly and Permanent Council	\$ 19,397,338	\$ 19,107,080	\$ 280,941	\$ 19,388,021	\$ 9,317
Executive Office of the General Secretariat	14,119,979	13,910,339	225,157	14,135,497	(15,518)
Activities of the Executive Secretariat For Economic and Social Affairs	16,901,573	14,454,305	635,382	15,089,687	1,811,887
Activities of the Executive Secretariat for Educational, Scientific, and Cultural Affairs	25,720,481	18,246,891	6,181,793	24,428,684	1,291,797
Offices Away from Headquarters	12,648,956	12,956,549	51,347	13,007,896	(358,940)
Activities of the Secretariat for Legal Affairs	3,060,019	3,069,795	14,917	3,084,712	(24,693)
Activities of the Secretariat for Management	16,600,121	16,131,705	503,086	16,634,791	(34,670)
Common Administrative and Personnel Costs	20,426,700	18,001,063	2,183,380	20,184,443	242,257
Contributions to:					
Inter-American Defense Board	4,554,600	4,541,301	13,299	4,554,600	
Inter-American Children's Institute	2,425,865	2,408,553	17,313	2,425,867	(2)
Inter-American Commission of Women	1,603,166	1,326,015	223,046	1,549,060	54,106
Pan American Development Foundation	409,200	359,200	31,990	391,190	18,010
Inter-American Music Council	191,568	186,147	1,596	187,743	3,825
TOTAL	\$ 138,059,566	\$ 124,698,943	\$ 10,363,245	\$ 135,062,189	\$ 2,997,377
Supplementary appropriations		197,223	230,667	427,890	
		<u>\$ 124,896,166</u>	<u>\$ 10,593,912</u>	<u>\$ 135,490,079</u>	
Budgeted Funding:					
Quotas	\$ 124,524,500				
Other income	12,700,000				
Americas subscriptions revenue:	835,066				
	<u>\$ 138,059,566</u>				

ORGANIZATION OF AMERICAN STATES

SPECIAL DEVELOPMENT ASSISTANCE FUND
SUMMARY OF APPROPRIATIONS
BIENNIUM ENDED DECEMBER 31, 1993

	1992-93 Budget approved by the General Assembly a/b/	Unobligated Appropriations carried forward at Dec 31, 1991 c/	Adjustments approved by CEPCIES d/	CEPCIES discretionary transfers	Adjusted Budget for 1992-93
National Technical Cooperation Projects	\$ 16,485,400	\$ 5,545,679	\$ (8,543,980)	\$ (409,657)	\$ 13,077,442
Plurinational Projects	1,607,600	363,884	124,351	93,427	2,189,262
Inter-American Centers	2,403,700	491,648		207,118	3,102,466
Special Conferences			106,200		106,200
Executive Secretary				268,414	268,414
Human Resources			85,000		85,000
Support Resources	149,500	5,581	(80,640)	30,000	104,441
Contribution for Administrative and Technical Support	3,353,800	1,120,818	(1,468,140)	(189,302)	2,817,176
	\$ 24,000,000	\$ 7,527,610	\$ (9,777,209)	\$ -	\$ 21,750,401

(a) 1992: AG/Res. 1137 (XXI-0/91).
 (b) 1993: AG/Res. 1177 (XXII-0/92).
 (c) AG/Res. 1137 (XXI-0/91); General Provisions A.8.
 (d) CEPCIES/Res. 44 (CXVII-91-92); CEPCIES/Res. 46 (CXXI-0/92); CIES/Res. 457 (XXVI-0/92); and CEPCIES/doc.1806.

ORGANIZATION OF AMERICAN STATES

SPECIAL DEVELOPMENT ASSISTANCE FUND
SUMMARY OF DISPOSITION OF APPROPRIATIONS
BIENNIUM ENDED DECEMBER 31, 1993

	Adjusted Budget for 1992-93	Charges for expenditures	Unliquidated obligations	Total Expenditures and obligations	Unobligated and available for 1994-95
National Technical Cooperation Projects	\$ 13,077,442	\$ 6,625,719	\$ 1,254,785	\$ 7,880,504	\$ 5,196,938
Plurinational Projects	2,189,262	1,710,090	183,690	1,893,780	295,482
Inter-American Centers	3,102,466	2,544,218	72,315	2,616,533	485,933
Special Conferences	106,200	102,008	133	102,141	4,059
Executive Secretary	268,414	171,380	32,017	203,397	65,017
Human Resources	85,000	58,289		58,289	26,711
Support Resources	104,441	90,704	11,938	102,642	1,799
Contribution for Administrative and Technical Support	<u>2,817,176</u>	<u>2,150,287</u>	<u>25,720</u>	<u>2,176,007</u>	<u>641,169</u>
	\$ 21,750,401	\$ 13,452,695	\$ 1,580,598	\$ 15,033,293	\$ 6,717,108
Charged to 1993 appropriations		\$ 1,580,598		\$ 15,033,293	
Charged to prior years appropriations		98,034		1,421,750	
		\$ 1,678,632		\$ 16,455,043	
Unobligated balance carried forward Balance at Dec. 31, 1993 of unobligated appropriations carried forward at Dec. 31, 1991					\$ 6,717,108
					<u>222,805</u>
					<u>\$ 6,939,913</u>

ORGANIZATION OF AMERICAN STATES
 SPECIAL MULTILATERAL FUND OF THE INTER-AMERICAN COUNCIL
 FOR EDUCATION, SCIENCE AND CULTURE
 SUMMARY OF APPROPRIATIONS
 BIENNIUM ENDED DECEMBER 31, 1993

	1992-93 approved by the Assembly General	Unobligated appropriations carried forward at Dec 31, 1991	a/ 1991 Unexpended appropriations carried forward at June 30, 1992	c/ Adjustments approved by CEPCIECC	d/ discretionary transfers	Adjusted Budget for 1992-93
Activities of the Executive Secretariat	\$ 649,600	\$ 17,072	\$ 48,726	\$ (319,754)	\$ 132,948	\$ 528,592
Regional Educational Development Programs	8,600,100	1,283,772	952,359	(3,682,700)	(86,722)	7,066,809
Regional Scientific and Technological Development Programs	8,599,100	1,595,881	1,290,399	(3,681,900)	(46,226)	7,757,254
Contribution for Administrative and Technical Support	2,677,200	108,204		(471,504)		2,313,900
	\$ 20,526,000	\$ 3,004,929	\$ 2,291,484	\$ (8,155,858)	\$ -	\$ 17,666,555

(a) AG/Res. 1137 (XXI-0/91).
 (b) AG/Res. 1177 (XXII-0/92).
 (c) CEP/C/Res. 249/93 (XLV-0/93).
 (d) CEP/C/Res. 245/92 (XLIII-0/92), CEP/C/Res. 247/93 (XLIV-0/93) and CEP/C/Res. 877/94.

ORGANIZATION OF AMERICAN STATES
 SPECIAL MULTILATERAL FUND OF THE INTER-AMERICAN COUNCIL
 FOR EDUCATION, SCIENCE AND CULTURE
 SUMMARY OF DISPOSITION OF APPROPRIATIONS
 BIENNIUM ENDED DECEMBER 31, 1993

	Adjusted Budget for 1992-93	Charges for expenditures	Unliquidated obligations	Total expenditures obligations	Unobligated and available for 1994-95 e/
Activities of the Executive Secretariat	\$ 528,592	\$ 353,609	\$ 40,137	\$ 393,745	\$ 174,983
Regional Educational Development Programs	7,066,809	2,345,382	1,373,125	3,718,507	4,721,427
Regional Scientific and Technological Development Programs	7,757,254	2,516,324	1,880,504	4,396,828	5,240,930
Contribution for Administrative and Technical Support	2,313,900	1,276,362		1,276,362	1,037,538
	\$ 17,666,555	\$ 6,491,677	\$ 3,293,766	\$ 9,785,442	\$ 11,174,878

(e) CEPTECC/Res. 249/93 (XLV-0/93) : All unobligated and unexpended appropriations as of December 31, 1993 are carried over until June 30, 1994 when they will expire.

ORGANIZATION OF AMERICAN STATES

SPECIAL ACCOUNT FOR CULTURE
SUMMARY OF APPROPRIATIONS
BIENNIUM ENDED DECEMBER 31, 1993

	1992-93 approved by the Assembly General	a, b/ Unobligated appropriations carried forward at Dec 31, 1991	a/ 1991 Unexpended appropriations carried forward at June 30, 1992	b/ Adjustments approved by CEPCIECC	c/ CEPCIECC discretionary transfers	c/ Adjusted Budget for 1992-93
Activities of the Executive Secretariat	\$ 28,700		\$ 6,393	\$ (14,313)	\$ 3,320	\$ 24,100
Regional Cultural Development Program Direction	165,800	\$ 29,042		(89,760)	85,718	190,800
Cultural Policies and Regional Studies	347,900	109,080	18,259	(171,470)	(29,569)	274,200
Cultural Heritage	544,200	98,674	34,137	(268,266)	(10,045)	398,700
Arts	147,300	16,862	82,568	(72,642)	(93,288)	80,800
Popular Culture and Education	192,000	9,140	34,941	(94,678)	(42,503)	98,900
Libraries, Communication and Information	212,300	34,977	17,502	(104,692)	86,413	246,500
Contribution for Administrative and Technical Support	245,800	(13,626)		(33,728)	(46)	198,400
	\$ 1,884,000	\$ 284,149	\$ 193,800	\$ (849,549)	\$ -	\$ 1,512,400

(a) AG/Res. 1137 (XXI-0/91).
 (b) AG/Res. 1177 (XXII-0/92).
 (c) CEPCIECC/Res. 249/93 (XLV-0/93).
 (d) CEPCIECC/Res. 245/92 (XLIII-0/92) and CEPCIECC/Res. 247/93 (XLIV-0/93).

ORGANIZACION DE LOS ESTADOS AMERICANOS

SPECIAL ACCOUNT FOR CULTURE
SUMMARY OF DISPOSITION OF APPROPRIATIONS
BIENNIUM ENDED DECEMBER 31, 1993

	Adjusted Budget for 1992-93	Charges for expenditures	Unliquidated obligations	Total expenditures obligations	Unobligated and available for 1994-95 e/
Activities of the Executive Secretariat	\$ 24,100	\$ 21,339	\$ 2,554	\$ 23,893	\$ 2,761
Regional Cultural Development Program Direction	190,800	49,499	100	49,599	141,301
Cultural Policies and Regional Studies	274,200	74,438	75,363	149,801	199,762
Cultural Heritage	398,700	132,493	130,536	263,029	266,207
Arts	80,800	17,699	2,749	20,448	63,101
Popular Culture and Education	98,900	23,734	23,396	47,130	75,166
Libraries, Communication and Information	246,500	28,696	13,628	42,324	217,804
Contribution for Administrative and Technical Support	198,400	89,434		89,434	108,966
	\$ 1,512,400	\$ 437,332	\$ 248,326	\$ 685,658	\$ 1,075,068

(e) CEP/CECC/Res. 249/93 (XLV-0/93): All unobligated and unexpended appropriations as of December 31, 1993 are carried over until June 30, 1994 when they will expire.

ORGANIZATION OF AMERICAN STATES
MAR DEL PLATA ACCOUNT
SUMMARY OF APPROPRIATIONS
BIENNIUM ENDED DECEMBER 31, 1993

	1992-93 approved by the Assembly General	a, b/	Unobligated appropriations carried forward at Dec 31, 1991	a/	1991 Unexpended appropriations carried forward at June 30, 1992	c/	Adjustments approved by CEPCIECC	d/	Adjusted Budget for 1992-93	
Executive Secretariat	\$ 258,200	\$	469,543	\$	7,993	\$	(107,102)	\$	58,966	\$ 687,600
Director of Educational Department			317,214						185,679	502,893
Multinational Project of Basic Education	669,700		254,241		169,896		(338,660)		(127,877)	627,300
Education For Work	1,112,700		172,620		159,912		(562,680)		(263,052)	619,500
Secondary and Higher Education	544,200				40,909		(275,196)		255,387	565,300
National Projects Unprogrammed Funds	85,900						(43,438)		(42,462)	
Director of Science and Technology Department	290,600		555,921		909		(341,150)		(153,167)	353,113
Environment and Natural Resources	691,100		65,970		175,699		(349,481)		15,212	598,500
Biotechnology and Food	549,100		107,100		108,767		(263,623)		212,256	713,600
Materials	806,400		210,440		78,963		(407,788)		(303,715)	384,300
Microelectronic and Informatics	604,700		146,178		12,489		(305,791)		(160,776)	296,800
Unprogrammed Funds									350,600	350,600
National Projects	77,200				15,257		(39,039)		(50,518)	2,900
Contribution for Administrative and Technical Support	835,200		(14,264)				77,097		23,467	921,500
	\$ 6,525,000	\$	2,284,963	\$	770,794	\$	(2,956,851)	\$	--	\$ 6,623,906

(a) AG/Res. 1137 (XXI-0/91).
 (b) AG/Res. 1177 (XXII-0/92).
 (c) CEPCIECC/Res. 249/93 (XLV-0/93).
 (d) CEPCIECC/Res. 245/92 (XLIII-0/92) and CEPCIECC/Res. 247/93 (XLIV-0/93).

ORGANIZATION OF AMERICAN STATES

MAR DEL PLATA ACCOUNT
SUMMARY OF DISPOSITION OF APPROPRIATIONS
BIENNIUM ENDED DECEMBER 31, 1993

	Adjusted Budget for 1992-93	Charges for expenditures	Unliquidated obligations	Total expenditures obligations	Unobligated and available for 1994-95
Executive Secretariat	\$ 687,600	\$ 117,498	\$ 3,284	\$ 120,782	\$ 570,102
Director of Educational Department	502,893	16,598	4,636	21,234	486,295
Multinational Project of Basic Education	627,300	156,237	114,539	270,776	471,063
Education For Work	619,500	207,074	248,524	455,598	412,426
Secondary and Higher Education	565,300	197,115	105,298	302,413	368,185
National Projects Unprogrammed Funds					
Director of Science and Technology Department	353,113	154,953	49,031	203,984	198,160
Environment and Natural Resources	598,500	195,709	147,242	342,951	402,791
Biotechnology and Food	713,600	318,354	221,782	540,136	395,246
Materials	384,300	215,910	126,907	342,817	168,390
Microelectronic and Informatics	296,800	81,028	131,598	212,626	215,772
Unprogrammed Funds	350,600				350,600
National Projects	2,900	1,500		1,500	1,400
Contribution for Administrative and Technical Support	921,500	422,222		422,222	499,278
	<u>\$ 6,623,906</u>	<u>\$ 2,084,198</u>	<u>\$ 1,152,841</u>	<u>\$ 3,237,039</u>	<u>\$ 4,539,708</u>

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

ORGANIZATION OF AMERICAN STATES

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

Donor and Project	From January 1, 1992 to December 31, 1993				Cash Balance 12/31/93	Unliquidated Obligations 12/31/93	Fund Balance (deficit) 12/31/93		
	Cash Balance Jan. 1, 1992	Contributions	Transfers	Returns and Refunds				Expenditures	Net Change
				Interest Income					
<i>Designated by Donor:</i>									
Argentina XII CIECC Meeting	\$ (66,356)	\$ 316,763			\$ 360,381	\$ (43,618)	\$ (66,356)		
Bahamas XXII General Assembly	(41,870)					(43,618)	(43,618)		
Bolivia I - A Conference Int'l Law	(55,001)					(41,870)	(41,870)		
Bolivia IX General Assembly	15,165					(55,001)	(55,001)		
Brazil Social Integrated Development Program	5,000		2,375			15,165	15,165		
Chile I - A Tribune	(25,703)					2,625	2,488		
Colombia XI Ordinary Meeting - CIECC	(11,335)	25,703			20,000	(11,335)	20,000		
Colombia Human Assistance Haiti	103					(103)	(11,335)		
Dominican Republic IACW - XX Assembly	31,749		103			47,646	47,646		
Dominican Republic I - A Discovery America Meeting	9,287			15,897		9,287	9,287		
Ecuador OAS Building	(14,341)					(14,341)	(14,341)		
El Salvador XVIII General Assembly	(1,373)					(1,373)	(1,373)		
Guatemala VII General Assembly	42,109					41,546	41,546		
Guatemala XVI General Assembly	(363,508)	67,205		\$ (14,721)	52,484	(363,508)	(363,508)		
Guatemala I - A Commission of Nuclear Energy	(8,769)	8,769				1,619	1,619		
Honduras/El Salvador Military Observers Mission	1,619					6,398	6,398		
Jamaica Chalkmaking Industry - St. Thomas	6,398					(24,703)	(24,703)		
Jamaica Food & Nutrition Policy - Prog. Course	(24,703)					(102,761)	(102,761)		
Nicaragua/Costa Rica Civilian Observers	250,000				352,761	(102,761)	(103,211)		
Nicaragua XXIII General Assembly	(24,487)					(24,487)	(24,487)		
Panama Canal Treaty	37,588	14,667				52,255	52,255		
Paraguay XX Ordinary Meeting CIECC	4,064				4,064		1,374		
Paraguay XX General Assembly	1,374					366	366		
St. Vincent Fellowship Program	366					6,940	6,940		
U.S. NEA Grant - Latin American Paintings	6,940					3,266,151	2,130,959		
U.S. NEH Grant - Museum Humanities Catalog.	575,506	12,048,183		\$ 49,654	9,437,890	1,135,192	1,184,141		
U.S. CIAV Nicaragua	1,150,934			43,478	3,618	1,190,794	6,653		
U.S. Observation Electoral El Salvador	(11,218)					(11,218)	(11,218)		
U.S. XIV Panamerican Child Congress	5,000								
U.S. Telecommunications Law Symposium	(114,432)			(5,000)		(5,000)			
U.S. Elections Constituents Paraguay	126	110,000	7,408		2,976	114,432			
U.S. NIDRR - Conference on Persons with Disabilities		275,000		136	275,136				
Uruguay IV I - A Special Conference Int'l Law									
Venezuela - Promotion Peace in Suriname		5,000			4,608	392	126		
Germany - Observation Electoral Paraguay	20,000		\$ (19,950)		50	(20,000)	2,300		
Italy Cooperative Tourism	2,300					2,084	1,506		
Italy to 500 Anniversary Discovery of America	9,953				7,869	(7,869)	578		
Netherlands - Promote Peace in Suriname		373,648			301,164	72,484	9,886		
UN-ACNUR - Refugees in Latin Amer.	12,756				1,815	(1,815)	5,701		
Demining Nicaragua	1,384,830	1,161,975			1,466,890	(304,915)	50,802		
CICAD - IA Program of Rio de Janeiro		2,595,530		70,527	2,051,780	564,357	188,279		
CICAD - Meetings		11,994			11,994				
XIII Meeting CICAD		23,484			22,377	1,107	1,107		

ORGANIZATION OF AMERICAN STATES

REGULAR FUND
SPECIFIC FUNDS

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

Donor and Project	Cash Balance		From January 1, 1992 to December 31, 1993		Net Change	Cash Balance		Unliquidated Obligations	Fund Balance (deficit) 12/31/93
	Jan. 1, 1992	12/31/93	Contributions	Transfers		Interest and Refunds	Expenditures		
Constructora Norberto Odebrecht - Peru	17,420				12,382	(12,382)	5,038	189	4,849
Emilio Odebrecht Foundation - Brazil	2,164						2,164		2,164
Ford Foundation - Indian Leaders Meet.	2,189				2,189	(2,189)			
Inter-American Emergency Aid Fund	15,508		2,500		8,920	(5,770)	9,738	5,581	4,157
Inter-American Children Institute	671,275		982,873		534,799	481,892	1,153,167	151,625	1,001,542
Inter-American Comm. on Human Rights	105,894		650,815		348,017	302,798	408,692	39,329	369,363
Inter-American Quinquennial Fund	16,539			(10,000)	33,378	(16,539)			
Inter-American Statistical Institute	211,352		48,203		57,413	(529)	210,823	6,788	204,035
Inter-American Commission of Women	68,838		55,451		9,451		105,605	25,528	80,077
Inter-American Music Council	(4,140)			4,140					
International Civil Mission Haiti			18,049,772	(200,000)	8,984,615	8,921,859	8,921,859	1,636,158	7,285,701
I-A Priority Assistance Haiti	840,152		20,000	(7,800)	28,637	2,251	802,179	85,165	717,014
IBM/PADF/OAS Education Program	7,936						7,936		7,936
Luis O Carneiro Exposition - Paraguay	766						766		766
Observation Electoral Process Peru			4,620,207		3,908,110	(39)	726,468	135,248	591,220
OAS / DEMOC			924,603		686,528		466,723	92,201	374,522
Ohio University - 500 Ann. Disc. of America	7,648		2,520		10,118	(7,598)	50		50
PALCO to Museum	2,363						2,363		2,363
Support Offices away of Headquarter	345,448		348,056		355,184	13,246	358,694	46,235	312,459
SDAF/FEMCIECC to OAS Fellowship Program	111,690		5,708		88,317	(82,609)	29,081	19,552	9,529
SECAB - Restauration Course			8,000			8,000	8,000		8,000
Xerox Grant - Latinoamerican Art Museum	881				175	(175)	706		706
XXI Consult.Meet.Ministers	4,600						4,600		4,600
XXIV Meeting CIECC			62,500		55,031	7,469	7,469	6,850	619
Subtotal	4,988,594		43,095,768	16,340	348,211	(16,221)	18,867,422	3,648,127	15,219,295
Designated by OAS:									
Art Permanent Collection	73		6,965		9,859	(2,894)	(2,821)		(2,821)
Columbus Memorial Library	78,373		49,834		12,061	37,773	116,146	3,283	112,863
GSB Cafeteria Operation	272,453				17,906	(17,906)	254,547	999	253,548
IICA - Administrative Tribunal	4,916		34,479		25,452	9,027	13,943	1,459	12,484
Publications Sales	222,167		132,454		109,714	22,740	244,907	15,763	229,144
Microfische Sale	40,046				6,760	(6,760)	33,286	8,000	25,286
Model OAS - Public Information	7,504		41,388		40,855	208	7,712	1,434	6,278
OAS Equipment Replacement Fund	1,606		80,529		27,428	53,101	54,707	20,452	34,255
Rental Hall of the Americas	401,532		251,773		277,878	(26,105)	375,427	31,200	344,227
Sales Audio Visual Materials	16,932		20,539		22,605	(2,066)	14,866	1,736	13,130
Staff Development Activities	751		19,935		6,652	13,283	14,034	5,592	8,442
Technical Electoral Mission in Paraguay									
Work Related Disabilities Fund	436,068		204,123		15,866	32,661	468,729	23,096	445,633
Subtotal	1,482,421		842,019		744,498	113,062	1,595,483	113,014	1,482,469
	\$ 6,471,015		\$ 43,937,787	\$ 16,340	\$ 364,077	\$ (16,546)	\$ 20,462,905	\$ 3,761,141	\$ 16,701,764
Consisting of:									
Cash and equity in OAS Treasury Fund							\$ 20,858,416		\$ 20,858,416
Travel, salary advances and other receivables							408,348		408,348
Accounts payable and other liabilities							(803,859)		(803,859)
Unliquidated obligations							(3,761,141)		(3,761,141)
							\$ 20,462,905		\$ 16,701,764

ORGANIZATION OF AMERICAN STATES
SPECIAL DEVELOPMENT ASSISTANCE FUND
SPECIFIC FUNDS

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

Donor and Project	From January 1, 1992 to December 31, 1993				Net Change	Cash Balance 12/31/93	Unliquidated Obligations 12/31/93	Fund Balance (deficit) 12/31/93
	Cash Balance Jan. 1, 1992	Contributions	Transfers	Interest Income and Refunds				
Argentina CIET	\$ 84,873	\$ 618,046		\$ 11,599	\$ 389,332	\$ 240,313	\$ 69,555	\$ 255,631
Argentina CICAP	41,706	211,816		3,118	118,480	96,454	29,709	108,451
Argentina CIDES	45,129	123,134		5,213	101,902	26,485	18,670	52,944
Argentina School Dinning Program	529				500	(500)	29	29
Argentina - Horizontal Cooperation	108,708	1,880,000		43,858	654,832	1,269,026	102,983	1,274,751
Bolivia Parapeti CORDECORUZ	981				565	(565)	100	316
Bolivia Technical Cooperation CORDECH	461	(93)		717		(810)	(349)	(349)
Bolivia Pilcomayo River Basin -- Phase II	1,217			409		(409)	808	808
Brazil CODEVASF to PLANVASF	8,689			5,477		(5,477)	3,185	27
Brazil SUDAN	293,107	463,723		517,597		(53,874)	67,154	172,079
Brazil SUDENE to PLANVASF	2,908			2,527		(2,527)	381	381
Brazil CODEVASF to PRONI	573,070	638,000		810,410		(172,410)	96,398	304,262
Brazil Reconstruction ALAGOAS	37,650			33,489		(33,489)	1,896	2,265
Brazil CIENES--SUDENE	733			400		(400)	333	333
Canada CIDA Technical Coop. Unprogrammed	5,211	116,749	\$ (108,542)	(12,683)	406	(4,476)	735	735
Canada CIDA Interamerican Customs	1,380				406	(406)	974	974
Canada CIDA Tech. Coop. Honduras	50,800		(43,500)	725	4,710	(47,485)	3,315	3,315
Canada CIDA River Bassin Putumayo	(27,919)		94,400	6,725	57,445	43,680	15,761	13,505
Canada CIDA Envir. Protection Amazonas	278,603	618,948	(34,560)	50,899	617,214	18,073	296,676	121,403
Canada CIDA Small Business Development	105,241		57,642	24,187	94,745	(12,916)	41,918	50,407
Canada CI TEL	130						130	130
Colombia CAR Conservat. Natural Resources	69,027				67,423	(67,423)	1,604	1,604
Chile CIENES	359,538	320,525		15,458	290,904	45,079	80,260	324,357
Chile CI TEL	(12,730)						(12,730)	(12,730)
Dominican Republic Public Finance IDB	1,754						1,754	1,754
Dominican Republic Tech. Coop. Preinvestment	11,113				11,100	(11,100)	13	13
Dominican Republic VII I - A Ports Conference	6,444						6,444	6,444
Ecuador Putumayo River Basin	11,522				17,033	(11,159)	363	363
El Salvador Environmental Program	492,354	572,772		46,230	399,977	172,795	27,368	145,427
Finlandia -- Trifinio II	60,940	507,631			582,211	(28,350)	62,315	401,689
Guat--Hond--Salv--ILCA Trifinio II		341,168			324,966	16,202	64,912	12,230
Honduras-- VIII Conferencia Portuaria		21,596			15,668	5,928	1,488	4,440
Italy Telecommunications Study CONSULTEL	290,738		123,319	9,192	358,380	(225,869)	32,599	32,270
Mexico Unprogrammed funds		908,000		3,786		911,786	911,786	911,786
Mexico Strengthen Tech. Cooperation					76,072	(76,072)	280,277	(356,349)
Nicaragua Telecommunications Ente Regulador				2,467	34,902	(34,902)	1,512	(36,414)
Panama Tourism Development		176,000			159,858	18,609	18,609	18,609
Paraguay Tax Administration	3,355				2,641	(2,641)	714	714
Paraguay Programming and Budgeting	2,414				2,387	(2,387)	27	27
Paraguay Rural Colonies ATS--PAR/IDB/OAS	1,165				75,152	(75,152)	1,165	1,165
Peru Capacitation Model	76,139						987	987
Suriname Van Wouw Canal								
U.S. Central America Energy and Food	2,548				2,548	(2,548)		
U.S. Hazards Mitigation Latin America	3,591				3,591	(3,591)		
U.S. TDP Telecommunications	59,964				29,636	(29,636)	1,962	28,366
U.S. Modernization Telecom. Systems	240,268	1,412		(110,898)	101,405	(210,891)	13,999	15,378
U.S. AID Hazards Support to AID Mission	166,229	107,900		277,237		(169,337)	11,792	(14,900)
U.S. AID Amazon Environmental Program		290,000			45,731	244,269	4,838	239,431
U.S. Telecom. Develop. Fellow. Program		75,000			75,000	75,000	75,000	75,000
U.S. Temporary Committe CI TEL		5,000			5,000	5,000	5,000	5,000

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

Donor and Project	From January 1, 1992 to December 31, 1993					Cash Balance 12/31/93	Unliquidated Obligations	Fund Balance (deficit) 12/31/93
	Cash Balance Jan. 1, 1992	Contributions	Transfers	Interest Income and Refunds	Returns			
U.S. to CITEI	20,000					18,924	(18,924)	1,076
U.S. - BICJP		20,000				400	19,600	19,600
US - FEMA - OAS Hazards Mitigation						11,763	(11,763)	(14,763)
Uruguay Net Public Transportation	(2,231)		2,302			71	2,231	25
Uruguay Forestry Development Seminary	285					260	(260)	66,914
Uruguay Forestry Development Project	1,527	360,351	17,500			312,464	65,387	7,237
Uruguay Public Transportation Montevideo	19,984	155,834	(2,302)			166,279	(12,747)	1,221
Venezuela Telecommunication mobiles	4,067	17,808				20,654	(2,846)	101
BIRF - Center for Privatization	151					50	(50)	(465)
BIRF - Formulation and Evaluation	2,335					2,335	(2,335)	827
CAF - Energy in Bolivia						465	(465)	12,498
CAF - Energy in Ecuador	1,023					196	(196)	12,311
CINDER/CIDIAT	34,908					18,083	(18,083)	71
CICOM - various sources	7,635	15,273				7,847	7,426	400
Development Project Staff Reimbursement	8,896					8,825	(8,825)	
EUROPEAN Economic Community - Trifinio Grant	11,991					8,317	(8,317)	
IDB - Meeting PISDIC	2,817							
IDB - Inter - American Customs Program	96,716	383,937				411,233	(27,296)	69,420
IDB - National Customs Costa Rica	128,216	425,756				385,125	40,631	130,497
IDB - Environmental Study Uruguay	20,200	43,265				47,455	(4,190)	16,010
IDB/GUA/HON - El Cajon River Basin	(17,438)	66,301				37,778	28,523	11,085
IDB - Forestry Basin Arribaonito Haiti	1,881					80	(80)	1,801
ILDES	2,236							2,236
PAHO - Parliamentarian Health Meeting	17,683					950	(950)	16,733
Information Service Foreign Trade - SICE	175,340	1,226,958		22,953		282,573	1,017,338	1,106,897
Inst. Coop. Ibero - Americana to CIENES	233							233
JICA/OAS Manabi Ecuador	15,840					15,840	(15,840)	2,380
UNDP - Fiscal Policy	7,190					4,810	(4,810)	516
UN - Disaster Management Training	27,542	158,400				183,826	(25,426)	3,000
UN - EP Watershed Colombia - Venezuela	31,000					2,028	(2,028)	232,706
UNEP La Amistad Costa Rica		530,600				168,868	361,732	2,734
Saudi Arabia - Rural Development	2,734							2,609
Social Affairs Department	4,857					2,248	(2,248)	
Administrative and accounting Support	123,319		(123,319)					26,592
Accounting Support	79,240			24,315		103,849	(52,648)	17,542
Regional Development Support	80,362	26,886		24,315		114,021	(62,820)	
Common Staff Costs - Regional Development					94,400	94,400		
Tinker Found. - Tech. Coop. Seminar HQ.		10,000				1,480	8,520	8,520
	<u>\$ 4,370,119</u>	<u>\$ 11,471,456</u>	<u>\$ (17,060)</u>	<u>\$ 282,357</u>	<u>\$ (16,458)</u>	<u>\$ 8,673,476</u>	<u>\$ 3,046,819</u>	<u>\$ 1,460,653</u>
								<u>\$ 5,956,285</u>
Consisting of:								
Cash and equity in OAS Treasury Fund								\$ 7,554,993
Travel, salary advances and other receivables								26,125
Accounts payable and other liabilities								(164,180)
Unliquidated obligations								(1,460,653)
								<u>\$ 5,956,285</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

Donor and Project	Cash		From January 1, 1992 to December 31, 1993				Cash	Unliquidated	Fund Balance	
	Balance Jan. 1, 1992	Contributions	Transfers	Interest Income	Returns and Profunds	Expenditures	Net Change	Balance 12/31/93	Obligations 12/31/93	(deficit)
Argentina Science Projects	\$ 135,009	\$ 424,179		\$ 4,483		\$ 324,884	\$ 103,778	\$ 238,787	\$ 48,549	\$ 190,238
Argentina Unprogrammed funds		17,411					17,411	17,411		17,411
Canada Education Projects	32,688	200,499	\$ 33,869	3,067		212,146	25,289	57,977	45,232	12,745
Canada Science Projects										
Chile Science Projects	30,529				28,528	(28,528)		2,001	2,000	1
Colombia Unprogrammed funds	55,208	32,384	(74,070)			(41,686)		13,522		13,522
Colombia Secretariat Projects		14,601		3,633		10,968		10,968	3,725	7,243
Colombia Education Projects		59,470		48,819		10,651		10,651	10,493	158
Dominican Republic Education Projects	25,919							25,919		25,919
Germany Science Projects	102,521	1,183,855		16,277	\$ 4,078	1,011,924	192,286	294,807	110,101	184,706
Mexico Unprogrammed funds -- Secretariat	572,237	467,500	(1,061,663)	21,926		(572,237)		140,728	111,403	29,325
Mexico Secretariat Projects	75,880	169,730	181,713			286,595		1,014,487		1,014,487
Mexico Unprogrammed funds -- Education			1,014,487					2,662	2,662	
Mexico Education Projects			27,663			25,021		345,819		345,819
Mexico Unprogrammed funds -- Science			345,819			64,446		89,210	45,854	43,356
Mexico Science Projects			153,656							
Paraguay Unprogrammed funds	46,714			2,776		2,776		2,776		2,776
Paraguay Education Projects			(2,776)			17,335	(20,111)	26,603	980	25,623
U.S. Unprogrammed funds	204,140			18,866		18,866		223,006		223,006
U.S. Education Projects	60,243					46,416	(46,416)	13,827	2,464	11,363
U.S. Science Projects	17,641	1,100,000				105,565	994,435	1,012,076	68,075	944,001
Venezuela Unprogrammed funds	197,602	136,995	(332,977)	8,166		109,070	(187,816)	9,786	22,938	9,786
Venezuela Education Projects			136,552				27,462	27,462		4,544
Other Education Projects	5,162	4,091	691				4,762	9,944		9,944
Other Science Projects	19,141	33,352				36,693	(3,341)	15,800		15,800
Scientific Monographs	82,095	16,400				36,004	(19,604)	62,491	55,566	6,925
Caribbean Basin Scholarship	383,526	19,162		35,119	72	54,209		437,735	1	437,734
	\$ 2,046,255	\$ 3,805,558	\$ 499,831	\$ 107,904	\$ 4,078	\$ 2,357,151	\$ 2,060,220	\$ 4,106,475	\$ 530,043	\$ 3,576,432
Consisting of:										
Cash and equity in OAS Treasury Fund								\$ 4,099,583		\$ 4,099,583
Travel, salary advances and other receivables								2,266		2,266
Accounts payable and other liabilities								4,626		4,626
Unliquidated obligations										(530,043)
								\$ 4,106,475		\$ 3,576,432

ORGANIZATION OF AMERICAN STATES
SPECIAL ACCOUNT FOR CULTURE
SPECIFIC FUNDS

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

Donor and Project	Cash Balance		From January 1, 1992 to December 31, 1993		Net Change	Cash Balance 12/31/93	Unliquidated Obligations	Fund Balance (deficit) 12/31/93
	Jan. 1, 1992	Jan. 1, 1992	Transfers	Interest and Refunds				
Brazil Unprogrammed funds	\$ 44,420					\$ 44,420	\$ 2,469	\$ 44,420
Chile Unprogrammed funds	19,295	\$ 167,000		\$ (143,730)	\$ 22,696	41,991		41,991
Chile Cultural Projects								
Colombia Cultural Projects	15,843					15,843		13,374
Mexico Unprogrammed funds - Education	135,384	26,600	\$ (167,962)	\$ 5,978	(135,384)			
Mexico Cultural Projects			50,000		16,942	16,942	16,942	
Uruguay Cultural Projects	177					177		177
Venezuela - Unprogrammed funds	22,902	17,611	(39,566)		(21,955)	947		947
Venezuela Cultural Projects			39,567		32,448	32,448	11,038	21,410
Beca Amalia Fortabat Music friends	11,385	2,506			(10,509)	876		876
Miscellaneous records	3,532	10,570			8,488	12,020	110	11,910
IAME	(287)		287		287			
OAS - Concert - UTAH Chambers players	101				51	50	50	
Spain - Belize Museum		17,000			(51)	17,000		17,000
	\$ 252,752	\$ 241,287	\$ (117,674)	\$ 5,978	\$ (70,038)	\$ 182,714	\$ 30,609	\$ 152,105
Consisting of:								
Cash and equity in OAS Treasury Fund						\$ 201,213		\$ 201,213
Travel, salary advances and other receivables						(18,499)		(18,499)
Accounts payable and other liabilities								(30,609)
Unliquidated obligations						\$ 182,714		\$ 152,105

ORGANIZATION OF AMERICAN STATES

MAR DEL PLATA ACCOUNT
SPECIFIC FUNDS
STATEMENT OF ASSETS, LIABILITIES, CHANGES IN NET ASSETS AND FUND BALANCES

Donor and Project	From January 1, 1992 to December 31, 1993		Cash Balance 12/31/93	Unliquidated Obligations	Fund Balance (deficit) 12/31/93		
	Cash Balance Jan. 1, 1992	Net Change					
	Contributions	Transfers	Interest Income and Returns	Expenditures			
Argentina Unprogrammed funds	\$ 95,819	\$ 282,316	\$ 3,181	\$ 216,243	\$ 165,073	\$ 39,959	\$ 125,114
Brazil Unprogrammed funds	3,895				3,895		3,895
Colombia - FITOQUIMICA	23,171		11,723	(11,723)	11,448	9,399	2,049
Costa Rica Science projects	1,547				1,547		1,547
Mexico Unprogrammed funds - Secretariat	419,993	205,000	16,231	(419,993)			
Mexico Secretariat Projects		(641,224)		4,850			
Mexico Unprogrammed funds - Education		4,850					
Mexico Education Projects							
Mexico Unprogrammed funds - Science							
Mexico Science Projects		92,641		39,279	53,362	32,362	21,000
Venezuela Unprogrammed funds	161,977	(39,585)	5,179	(34,406)	127,571	352	127,571
Venezuela Science Projects	\$ 706,402	\$ 487,316	\$ 24,591	\$ 308,229	\$ 366,347	\$ 82,072	\$ 284,275
Consisting of:							
Cash and equity in OAS Treasury Fund					\$ 368,792		\$ 368,792
Travel, salary advances and other receivables					(2,445)		(2,445)
Accounts payable and other liabilities							(82,072)
Unliquidated obligations					\$ 366,347		\$ 284,275

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

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, 1993, the committee was composed of:

Chairman:	Ambassador Lawrence Chewing Fabrega, representing the Permanent Council
Vice Chairman:	Mr. Owen B. Lee, representing the Permanent Council
Member:	Mr. Jose Luis Restrepo, representing the Secretary General
Alternate:	Mr. Raul Sanguinetti, representing the Secretary General
Member:	Mr. Patricio Chellew, representing the participants in the Plan
Alternate:	Mr. Roberto Recalde, 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, 1993 and 1992 and for the years then ended. That firm's opinion 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 statements 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, 1993 and 1992, and the related statements 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, 1993, and the changes therein for the year then ended, and the financial status of the Fund at December 31, 1992, and the changes therein for the year then ended, in conformity with generally accepted accounting principles.



April 26, 1994

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

ASSETS	December 31,	
	1993	1992
Investments, at market		
Short Term Investments	\$ 11,679,515	\$ 12,711,416
U.S. Govt. And Agency Issues	56,129,518	68,087,718
Corporate Bonds	41,857,389	29,668,864
Municipal Bonds	1,007,163	986,101
Miscellaneous Bonds	4,296,580	3,140,290
Common Stock	150,078,318	123,873,466
	265,048,483	238,467,855
Equity in OAS Treasury Fund	1,276,686	781,275
Receivables, principally accrued dividends and interest	1,656,285	1,839,873
	\$ 267,981,454	\$ 241,089,003
 LIABILITIES		
Participant accounts pending liquidation	3,517,708	1,181,548
Provident Plan participants accounts	1,333,463	1,780,080
Miscellaneous payables	511,566	251,698
	5,362,737	3,213,326
Net assets available for participant benefits	\$ 262,618,717	\$ 237,875,677

See accompanying notes

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

	Year ended December 31,	
	1993	1992
Investment income		
Net unrealized appreciation in value of investments	\$ 8,039,084	\$ 698,672
Net realized gains on sale of investments	9,431,310	3,282,406
Interest	7,803,774	8,642,077
Dividends	2,984,701	2,699,355
	28,258,869	15,322,510
Less investment expenses	409,750	341,370
	27,849,119	14,981,140
Contributions		
Institutions	7,757,279	6,740,389
Participants	3,877,413	3,370,918
	11,634,692	10,111,307
Increase	39,483,811	25,092,447
Payments to pensioners	1,793,212	1,708,695
Liquidations paid to participants (or their beneficiaries)	12,393,374	10,672,133
Interest credited to Provident Plan accounts	179,300	213,714
	14,365,886	12,594,542
Administrative expenses	374,885	415,354
Decrease	14,740,771	13,009,896
Net increase	24,743,040	12,082,551
Net assets available for participant benefits:		
Beginning of year	237,875,677	225,793,126
End of year	\$ 262,618,717	\$ 237,875,677

See accompanying notes

ORGANIZATION OF AMERICAN STATES

RETIREMENT AND PENSION FUND NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1993 AND 1992

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. The Plan documents should be consulted for detailed 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, and the balances in the accounts are fully vested in the name of the participants. The total of the accumulated funds in the Provident Plan participants' accounts may only be withdrawn at the time of death, transfer to the Plan, or separation.

Benefits - Amounts included in participants' Plan accounts may only be withdrawn at the time of death or separation. 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 participation.

Minimum conditions for retirement are 55 years of age and 15 years of participation in the Plan. 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, a life annuity based on 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 no more 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. 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 five or more 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 the 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 12.5% and 10.5% in 1993 and 1992, respectively. Present participants accumulated contributions were \$68,500,000 and \$60,400,000 at December 31, 1993 and 1992, respectively, including interest credited at rates determined by the Committee, compounded semi-annually.

4. Investments

The Fund's investment portfolio is managed by the State Street Bank of Boston, The Northern Trust Company of Chicago, and Wells Fargo Institutional Trust Company of San Francisco, within the investment policy guidelines established by the Retirement and Pension Committee. The Committee also retains the firm Buck Consultants (Pension Fund Services) as financial advisors.

The State Street Bank manages the domestic equity and bond portfolios, including the Dedicated Bond Portfolio. The Northern Trust Company manages the short-term investment portfolio. The Wells Fargo Institutional Trust Company manages and acts as custodian of the international equity portfolio. The Northern Trust Company is the custodian of all remaining investments of the Fund, except for the funds in the Treasury Account of the General Secretariat of the OAS.

The above mentioned firm Buck Consultants also performs the monitoring of the investment managers and investment returns to assure compliance with the Committee's established policies. Quarterly reports are presented by Buck Consultants to the Committee.

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

PORTFOLIOS 1992

FINANCIAL CATEGORIES	SHORT TERM	FIXED TERM	DOMESTIC EQUITIES	INTL. EQUITY	DEDICATED	TOTAL
SHORT TERM INVESTMENT	\$ 7,576,650	\$ 4,531,776	\$ 569,711		\$ 33,278	\$12,711,415
U.S. GOVERNMENT AND AGENCY ISSUES	17,078,237	37,278,409			13,731,072	68,087,718
CORPORATE BONDS	7,214,610	22,454,254				29,668,864
MUNICIPALITIES BONDS		986,101				986,101
MISCELLANEOUS BONDS		3,140,290				3,140,290
COMMON STOCK			104,670,169	19,203,298		123,873,467
TOTAL	\$31,869,497	\$68,390,830	\$105,239,880	\$19,203,298	\$13,764,350	\$238,467,855

PORTFOLIOS 1993

FINANCIAL CATEGORIES	SHORT TERM	FIXED TERM	DOMESTIC EQUITIES	INTL. EQUITY	DEDICATED	TOTAL
SHORT TERM INVESTMENT	\$ 7,294,000	\$ 4,172,460	\$ 213,055			\$11,679,515
U.S. GOVERNMENT AND AGENCY ISSUES	18,538,920	37,590,598				56,129,518
CORPORATE BONDS	10,290,253	31,567,136				41,857,389
MUNICIPALITIES BONDS		1,007,163				1,007,163
MISCELLANEOUS BONDS		4,296,580				4,296,580
COMMON STOCK			121,482,092	28,596,226		150,078,318
TOTAL	\$36,123,173	\$78,633,937	\$121,695,147	\$28,596,226		\$265,048,483

These tables facilitate the understanding of the composition and nature of the investment structure of the Fund. Also, the listing of investment assets in the Statement of Net Assets available for Participant Benefits follows the classification by financial instruments in full compliance with generally accepted accounting principles.

5. Investment valuation

Common 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 unrealized appreciation (depreciation) for the years ended December 31, 1993 and 1992, are as follows:

DECEMBER 31, 1993			
Net Unrealized Appreciation (depreciation)			
	Quoted Price on Active Market	Otherwise Determined	Total
Common stocks	\$ 10,483,054	\$ 433,040	\$ 10,916,094
United States Government Obligations	(2,891,472)	-	(2,891,472)
Corporate bonds	(134,348)	89,770	(44,578)
Municipalities bonds	59,040	-	59,040
	<u>\$ 7,516,274</u>	<u>\$ 522,810</u>	<u>\$ 8,039,084</u>

DECEMBER 31, 1992			
Net Unrealized Appreciation (depreciation)			
	Quoted Price on Active Market	Otherwise Determined	Total
Common stocks	\$ 3,061,508	\$ 124,746	\$ 3,186,254
United States Government Obligations	(1,350,801)	10,702	(1,340,099)
Corporate bonds	(1,196,102)	69,088	(1,127,014)
Municipalities bonds	(20,469)	-	(20,469)
	<u>\$ 494,136</u>	<u>\$ 204,536</u>	<u>\$ 698,672</u>

6. Plan termination

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

Except to correct any actuarial errors, no part of the contributions to the Fund made by the General Secretariat of the OAS or any other affiliated institution, or of the increment thereon, shall revert to the general funds of the institutions or be used for any other purpose 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 the consulting actuaries, George B. Buck Consulting Actuaries, Inc.

The significant assumptions used in the valuation as of December 31, 1991, the date of the most recent in-depth valuation, were (a) life expectancy of participants (United Nations Mortality Tables - males 1990 table and female 1982 table); (b) retirement assumptions (assumed 1.3% - 26.4% for ages 55-64 with 7 or more years of participation or immediately if older than 64); (c) investment return (an assumed annual rate of return of 9%, of which 6% assumed credited semi-annually to retirement accounts); (d) retirement benefit elections (the 1991 valuation assumed 20% of participants prior to January 1, 1982, and 100% of subsequent participants elect pensions upon retirement with all such individuals commuting 1/3 of their benefits, the remaining assumed to elect full commutation); (e) cost-of-living adjustments to pensions (the 1991 valuation assumes that all cost-of-living granted to prospective pensioners will be funded directly by the Plan, but that the cost-of-living paid to current pensioners will be funded by the Plan only starting in 1996); (f) pensionable salary increases of 5% in 1992, 10% in 1993, and 5% in 1994 and thereafter; and (g) administrative expenses of 0.4%.

In addition, the 1991 study assumes that the participating population would remain level at 800 with new entrants assumed to have the age characteristics of new entrants since 1988. 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, and benefit information for December 31, 1991, 1992 and 1993 are shown in the following table:

	DECEMBER 31		
	1991	1992	1993
	(US \$1,000)		
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS			
Vested Benefits			
Participants	\$ 120,337	\$ 135,691	\$161,130
Pensioners	<u>28,373</u>	<u>28,430</u>	<u>29,556</u>
Total vested benefits	148,710	164,121	190,686
Non vested benefits	<u>2,932</u>	<u>3,308</u>	<u>3,928</u>
Total actuarial present value of accumulated plan benefits	<u>\$151,642</u>	<u>\$167,429</u>	<u>\$194,614</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, 1992 and December 31, 1993:

	YEARS ENDED DECEMBER 31	
	1992	1993
	(US \$1,000)	
Total actuarial present value of accumulated Plan benefits at beginning of the year	\$151,642	\$167,429
Increase (decrease) attributable to:		
Interest earned on accumulated Plan benefits	13,648	15,069
Benefits paid	(9,602)	(10,280)
Benefits accumulated	11,741	21,881
Assumption changes	<u> </u>	<u>515</u>
Total actuarial present value of Accumulated Plan benefits at end of the year	<u>\$167,429</u>	<u>\$194,614</u>

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 has audited the accompanying financial statements of these trust funds and their opinion 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. The Committee is composed of five ex-officio members who are officers of the General Secretariat.

Beginning in 1931, the assets of the Fund have been accumulated principally by contributions received from Dr. Rowe during his lifetime and are held in trust to provide certain 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 OAS member states, elected by representatives to 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 staff members for educational purposes or in emergency situations.

**ROWE MEMORIAL BENEFIT FUND
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1993 AND 1992
WITH
REPORT OF INDEPENDENT AUDITORS**

Report of Independent Auditors

Board of External Auditors
Organization of American States

We have audited the accompanying statements of assets and fund balance of the Rowe Memorial Benefit (the Fund) as of December 31, 1993 and 1992, and the related statements 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, 1993 and 1992, and the results of its operations and changes in fund balance for the years then ended in conformity with generally accepted accounting principles.



April 24, 1994

ORGANIZATION OF AMERICAN STATES

**ROWE MEMORIAL BENEFIT FUND
STATEMENT OF ASSETS AND FUND BALANCE**

	December 31,	
	1993	1992
Assets and Fund Balance		
Equity in OAS Treasury Fund (Note 2)	\$ 18,537	\$ 18,017
Investments at cost (approximate market value of \$175,000 and \$167,000 at December 31, 1993 and 1992, respectively)	163,420	157,063
Total assets and fund balance	\$ 181,957	\$ 175,080

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

	Year ended December 31,	
	1993	1992
Income		
Dividends and interest	\$ 1,569	\$ 6,637
Capital Gain distributions from mutual funds	4,789	13,272
Income from OAS Treasury Fund (Note 2)	819	716
	7,177	20,625
Awards and other benefits (Note 1)	300	700
Net Increase during the year	6,877	19,925
Fund balance, begining of year	175,080	155,155
Fund balance, end of year	\$ 181,957	\$ 175,080

See accompanying notes

ORGANIZATION OF AMERICAN STATES

ROWE MEMORIAL BENEFIT FUND NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1993 AND 1992

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. 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, 1993 and 1992, gross unrealized gains pertaining to investments were \$12,539 and \$21,030 and gross unrealized losses were \$848 and \$1,063 respectively.

**LEO S. ROWE PAN AMERICAN FUND
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1993 AND 1992
WITH
REPORT OF INDEPENDENT AUDITORS**

Report of Independent Auditors

Board of External Auditors
Organization of American States

We have audited the accompanying statements of assets, liabilities and fund balances of the Leo S. Rowe Pan American Fund (the Fund) as of December 31, 1993 and 1992, and the related statements 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, 1993 and 1992, and the results of its operations and changes in operating account fund balance for the years then ended in conformity with generally accepted accounting principles.



April 24, 1994

ORGANIZATION OF AMERICAN STATES

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

<u>ASSETS</u>	December 31,	
	1993	1992
Equity in OAS Treasury Fund (Note 2)	\$ 37,150	\$ 99,232
Investments at cost (approximate market value at December 31, 1993, and 1992, respectively shown in parentheses)		
Equity investments and related mutual funds (\$1,768,000 and \$1,751,000)	1,498,443	1,394,210
Fixed income securities and related mutual funds (\$4,872,000 and \$4,907,000)	4,626,872	4,743,841
	6,162,465	6,237,283
Loans receivable (Note 3)		
Students		
Installments not yet due	1,126,261	780,738
Installments past due	202,598	179,036
Allowance for uncollectible loans	(107,442)	(93,525)
	1,221,417	866,249
Employees of the Organization of American States	465,369	356,911
	1,686,786	1,223,160
	\$ 7,849,251	\$ 7,460,443
<u>LIABILITIES AND FUND BALANCES</u>		
Miscellaneous payable	\$ 70,876	\$ 73,000
Fund balances		
Capital account (Note 1)	1,000,000	1,000,000
Operating account	6,778,375	6,387,443
	\$ 7,849,251	\$ 7,460,443

See accompanying notes

ORGANIZATION OF AMERICAN STATES

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

	<u>Year ended December 31,</u>	
	<u>1993</u>	<u>1992</u>
Income		
Dividend and interest income	\$ 327,266	\$ 355,932
Capital gains distributions from mutual funds	108,624	257,508
Gain on sale of investments	0	20,395
Miscellaneous income	34,416	24,442
	<u>470,306</u>	<u>658,277</u>
Expenses		
Increase in allowance for uncollectible loans (Note 3)	14,922	6,608
Investment management and custodian fees	15,000	15,000
Administrative expenses (Note 4)	20,000	20,000
Loss on sale of investments	-	-
Other expenses	29,452	44,000
	<u>79,374</u>	<u>85,608</u>
Net increase during year	390,932	572,669
Fund balance, beginning of year	6,387,443	5,814,774
Fund balance, end of year	<u><u>\$6,778,375</u></u>	<u><u>\$6,387,443</u></u>

See accompanying notes

ORGANIZATION OF AMERICAN STATES

LEO S. ROWE PAN AMERICAN FUND NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1993 AND 1992

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 students from member states, 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>1993</u>	<u>1992</u>
Balance, beginning of year	\$ 93,525	\$ 86,917
Provision for uncollectible loans	<u>13,917</u>	<u>6,608</u>
Balance, end of year	<u>\$ 107,442</u>	<u>\$ 93,525</u>

In the opinion of the Committee, the allowance of \$107,442 at December 31, 1993 is sufficient to provide for losses that may be incurred upon the ultimate realization of these loans.

During 1993 and 1992 the Fund disbursed new student loans aggregating approximately \$389,000 and \$372,000, respectively. The Fund received loan repayments of approximately \$180,000 and \$160,000 in 1993 and 1992, respectively.

New loans to employees for educational purposes or in emergency situations aggregated \$118,000 and \$172,000 in 1993 and 1992 respectively. The Fund received loan repayments of approximately \$81,000 and \$44,000 in 1993 and 1992 respectively. The interest rate on new employee loans granted in 1993 was 6.5%. Interest rates on outstanding loans granted in prior years varied from 7.5% to 10%.

4. Administrative Expenses

The Committee authorized payments of \$20,000 in both 1993 and 1992 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 include approximately \$29,000 in other expenses related to the services of a contract employee in 1993 (\$24,000 in 1992). 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, 1993 and 1992, gross unrealized gains pertaining to investments were \$555,321 and \$539,013, and gross unrealized losses were \$23,770 and \$19,416 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 statements of assets, liabilities, and fund balance of the Inter-American Defense Board (the Board) as of December 31, 1993 and 1992, and the related statements of revenue, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Inter-American Defense Board at December 31, 1993 and 1992, and the results of its operations and changes in financial position for the years then ended in conformity with generally accepted accounting principles.



April 11, 1994

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

	December 31	
	1993	1992
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 212,980	\$ 617,030
Prepaid expenses and other assets	41,718	48,777
Total current assets	254,698	665,807
Property and equipment, at cost:		
Furniture and equipment (Note 5)	553,391	541,512
Vehicles	11,891	11,891
	565,282	553,403
Less accumulated depreciation	401,600	336,490
Net Property and equipment	163,682	216,913
Total assets	\$ 418,380	\$ 882,720
<u>LIABILITIES AND FUND BALANCE</u>		
Current liabilities:		
Accounts payable	\$ 94,249	\$ 29,564
Funding received in advance—current portion (Note 4)	162,500	
Accrued leave (Note 2)	162,276	244,239
Total current liabilities	419,025	273,803
Funding received in advance—long term (Note 4)	162,500	
Fund (deficit) balance	(163,145)	608,917
Total liabilities and fund balance	\$ 418,380	\$ 882,720

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>1993</u>	<u>1992</u>
Revenue:		
Funding received from the Organization of American States (Note 4)	\$2,218,900	\$ 2,335,700
Interest and other income	18,840	30,630
Total revenue	<u>2,237,740</u>	<u>2,366,330</u>
Expenses:		
Personnel expenses	2,512,341	2,112,372
Building and maintenance	113,230	86,907
Building renovation	-	936
Equipment and supplies	143,233	96,518
Other general and administrative costs	99,750	94,660
Travel	22,481	35,258
Depreciation	64,724	66,446
Printing and reproduction	28,571	42,382
Contracts	25,472	30,152
Total expenses	<u>3,009,802</u>	<u>2,565,631</u>
Deficit of revenue over expenses	(772,062)	(199,301)
Unrestricted Fund balance, beginning of year	608,917	808,218
Unrestricted (deficit) Fund balance at end of year	<u>\$ (163,145)</u>	<u>\$ 608,917</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>1993</u>	<u>1992</u>
Sources of cash and cash equivalents:		
Increase in accrued leave	\$ -	\$ 20,872
Increase in accounts payable	64,685	-
Increase in funding received in advance	325,000	-
Decrease in other assets	7,059	-
Items not involving use of cash:		
Depreciation	64,724	66,446
	<u>461,468</u>	<u>87,318</u>
Uses of cash and cash equivalents:		
Deficit of revenue over expenses	772,062	199,301
Increase in prepaid expenses and other assets	-	7,567
Decrease in accounts payable	-	41,230
Decrease in accrued leave	81,963	-
Net acquisitions of property and equipment	11,493	6,366
	<u>865,518</u>	<u>254,464</u>
Net decrease in cash and cash equivalents	(404,050)	(167,146)
Cash and cash equivalents at beginning of year	617,030	784,176
Cash and cash equivalents at end of year	<u>\$ 212,980</u>	<u>\$ 617,030</u>

See accompanying notes

ORGANIZATION OF AMERICAN STATES

INTER-AMERICAN DEFENSE BOARD NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1993 AND 1992

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 - five to ten years, and vehicles - five 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 1993 and 1992 for these benefits amounted to approximately \$8,000 and \$10,000, respectively.

Due to decreased funding and efforts to reduce personnel costs the Board implemented a plan for reorganization in 1993. The reorganization entailed termination of 23 employees in which the Board paid accrued vacation, terminal pay, merit awards and special leave which amounted to approximately \$353,000.

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 \$290,000 and \$272,000 in 1993 and 1992, 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 decreased from \$2,335,700 in 1992 to \$2,218,900 in 1993. Contributions for 1994 are currently appropriated by the OAS to be \$2,134,900. 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.

During 1993, the OAS approved an advance of funding in the amount of \$325,000 so that the Board would be able to meet its financial obligations related to the reorganization. The \$325,000 of funding received in advance is scheduled to be repaid to the OAS in installments of \$162,500 for 1994 and 1995.

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.

SECTION VI

FINANCIAL STATEMENTS

**FUND FOR THE INTERNATIONAL COMMISSION
OF SUPPORT AND VERIFICATION I AND II**

WITH

REPORT OF INDEPENDENT AUDITORS

FINANCIAL STATEMENTS
FUND FOR THE INTERNATIONAL COMMISSION
OF SUPPORT AND VERIFICATION I
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, 1991 and 1993, and the related statement of activity and changes in fund balance for the period from February 27, 1990 (inception) to December 31, 1991 and for the biennium ended December 31, 1993. 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, 1991 and 1993, and its activity and its changes in fund balance for the period from February 27, 1990 (inception) to December 31, 1991 and for the biennium ended December 31, 1993 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.

As discussed in Note 5, at December 31, 1993, the Fund was closed. All subsequent activity will be reflected in the Fund for the International Commission of Support and Verification II of the Organization of American States.

Ernst + Young LLP

May 6, 1994

ORGANIZATION OF AMERICAN STATES
INTERNATIONAL COMMISSION OF SUPPORT AND VERIFICATION I
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE

<u>ASSETS</u>	Year ended December 31,	
	1991	1993
Equity in OAS Treasury Fund	\$ 411,528	\$ —
Other assets	262,231	—
	673,759	—
<u>LIABILITIES AND FUND BALANCE</u>		
Unliquidated obligations	950,937	—
Accounts payable	98,253	—
Fund (deficit) balance	(375,431)	—
	\$ 673,759	\$ —

See accompanying notes

INTERNATIONAL COMMISSION OF SUPPORT AND VERIFICATION I

STATEMENT OF ACTIVITY AND CHANGES IN FUND BALANCE
FROM INCEPTION (FEBRUARY 22, 1990) TO DECEMBER 31, 1993

	Feb. 22, 1990 (Inception) to Dec.31 1991	Biennium ended Dec.31,1993	TOTAL
Increases			
Contributions			
United States – State Department	\$ 39,100,000	\$ 6,200,000	\$ 45,300,000
United States – Agency for Int. Development	1,376,790	25,000	1,401,790
Venezuela	10,000		10,000
Republic of Cyprus	2,000		2,000
European Economic Community (EEC)	294,670	644,695	939,365
England		22,071	22,071
Fund Vasco		34,244	34,244
Germany		20,035	20,035
Italy		91,875	91,875
INPRHU		10,263	10,263
OAS Treasury Fund income	551,267	49,653	600,920
Miscellaneous	1,348	30,698	32,046
	<u>41,336,075</u>	<u>7,128,534</u>	<u>48,464,609</u>
Decreases			
Obligations and Expenditures			
Operational Costs	8,138,050	3,891,608	12,029,658
Transportation	2,892,649	213,860	3,106,509
Food	10,216,525	(387,970)	9,828,555
Clothing	1,206,923	(42,885)	1,164,038
Kitchen Utensils	422,455		422,455
Personal Hygiene	232,355	(15,897)	216,458
Construction Material and Tools	4,369,353	3,720	4,373,073
Agricultural Tools	2,125,572	1,000	2,126,572
Negotiation, Land Survey other	207,561	49,000	256,561
Special Reconstruction Projects	3,117,476	851,648	3,969,124
Cash to Demobilized	976,357		976,357
Nicaraguan Repatriation Institute	822,077	519,824	1,341,901
Phase II Distribution and Delivery	405,216		405,216
Pan-American Health Organization	2,433,000		2,433,000
Resettlement of Disabled	2,690,112	655,529	3,345,641
Atlantic Coast Agriculture	935,241	64,759	1,000,000
Emergency Medical Assistance	189,571	28,540	218,111
Rights and Warranties Seminar		2,822	2,822
National Network for Justice		405	405
Humanitarian Assistance		25,000	25,000
EEC activities	297,225	755,448	1,052,673
Fund Vasco Construction Houses		34,244	34,244
INPRHU Construction Houses		10,263	10,263
Italy Disarmament of Civilians		91,875	91,875
Germany		8,401	8,401
Venezuela	3,900	6,039	9,939
Republic of Cyprus		2,000	2,000
England		20,891	20,891
	<u>41,681,618</u>	<u>6,790,124</u>	<u>48,471,742</u>
Interest due to contributor – AID	29,888		29,888
Transfer to CIAV II U.S.		63,412	63,412
Transfer to CIAV II Others		(100,433)	(100,433)
	<u>41,711,506</u>	<u>6,753,103</u>	<u>48,464,609</u>
Fund (deficit) balance at beginning of period		(375,431)	
Fund (deficit) balance at end of period	\$ (375,431)	\$ 0	\$ 0

See accompanying notes

ORGANIZATION OF AMERICAN STATES
INTERNATIONAL
COMMISSION OF SUPPORT AND VERIFICATION I
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1993

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 members of the former 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 American States (CIAV/OAS).

In general, CIAV/UN is responsible for the activities conducted outside of Nicaragua, whereas 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 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) and, accordingly, are presented for a two year (Biennium) reporting period. 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 deviation from generally accepted accounting principles is as follows:

Unliquidated obligations 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 future periods. This amount does not represent liabilities to unrelated third party commitments at December 31, 1991. 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 OAS Treasury Fund. Each fund administered by the General Secretariat maintains an equity to the extent of its cash balance retained therein. The OAS 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 OAS Treasury Fund is added to the equity of each fund in proportion to its balance.

4. Funding

The Government of the United States has contributed to the Fund a total of \$46,701,790 from the inception of the mission to December 31, 1993. In addition, the Fund received contributions from the Governments of: Italy \$91,875, Venezuela \$10,000, Cyprus \$2,000, from the European Economic Community \$939,365, and from other sources in the amount of \$86,613.

5. Status of the Commission

CIAV/OAS is 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, and assistance to members of the Resistance and their families.

On December 31, 1993, the Fund was closed. Activity occurring subsequent to December 31, 1993, will be reflected in the Fund for International Commission of Support and Verification II (CIAV II) of the Organization of American States. All unexpended balances of the Fund were transferred to CIAV II.

6. 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.

FINANCIAL STATEMENTS
FUND FOR THE INTERNATIONAL COMMISSION
OF SUPPORT AND VERIFICATION II
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 II of the Organization of American States (the Fund), pursuant to the agreement between the Organization of American States (the OAS) and the United States Department of State (the Agreement), as of December 31, 1993, and the related statement of activity and changes in fund balance for the period from July 1, 1993 (inception) to December 31, 1993. 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 audit.

We conducted our audit 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, 1993, and its activity and its changes in fund balance for the period from July 1, 1993 (inception) to December 31, 1993 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 Agreement.

Ernst + Young LLP

May 6, 1994

ORGANIZATION OF AMERICAN STATES
INTERNATIONAL COMMISSION OF SUPPORT AND VERIFICATION II
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
AS OF DECEMBER 31, 1993

ASSETS

Equity in OAS Treasury Fund	\$ 3,303,141
Other assets	48,357
	<hr/>
	3,351,498
	<hr/> <hr/>

LIABILITIES AND FUND BALANCE

Unliquidated obligations	1,135,192
Accounts payable	85,347
Fund balance	2,130,959
	<hr/>
	\$ 3,351,498
	<hr/> <hr/>

See accompanying notes

ORGANIZATION OF AMERICAN STATES
INTERNATIONAL COMMISSION OF SUPPORT AND VERIFICATION II
STATEMENT OF ACTIVITY AND CHANGES IN FUND BALANCE
FROM INCEPTION (JULY 1, 1993) TO DECEMBER 31, 1993

Increases	
Contributions	
United States – State Department	\$ 5,000,000
Decreases	
Obligations and Expenditures	
Operational Costs	691,163
Programming, Following & Verification	1,661,469
Tri-partisan Commission	87,498
Institutional Support	391,890
	<u>2,832,020</u>
Transfers	
Transfer from CIAV I–U.S.	63,412
Transfer from CIAV I–Others	(100,433)
	<u>(37,021)</u>
Fund balance at end of period	<u><u>\$ 2,130,959</u></u>

See accompanying notes

**INTERNATIONAL
COMMISSION OF SUPPORT AND VERIFICATION II
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1993**

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 members of the former 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 American States (CIAV/OAS).

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

The Secretary General of the OAS established an OAS International Commission of Support and Verification (CIAV I) to account for the proceeds and disbursements pursuant to CIAV's activities. On December 31, 1993, CIAV I was closed. The Secretary General of the OAS established an OAS International Commission of Support and Verification II (The Fund) to account for the on-going proceeds and disbursements pursuant to CIAV's activities. All unexpended balances of CIAV I were transferred to the Fund.

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, result 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 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 future periods. This amount does not represent liabilities to unrelated third party commitments at December 31, 1993. 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 OAS Treasury Fund. Each fund administered by the General Secretariat maintains an equity to the extent of its cash balance retained therein. The OAS 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 OAS Treasury Fund is added to the equity of each fund in proportion to its balance.

4. Funding

The Government of the United States has contributed to CIAV/OAS a total of \$5,000,000 beginning July 1, 1993.

5. Status of the Commission

CIAV/OAS is 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, and assistance to members of the Resistance and their families.

6. 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
FUNDS FOR THE UNIT FOR THE PROMOTION OF DEMOCRACY
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 activities of the Unit for the Promotion of Democracy of the Organization of American States (the Unit) as of December 31, 1993, and the related combining statement of activity and changes in fund balance for the biennium then ended. These financial statements are the responsibility of the Unit'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 activities of the Unit 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 Organization of American States) 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 Unit's assets, liabilities, and fund balance at December 31, 1993, and the combining activity and changes in fund balances for the biennium 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 funds 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 activities of the Unit for the Promotion of Democracy.

Ernst + Young LLP

May 6, 1994

ORGANIZATION OF AMERICAN STATES
OAS / DEMOC

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
AS OF DECEMBER 31, 1993

PROMOTION DEMOCRACY AND PEACE SURINAME	INTERNAT. CIVILIAN PRESENCE HAITI	ELECTORAL OBSERVATION PERU	DEMOCRATIC INITIATIVES	DEMING C. AMERICA	ELECTORAL OBSERVATION PARAGUAY	ELECTORAL OBSERVATION EL SALVADOR	COMBINED
\$ 72,876	\$ 8,896,116	\$ 771,416	\$ 462,658	\$ 14,665	\$ 0	\$ 870,794	\$ 11,088,525
	25,614		4,530	4,620		320,000	354,764
\$ 72,876	\$ 8,921,730	\$ 771,416	\$ 467,188	\$ 19,285	\$ 0	\$ 1,190,794	\$ 11,443,289
<u>ASSETS</u>							
Equity in OAS Treasury Fund							
Other assets							
<u>LIABILITIES AND FUND BALANCE</u>							
Unliquidated obligations	\$ 9,886	\$ 1,636,159	\$ 135,248	\$ 92,201	\$ 50,802	\$ 6,653	\$ 1,930,949
Accounts payable	(133)	44,949	465	324,200			369,481
Fund balance	62,990	7,285,704	591,219	(355,717)	0	1,184,141	9,142,859
\$ 72,876	\$ 8,921,730	\$ 771,416	\$ 467,188	\$ 19,285	\$ 0	\$ 1,190,794	\$ 11,443,289

**ORGANIZATION OF AMERICAN STATES
OAS / DEMOC**

**STATEMENT OF ACTIVITY AND CHANGES IN FUND BALANCE
FOR THE BIENNIUM ENDED DECEMBER 31, 1993**

	PROMOTION DEMOCRACY AND PEACE SURINAME	INTERNAT. CIVILIAN PRESENCE HAITI	ELECTORAL OBSERVATION PERU	DEMOCRATIC INITIATIVES	DEMING C.AMERICA	ELECTORAL OBSERVATION PARAGUAY	ELECTORAL OBSERVATION EL SALVADOR	COMBINED
Increases								
Contributions:								
Bolivia		\$ 5,000						\$ 5,000
Brazil		50,000						50,000
Canada		1,000,000		\$ 539,303				1,539,303
Chile		20,000		5,000				25,000
Colombia		25,000						25,000
Dominica		1,000						1,000
France		353,982			\$ 18,182			372,164
Panama		1,000						1,000
United States		16,000,000	\$ 3,500,000	450,000	755,000	\$ 110,000		20,815,000
Argentina			20,000		100,000			120,000
Japan			1,000,000					1,000,000
Germany		130,000		142,842	62,000			334,842
Italy		91,875			78,046			169,921
Netherlands	\$ 373,648	105,661						479,309
St. Kittis		3,000						3,000
Venezuela	5,000							5,000
Spain					50,000			50,000
Sweden					98,747			98,747
E.E.C.			100,207					100,207
Transfers						(12,542)		(12,542)
OAS Treasury Fund income		56,702	14,410	16,107			\$ 43,478	130,697
	378,648	17,843,220	4,634,617	1,153,252	1,161,975	97,458	43,478	25,312,648
Decreases								
Obligations and Expenditures:								
Travel	156,212	1,337,585	2,044,267	490,205	783,061	(1,974)	297	4,809,653
Equipment and Supplies	61,344	1,219,895	388,384	60,433	519,205	796	321	2,250,378
Contracts	62,160	5,761,057	289,699	128,008	42,550	(708)	3,000	6,285,766
Other	35,942	2,238,979	1,321,048	100,084	172,876	51	240	3,869,220
	315,658	10,557,516	4,043,398	778,730	1,517,692	(1,835)	3,858	17,215,017
Fund balance beginning of period	62,990	7,285,704	591,219	374,522	(355,717)	(99,293)	1,144,521	1,045,228
Change during period						99,293	39,620	8,097,631
Fund balance end of period	\$ 62,990	\$ 7,285,704	\$ 591,219	\$ 374,522	\$ (355,717)	\$ (0)	\$ 1,184,141	\$ 9,142,859

ORGANIZATION OF AMERICAN STATES
UNIT FOR THE PROMOTION OF DEMOCRACY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1993

1. Organization

In Resolution AG/RES.1063/90, the General Assembly requested the Secretary General to establish within the General Secretariat a Unit for the Promotion of Democracy. On October 15, 1990, the Secretary General by Executive Order 90-3 created the Unit for the Promotion of Democracy, assigning the following functions:

Develop standards and procedures for organizing electoral observation missions

Plan and coordinate electoral observer missions

Develop inventories and data banks of individuals and institutions specializing in political studies on democratic systems and institutions as well as human and material resources for carrying out missions, training, and other activities

Coordinate with other multilateral organizations, and governments and private institutions activities, and missions concerned with democratic development

Plan, and coordinate courses, seminars, and training programs to facilitate exchange of information and expertise in order to strengthen political institutions and democratic procedures in member states

The Secretary General established various OAS funds (the Funds) to account for the proceeds and disbursements pursuant to the activities coordinated by the Unit for the Promotion of Democracy.

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, result 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 include amounts related to commitments resulting from offers made by the Funds to vendors to disburse monies for the procurement of goods or services in future periods. This amount does not represent liabilities to unrelated third party commitments at December 31, 1993. It represents amounts anticipated to be expended in the subsequent year in the completion of these projects.

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 OAS Treasury Fund. Each fund administered by the General Secretariat maintains an equity to the extent of its cash balance retained therein. The OAS 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 OAS Treasury Fund is added to the equity of each fund in proportion to its balance.

4. Status of Missions

HAITI

At the Ad Hoc meeting of Ministers of Foreign Affairs held on October 2, 1991, it was resolved to establish an OAS civilian mission entrusted to facilitate reestablishment and strengthening of the democratic institutions in Haiti. To this end, financing from Member States and Permanent Observers totaling \$17,843,220 was received during the biennium ended December 31, 1993. In addition there were in-kind contributions by other countries such as an aircraft by Argentina, Canada, Colombia, Chile and Venezuela.

PERU

On May 18, 1992, the President of Peru made a commitment to the OAS XXII General Assembly in Bahamas to hold elections for the Constituent Assembly. In subsequent meetings held by the Ministers of Foreign Affairs, the General Secretariat was requested to observe the electoral process leading to the elections which took place on November 22, 1992. Subsequently the OAS participated in the observation of municipal and constituent elections, as well as the observation of a Constitutional Referendum held on October 31, 1993.

SURINAME

The Special Mission to Suriname was established by agreement between the General Secretariat of the Organization of American States and the Government of the Republic of Suriname. The agreement specifies a presence of the mission in that country for a period of two years during which it will assist in formalizing and safeguarding a durable peace between the Government of Suriname, the Jungle Commando and Tucajan Amazons, and in further strengthening the national institutions within the framework of democratic institutions in Suriname.

DEMOCRATIC INITIATIVES

The Unit of Democracy undertook a number of additional activities with the contributions of member states and observer states, including the electoral observation in Venezuela and Honduras. Among the largest contributors were the Government of Canada with \$539,303 and the United States Government who contributed a total of \$450,000 during the biennium.

PARAGUAY

On October 4, 1991, the Government of the Republic of Paraguay requested the Organization of American States to send a mission to observe the Constituent Elections which were held on December 1, 1991. The elected constituents had the responsibility of drafting a new constitution. The elections took place as planned and was temporarily financed by the OAS Regular Fund, pending receipt of external funding. On December 26, 1991, the Government of Germany contributed \$20,000 to the mission, and on September 30, 1992, the United States Government committed itself to providing \$110,000, which was received in February 1993.

MINE CLEARING ASSISTANCE PROGRAM IN CENTRAL AMERICA

At its XXII Regular Session, the General Assembly asked the Secretary General "to establish a Special Fund to accept contributions and pledges from those countries that wish to cooperate in mine-clearing operations in Central America"[AG/RES. 1191(XXII-O/92)].

At the meeting of the Commission on Central American Security held in San Salvador, June 15-16, 1992, the Secretary General was asked to expand the mine removal program from Nicaragua to include the other Central American nations, Costa Rica, El Salvador, Guatemala and Honduras. The Secretary General, in turn, sought the assistance of the Inter-American Defense Board (IADB) in extending the mine removal program. Such a program would

be implemented by each nation's army and, in the case of Costa Rica, specialized personnel.

The Secretary General made appeals for funding to member countries, observer countries, and members of the Partnership for Democracy and received affirmative responses from the Governments of Argentina, Brazil, Chile, Colombia, Peru and Uruguay. Grant funds were additionally received from the Governments of Germany, Italy, France, Spain, Sweden, and the United States.

6. Staffing and Administrative Support

Appropriations for the approved personnel posts budgeted on a recurring basis for the Unit for Promotion of Democracy, are financed by the Regular Fund of the Organization. Financing for experts or observers in specific missions of the Unit are, for the most part, financed by special contributions either for that mission or for missions of the Unit in general.