

ORGANIZATION OF AMERICAN STATES



OEA/Ser.G
1 July 1992
Original: English
JAE/Doc. 22/92

REPORT TO THE
PERMANENT COUNCIL
OF THE
ORGANIZATION OF AMERICAN STATES

AUDIT OF ACCOUNTS AND FINANCIAL STATEMENTS FOR THE BIENNIUM ENDED DECEMBER 31, 1991

By the
Board of External Auditors

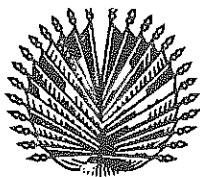
GENERAL SECRETARIAT
ORGANIZATION OF AMERICAN STATES
WASHINGTON, D.C. 20006
1992

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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 26, 1992

To the Permanent Council of the
ORGANIZATION OF AMERICAN STATES

The Board of External Auditors is pleased to present its annual report on the external audit of the accounts and financial statements of the ORGANIZATION OF AMERICAN STATES (OAS). This report covers the biennium ended December 31, 1991, and includes:

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

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, 1991, on a comparative basis with the previous biennium. (See Note 3 to the financial statements). The statements have been prepared in conformity with accounting practices prescribed by the Budgetary and Financial Rules of the General Secretariat which require the measurement of financial position and operating results in terms of historical cost without regard to changes in the purchasing power of money over time.

Ernst & Young's opinion on the financial statements is qualified because of the recording of certain obligations totaling about \$16 million. These obligations depart 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 do not represent firm commitments as prescribed by such rules. In addition the Regular Fund recognized 1991 administrative and technical support contributions of \$1.4 million from the CIECC Funds on the basis of obligations which did not represent valid obligations under the terms of the General Standards to govern the operations of the General Secretariat and the Budgetary and Financial Rules.

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:

- The financial statements of all funds audited agree with the books, records, documents, and vouchers of the General Secretariat.
- Except as described in the preceding paragraph, the transactions

reflected in the financial statements of the funds audited are in accord with the General Standards to govern the operations of the General Secretariat, the financial regulations, and other applicable provisions.

- The securities and cash on deposit have been checked by means of certification from depositories of the General Secretariat and the cash on hand has been checked by actually counting it as deemed appropriate by the Board in accordance with generally accepted auditing standards.

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

Article 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."

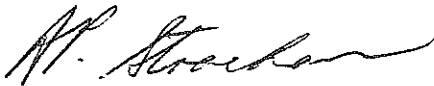
The Board's report for 1990 was referred by the Permanent Council to its Committee on Administrative and Budgetary Affairs on September 25, 1991.

While the Regular Fund continues to sustain a fund deficit position at December 31, 1991, considerable improvement occurred during 1991. As of December 31, 1991 a \$10.4 million deficit existed in the Regular Fund--a deficit reduction of \$11.1 million compared to the \$21.5 million deficit at December 31, 1990. The improved fund balance reflects improved quota collections, including \$9.3 million of reduction in arrearages. Quota payments to the Regular Fund during 1991 totalled about \$69.3 million, compared to about \$60.6 million during 1990.

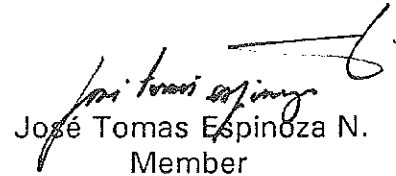
The Members of the Board wish to express their appreciation for the cooperation of the General Secretariat in facilitating the audit work and to the General Assembly and Permanent Council for the opportunity to assist in evaluating the financial operations of the OAS.



Brian P. Crowley
Chairman



Adrian P. Strachan
Member



José Tomas Espinoza N.
Member

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SECTION I

**COMMENTS AND RECOMMENDATIONS TO IMPROVE
OPERATIONAL AND INTERNAL CONTROL PROCEDURES**

CHAPTER 1

COMMENTS RELATING TO THE GENERAL SECRETARIAT

Only two issues discussed in last year's report related to the General Secretariat continue to be of concern to the Board. Also, the Board identified four new issues that it wishes to bring to the attention of the Permanent Council. Six other issues discussed last year have been appropriately dealt with or their significance has been reduced. 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

Accounting for Fixed Assets

During 1991 two individuals were assigned the task of updating the records of the fixed assets, concentrating on the 1991 acquisitions and disposal. Current year efforts focused on accurately capturing and recording 1991 activity as well as reviewing global amounts recorded in 1990 and 1989. While progress has been made in this area, the situation still merits continued attention by the Department of Material Resources.

Financial Position of the General Secretariat

The Board's 1990 recommendation encouraged OAS to continue its efforts in pursuing collections of quotas and to take the necessary steps to ensure that the level of budget execution coincides with the amount realistically expected to be currently collected and restore the required statutory reserves. During 1991, the OAS made good progress in collecting quota arrearage, but with the deficit remaining at \$10.4 million, this area deserves continued attention by the OAS.

NEW ISSUES

Unliquidated Obligations

Obligations in the Regular Fund, FEMCIECC, CEC and CMP (the CIECC Funds) totalling approximately \$16 million, were recorded during the 1991 biennium closing which are not in compliance with criteria set forth in the General Standards to govern the operations of the General Secretariat. About \$600,000 of these obligations were recorded at the direction of the Permanent Council. The General Standards and the Budgetary and Financial Rules permit the recognition of obligations only when supported by firm commitments.

Ernst & Young reported that OAS kept good records indicating which projects and the associated amounts made up the \$16 million, e.g. \$2.0 million was associated with building repairs.

These obligations depart 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 do not represent firm commitments as prescribed by such rules. In addition, the Regular Fund recognized 1991 administrative and technical support contributions of \$1.4 million from the CIECC Funds on the basis of obligations which did not represent valid obligations under the terms of the General Standards to govern the operations of the General Secretariat and the Budgetary and Financial Rules. We recommend that the General Secretariat strictly comply with the General Standards with respect to the recording of obligations.

Budgetary Execution

In accordance with General Assembly Resolution AG/Res 1137(XXI-0/91), the General Assembly authorized the carryover of unobligated appropriations of the Special Multilateral Funds from the 1989 and 1991 biennia into the 1993 biennium. For the CIECC funds, unobligated appropriations were authorized for use in 1992-1993 programming, after discounting ten percent earmarked for the reserve subfunds. Ernst & Young reported an increased delay in the execution of the program budgets of the Voluntary Funds. A total of about \$41.7 million of

appropriations and obligations have been carried forward into the current biennium from prior budgetary periods. In CIECC, amounts carried over are approximately \$18.3 million, or 173% of the 1991 budget. The situation is less extreme in the SDAF area, where appropriations and obligations being carried forward were approximately \$9.2 million, or 135% of the 1991 budget.

	Appropriations	Carry-Over Obligations	Combined	% of 1991 Budget
(In Millions)				
FEMCIECC	\$3.1	\$9.1	\$12.2	157%
CEC	0.3	0.6	0.9	166%
CMP	<u>2.3</u>	<u>2.8</u>	<u>5.1</u>	229%
CIECC Funds	5.7	12.5	18.3	173%
Regular	0.3	14.0	14.3	23%
SDAF	<u>7.5</u>	<u>1.6</u>	<u>9.2</u>	135%
TOTAL	<u>\$13.6</u>	<u>\$28.1</u>	<u>\$41.7</u>	60%

We recommend that an evaluation of project execution levels be conducted to identify the elements that preclude the timely execution of approved budgets.

Management Information Systems

Many of the accounting software programs utilized by OAS were developed internally more than fifteen years ago. Over the years, the Department of Management Systems has been successful in modifying these programs to adequately fulfill the evolving needs of the various users of the Organization's financial and budgetary information. However, Ernst & Young encountered problems during the current year with the accuracy of computer generated information related to the Leo S. Rowe Pan American Fund student loans and with the utility of certain reports related to fixed assets. While problems were not encountered with the Organization's primary financial applications, such as the General Ledger, budgetary, or payroll systems, an evaluation of the OAS' management systems capabilities seems appropriate.

Termination Benefits

In prior years management instituted a policy whereby liabilities were recorded in the Special Multilateral and Specific Funds for certain termination benefits accruing to long-term contract employees who had been transferred between funds during their period of employment.

The recording of a liability for earned but unpaid termination benefits alleviates the inequitable distribution of termination costs. While in prior years this same policy was being followed, no accruals were made for termination benefits earned during the 1991 biennium. We recommend that the policy of accruing termination benefits as earned be reinstated.

ACTION ON PRIOR ISSUES**Specific Fund
Compliance with
Reporting Requirements**

Although the timeliness of reporting to donors on specific fund contributions continues to be an area where improvement is needed, the Department of Financial Services is standardizing the reporting requirements in order to streamline the reporting process.

**Conflict of Interest
Statements**

Although the process is not yet underway for reviewing Conflict of Interest Statements, review procedures have been approved by the Secretary General whereby all employees' statements will be reviewed both for completion and substance by supervisors knowledgeable about employees duties and responsibilities.

Travel Advances

Ernst & Young identified only minor problems associated with travel advances issued by headquarters. They did note, however, delays in headquarters receipt of expenditure claim forms from employees whose travel advances are made from offices and projects away from headquarters. The Department of Financial Services focused on this area during the year-end closing and were able to clear many amounts at that time.

**Preparation of
Budgetary Statements**

OAS management implemented the 1990 recommendation of assigning the preparation and review of the budgetary

statements to the Department of Program Budget whose staff is familiar with the information. As a result of this action, Ernst & Young's review of the 1991 budgetary statements was greatly facilitated.

**Contribution for
Administrative and
Technical Support**

The matter was referred to the Committee on Administrative and Budgetary Affairs during 1992. The Committee decided to recommend to the Permanent Council that no change be made to the current method of assessing the Voluntary Funds a contribution for support provided by the Regular Fund.

The Board decided to defer further comment on this issue pending completion of a current study of the overall operations of the Voluntary Funds.

**Specific Fund
Balances**

In 1991, the Board recommended that non-temporary deficits in specific fund balances be absorbed by the Regular fund. The Committee on Administrative and Budget Affairs concluded that this action would set an undesirable precedent, and therefore, decided not to pursue the policy change with the Permanent Council.

CHAPTER 2

COMMENTS RELATING TO OFFICES OF THE GENERAL SECRETARIAT AWAY FROM HEADQUARTERS

The Inspector General conducted nine reviews of Offices of the General Secretariat Away from Headquarters including, Bolivia, Dominican Republic, Ecuador, Grenada, Mexico, Peru, Trinidad & Tobago, Colombia, and Venezuela. In addition, the Auditor General of Jamaica, a member of the Board, performed a follow up review of the office of the General Secretariat in Jamaica.

Essentially the same types of control deficiencies identified in past reviews continued to occur at the Organization's Offices Away from Headquarters. The Inspector General's office has reported to the Secretary General findings indicating:

- expenditures made without appropriate supporting documentation, authorization or approval from Headquarters,
- failure to follow the Organization's Field Financial Manual and other OAS regulations,
- inadequate separation of duties due to the limited number of personnel in certain offices,
- failure to update the fixed assets ledger, and
- inadequate controls related to the supervision of projects.

This year's follow up of the review of the Office of the General Secretariat in Jamaica, conducted under the Board's auspices, reported that the monitoring of projects and the attendance and performance of students on fellowships, were not considered adequate. The financial transactions undertaken during the period were also not subjected to satisfactory internal controls. The vacant post of the Director was filled in October 1991 and it is expected that the controls intended by the segregation of duties will improve in 1992.

CHAPTER 3

COMMENTS RELATING TO THE INSPECTOR GENERAL

The Inspector General issued six reports on the Offices of the General Secretariat Away from Headquarters and three other reports in 1991. Additionally, during 1991, an independent contractor performed three audits of Offices Away from Headquarters.

Audit reports issued in 1991:

Audits of Offices Away from Headquarters

- Bolivia
- Dominican Republic
- Ecuador (contract)
- Grenada (follow-up)
- México (contract)
- Perú
- Trinidad & Tobago
- Venezuela (contract)
- Colombia (follow-up)

Other Audits

- International Commission of Support and Verification
CIAV/OAS Nicaragua
- Inter American Commission of Women
- Closing of the Interamerican Institute of Capital
Markets in Caracas, Venezuela

The Board believes that the Inspector General's Office has done a very good job given the present levels of funding and staffing. However, the Board continues to express its concern that the Office's resource level prevents it from providing adequate coverage of the Organization's activities, particularly its headquarters activities where the majority of OAS expenditures occur. In our meetings with the Inspector General, we pointed out that the Office was devoting almost all of its efforts to reviews of Offices Away from Headquarters which expend only about 5 percent of OAS resources and oversee another 20 percent. To his credit, the Inspector General did begin some headquarters work during 1991, but it is obvious that his effectiveness is severely limited by the lack of sufficient resources. The Inspector General presently has three permanent positions-the Inspector General, one auditor,

and one secretary plus about \$15,000 for contract work.

It is the Board's opinion that the Organization is not benefitting from a fully staffed internal audit function, consequently decreasing its ability to detect fraud, prevent waste, and ensure that expenditures are made in accordance with approved budget and management instructions. Accordingly, we urge the Secretariat to review the staffing and funding of the Audit Office in order to ensure its ability to maintain a proper control environment in the Organization.

CHAPTER 4

COMMENTS RELATING TO THE INTER-AMERICAN DEFENSE BOARD

Financial Position of the Inter-American Defense Board

As discussed in Ernst & Young's opinion, the Board relies upon OAS for funding a significant portion of its day-to-day operating activities. The Board received from OAS about \$2.5 million in general purpose funding in both 1990 and 1991. However, the appropriated funding levels for 1992 and 1993 have been reduced five percent each year. As an aid to planning for both the Board and the General Secretariat, we believe that the Board's continued access to Organization financing and clarification of the issues surrounding such financing should be openly discussed and formal agreements executed as appropriate.

Fixed assets

In 1990 we recommended that the Board review and update its subsidiary fixed asset ledger. We are pleased to report that, during 1991, a complete physical inventory of those assets located at the Board, as well as the related Inter-American Defense College, was conducted and the subsidiary records appropriately updated. We commend the Board's efforts.

CHAPTER 5

COMMENTS RELATING TO THE LEO S. ROWE PAN AMERICAN FUND

Student Loans

During Ernst & Young's review of student loans granted during 1991 and 1992, they noted instances where the loan recipient did not meet one of several eligibility requirements as established by the rules of the fund. Specifically, one of the stipulations set by the Committee of the Leo S. Rowe Pan American Fund (the Committee) requires that a student must be in his or her final two years of university study in order to properly qualify for a loan. However, they identified two students who were awarded loans earlier in their educational careers. While it has been represented that the Committee was aware of the unique situation involved with each of these loans, there exists no formal documentation in the loan files to support the Committee's knowledge and approval of these exceptions. Accordingly, we recommend that in those instances where the Committee wishes to authorize a loan distribution on an exception basis, the Committee's decision be properly documented in the loan file and the Committee minutes.

CHAPTER 6

COMMENTS RELATING TO THE RETIREMENT AND PENSION FUND

Staffing

As a result of the extended illness of its accountant, the Retirement and Pension Fund was unable to maintain its records on a timely basis. While attempts have been made to reallocate the workload among remaining employees, the audit of the 1991 accounts of the Retirement and Pension Fund was complicated by insufficient attention to the accounting records. We are aware of the Retirement and Pension Committee's recent decision to allocate the resources necessary to hire a staff accountant; however, we cannot overemphasize the importance of maintaining and updating the accounting records of the Fund on a timely basis.

APPENDIX A

Independent Auditors' Report on Compliance

Board of External Auditors
Organization of American States

We have audited the financial statements of the funds of the Organization of American States (the Organization) as of and for the biennium ended December 31, 1991, listed in the accompanying table of contents, and have issued our reports (the Audit Reports) thereon dated May 1, 1992.

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.

During the performance of our audit, it came to our attention that certain obligations were recorded by the Organization at December 31, 1991 in the Regular and CIECC Funds. In our opinion, these obligations represent a significant departure from the criteria set forth in the Budgetary and Financial Rules of the Organization in that they are not supported by firm commitments as prescribed by such rules.

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, use of allotments, and termination benefits. Our comments on these matters have been reported to the Board of External Auditors in separate correspondence dated May 1, 1992.

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



May 1, 1992

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

RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

In addition, the Board of External Auditors, which consists of three members elected by the General Assembly, is authorized to audit all accounts, funds, and operations of the Organization. The Board of External Auditors has engaged the services of the independent accounting firm of Ernst & Young to audit the financial statements. Their opinion on the financial statements is based on auditing procedures which include a review of 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, 1991 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 and in FEMCIECC, CEC and CMP (the CIECC) Funds, which in our opinion, depart from criteria set forth in the Budgetary and Financial Rules of the Organization in that they do 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 do 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, the December 31, 1991 financial statements reflect misstatements causing 1991 obligations on a combined basis to be overstated by approximately \$16 million and charges to the CIECC Funds for administrative and technical support and corresponding Regular Fund income to be overstated by approximately \$1.4 million.

In our opinion, except for the effects of recording 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, 1991, 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 on the accompanying table of contents for the funds of the Organization of American States referred to in the first paragraph of this report taken as a whole. The accompanying supplementary information in Schedules 1 through 16 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 carried forward, in the Special Multilateral Funds in accordance with the authorization of the General Assembly, on the financial statements of the above funds of the Organization of the American States for the biennium ended December 31, 1989, summarized comparative information from which is presented herein.



May 1, 1992

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, 1991				December 31, 1989	
	Regular	SDAF	FEMCIECC	CEC	CMP	Combined
ASSETS						
Cash and equity in OAS Treasury Fund (Note 6)	\$ 20,257	\$ 11,540	\$ 8,745	\$ 608	\$ 3,196	\$ 23,122
Due from affiliated OAS funds (Note 16)		3,469	3,599	306	3,501	245 (a)
Advances to employees	45	9	14		1	78
Other assets	108	5	2	7	1	78
Amounts to be charged to future years' appropriations (Note 4)	3,408		10			178
Equity in land, buildings and equipment (Notes 5 and 11)	27,073					26,253
	<u>\$ 50,891</u>	<u>\$ 15,023</u>	<u>\$ 12,370</u>	<u>\$ 921</u>	<u>\$ 6,699</u>	<u>\$ 49,954</u>
LIABILITIES AND FUND BALANCES						
Unliquidated obligations (Note 7)	\$ 14,028	\$ 1,645	\$ 9,083	\$ 615	\$ 2,814	\$ 15,712
Quotas/Pledges collected in advance	572	73	14	12	32	942
Accounts payable and other liabilities	7,100	622	56		12	4,893
Due to affiliated OAS funds (Note 16)	10,875					(a)
Long-term debt (Note 11)	14,014					30,339
Deferred interest income (Note 16)		345	789	72	1,670	(b)
Fund balances (deficits)						
General/Operating Subfund	(10,358)	9,338	2,428	222	2,171	(16,709)(b)
Working Capital/Reserve Subfund	14,660	3,000				2,462
Investment in land, buildings and equipment						12,315
	<u>\$ 50,891</u>	<u>\$ 15,023</u>	<u>\$ 12,370</u>	<u>\$ 921</u>	<u>\$ 6,699</u>	<u>\$ 49,954</u>

(a) The combined amount excludes \$10,875,000 of interfund loans and receivables in 1990-91 and \$10,931,000 in 1988-89

(b) The combined amount excludes deferred interfund interest income of \$2,876,000 in 1990-91 and 1988-89

See accompanying notes

ORGANIZATION OF AMERICAN STATES

GENERAL, OPERATING, WORKING CAPITAL, AND RESERVE SUBFUNDS
COMBINING STATEMENT OF CHANGES IN FUND BALANCES

(in thousands)

	Biennium ended December 31, 1991					Blennium ended December 31, 1989 Combined
	Regular	SDAF	FEMCIECC	CEC	CMP	
Increases						
Quota/Pledge collections (Note 4)	\$ 129,917	\$ 14,271	\$ 13,316	\$ 1,031	\$ 3,135	\$ 126,181
Contribution for administrative and technical support (Note 4)	4,441					73 (a)
OAS Treasury Fund income (Note 6)	2,183	1,254	1,111	104	374	5,116
Other income, refunds, and deobligations	5,370	73	1,109	68	670	6,397
	<u>\$ 141,911</u>	<u>\$ 15,598</u>	<u>\$ 15,536</u>	<u>\$ 1,203</u>	<u>\$ 4,179</u>	<u>\$ 137,767</u>
Decreases						
Expenditures and obligations pursuant to appropriations:						
General Assembly and Permanent Council	\$ 16,634					\$ 13,274
Executive Office of the General Secretariat	11,774					10,589
Activities of the Secretariat for Economic and Social Affairs	13,576	\$ 11,370				21,936 (a)
Activities of the Secretariat for Educational, Scientific and Cultural Affairs	22,518					39,848 (a)
Activities of the Offices Away from Headquarters	11,301		\$ 16,626	\$ 1,188	\$ 4,554	10,831
Activities of the Secretariat for Legal Affairs	2,594					3,128
Activities of the Secretariat for Management	14,640					14,185
Common administrative and personnel costs	18,773					30,889
Contributions to other agencies	8,537					7,295
Transfer to Priority Assistance to Haiti	418					418
Special contribution to Regular Fund and fellowships						375 (b)
	<u>120,765</u>	<u>11,370</u>	<u>16,626</u>	<u>1,188</u>	<u>4,554</u>	<u>152,350</u>
Net increase (decrease) during period	21,146	4,228	(1,090)	15	(375)	(14,583)
Fund balances (deficits) at beginning of period	(31,504)	8,110	3,518	207	2,546	336 (c)
Fund balances (deficits) at end of period	<u>\$ (10,358)</u>	<u>\$ 12,338</u>	<u>\$ 2,428</u>	<u>\$ 222</u>	<u>\$ 2,171</u>	<u>\$ (14,247) (c)</u>

(a) The combined amount excludes \$4,401,000 in 1990-91 and \$3,960,000 in 1988-89 of interfund contributions to the Regular Fund

Such contributions are eliminated as expenditures in the respective funds

(b) The combined amount excludes \$4,289,000 in 1988-89 of special contributions of the Voluntary Funds to the Regular Fund

(c) The combined amounts of the fund balances at the end of 1990-91 and 1988-89 exclude \$2,876,000 of accumulated deferred interfund interest

See accompanying notes

ORGANIZATION OF AMERICAN STATES

EXHIBIT 3

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

	December 31, 1991				December 31, 1989	Combined
	REGULAR	SDAF	FEMCIECC	CEC		
<u>ASSETS</u>						
Cash and equity in OAS Treasury Fund (Note 6)	\$ 6,693	\$ 4,637	\$ 2,041	\$ 265	\$ 708	\$ 11,882
Advances to employees and other receivables	264	22	8			195
	<u>\$ 6,957</u>	<u>\$ 4,659</u>	<u>\$ 2,049</u>	<u>\$ 265</u>	<u>\$ 708</u>	<u>\$ 12,077</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Unliquidated obligations	\$ 1,698	\$ 1,080	\$ 663	\$ 30	\$ 64	\$ 3,647
Accounts payable and other liabilities	486	288	2	12	2	997
Fund balances	4,773	3,291	1,384	223	642	7,433
	<u>\$ 6,957</u>	<u>\$ 4,659</u>	<u>\$ 2,049</u>	<u>\$ 265</u>	<u>\$ 708</u>	<u>\$ 12,077</u>

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

	Biennium ended December 31, 1991				Biennium ended December 31, 1989	Combined
	REGULAR	SDAF	FEMCIECC	CEC		
<u>Increases</u>						
Contributions (Notes 4 and 9)	\$ 51,895	\$ 8,325	\$ 2,002	\$ 267	\$ 435	\$ 25,623
Other income, return to donors, and transfers	1,357	420	302	(154)	(151)	(3,433)
	<u>53,252</u>	<u>8,745</u>	<u>2,304</u>	<u>113</u>	<u>284</u>	<u>22,190</u>
<u>Decreases</u>						
Obligations and expenditures	50,567	8,223	2,723	80	225	19,913
Net increase (decrease) during period	<u>2,685</u>	<u>522</u>	<u>(419)</u>	<u>33</u>	<u>59</u>	<u>2,277</u>
Fund balances at beginning of period	2,088	2,769	1,803	190	583	5,156
Fund balances at end of period	<u>\$ 4,773</u>	<u>\$ 3,291</u>	<u>\$ 1,384</u>	<u>\$ 223</u>	<u>\$ 642</u>	<u>\$ 7,433</u>

See accompanying notes

ORGANIZATION OF AMERICAN STATES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1991 AND 1989

ORGANIZATION OF AMERICAN STATES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1991 AND 1989

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.

General and Operating Subfunds

Quota and voluntary pledge contributions and the corresponding expenditures incurred in carrying out budgetary activities of the funds are

included in the accompanying financial statements, where applicable, as general or operating subfunds activity.

A. Regular Fund

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

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

B. Special Development Assistance Fund

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

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

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

D. Special Account for Culture

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

E. Mar del Plata Account

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

The assets and liabilities at December 31, 1991 and 1989, 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 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.
- B. SDAF - Reserve Subfund is a contingency reserve to provide for the continuous functioning of the regular activities of the Operating Subfund. In accordance with the statutes of the SDAF, interest earned and miscellaneous income are added to the Reserve Subfund.

As of December 31, 1991, \$716,490 was transferred from the Reserve Subfund to the Operating Subfund, in order to adjust the Reserve Subfund to the maximum level of 25 percent of the annual Program Budget. Of the \$9,338,395 Operating Subfund balance, \$7,919,245 is appropriated for use in the 1992/93 biennium and \$1,419,150 is available for future appropriations.

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

As of December 31, 1991, the following amounts were transferred from the Reserve Subfunds to the Operating Subfunds to cover the

unobligated appropriations of their respective Subfunds: \$1,110,764 for FEMCIECC, \$103,723 for CEC, and \$374,095 for CMP.

The Operating Subfund balance is not available for appropriation since unobligated appropriations as of December 31, 1991 totalling \$3,338,809 in FEMCIECC, \$315,722 in CEC and \$2,538,848 in CMP exceed the Operating Subfund balance of the respective fund.

Specific Funds (Exhibit 3)

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

3. Biennium Financial Reporting

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

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

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

4. Accounting Principles

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

- A. The General Secretariat deems it impractical to evaluate the collectibility of assessed but uncollected quotas and voluntary pledges outstanding; therefore, quotas and pledges are included in the financial statements of the various funds only to the extent collected. Contributions from member states and from other interested parties for specific purposes are similarly recorded at the time of collection.
- B. As described in Note 7, unliquidated obligations in certain funds include amounts related to commitments resulting from offers made by the funds to member states or other institutions to disburse monies for the procurement of goods or services in future periods. Such amounts do not represent liabilities or unrelated third party commitments at the end of the respective periods. They represent amounts anticipated to be expended in the subsequent year or biennium in the completion of a particular program or activity.
- C. The OAS provides certain benefits to its employees which accrue to them during periods of employment and are payable at various times during employment or upon separation, whether voluntary or involuntary. Costs for such employee benefits are recorded upon payment rather than as such benefits accrue. Such expenditures during 1990/91 amounted to \$458,000 for home travel, \$220,000 for repatriation of family and household goods upon separation, \$1,731,000 for separation indemnity and termination pay and \$1,687,000 for medical benefits subsequent to separation. Unrecorded earned annual and special leave approximated \$7,420,000 and \$7,779,000 at December 31, 1991 and 1989, 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 purchase 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 (\$568,000 in 1990/91 and \$959,000 in 1988/89) to provide for current mortgage payments. (See Note 11).

A sinking fund aggregating \$383,000 at December 31, 1989 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 general fixed assets at December 31, was as follows:

<u>Depreciation Basis</u>		<u>December 31</u>	
		<u>1991</u>	<u>1989</u>
Land (Note 11)	- not depreciated	\$ 5,491,305	\$ 5,491,305
Buildings (Note 11)	- 50 years	24,374,561	24,374,561
Vehicles	- 5 years	1,092,373	647,738
Furniture and equipment	- 10 years	7,815,900	8,173,597
Technical machinery and equipment	- 10 years	2,534,476	314,890
Works of art	- not depreciated	<u>858,342</u>	<u>396,012</u>
		42,166,957	39,398,103
Less: accumulated depreciation		<u>(15,093,575)</u>	<u>(13,144,701)</u>
Book value as of December 31		<u>\$27,073,382</u>	<u>\$26,253,402</u>

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

Effective in 1988 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:

	December 31	
	1991	1989
Demand and time deposits, net of \$1,168,000 and \$4,017,000 drafts not presented for payment at December 31, 1991 and 1989, respectively	\$58,623,000	\$34,471,000
Accrued interest receivable	<u>341,000</u>	<u>434,000</u>
	<u>\$58,964,000</u>	<u>\$34,905,000</u>

7. Unliquidated Obligations

At its Twenty-First Regular Session in June 1991, the General Assembly adopted AG/RES.1137 (XXI-O/91) which authorized the carryover of unobligated appropriations in the Special Multilateral Funds from the 1989 and 1991 biennia into the 1993 biennium. In the CIECC area, 90% of the unobligated appropriations were authorized for use in 1992-1993 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 are not in compliance with criteria set forth in the General Standards.

The effect of recording the obligations described in the preceding paragraph is that at December 31, 1991: a) obligations (and unliquidated obligations) of the Regular and CIECC Funds are overstated by \$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) is overstated by \$1,350,000.

8. Accountable Advances

In the performance of various activities, the administrators of the various funds may deem it necessary or appropriate to advance funds for the conduct of a program or a specific event prior to the actual occurrence of the expenses. In the opinion of the administrators of the funds such action is necessary to assure the timely performance of such activities. Recipients of advances are required to submit an accounting or suitable supporting documentation for the resulting expenditures in a form deemed adequate by the administrators of the funds and by the Office of the Treasurer. Advances of this nature are recorded as expenditures in the period in which funds are advanced. Advances for which a subsequent accounting was required at December 31, 1991 and 1989, were as follows:

	December 31	
	1991	1989
Regular Fund	\$ 62,000	\$ 31,000
Special Development Assistance Fund	62,000	111,000
Special Multilateral Fund of the Inter-American Council for Education, Science & Culture	291,000	214,000
Special Account for Culture	17,000	14,000
Mar del Plata Account	<u>141,000</u>	<u>152,000</u>
	<u>\$573,000</u>	<u>\$522,000</u>

9. Contributions to Specific Funds

Contributions to Specific Funds during the biennium ended December 31, 1991 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	\$ 260,335	\$ 627,327	\$ 272,619		\$ 180,667	\$ 1,340,948
Brazil	110,701	1,517,348				1,628,049
Canada	237,730	650,869	145,776			1,034,375
Chile	341,865	290,280	33,529	130,500		796,174
Colombia	1,082	400,000	81,048	7,800		489,930
Costa Rica	35,348					35,348
Dom. Rep.	2,598					2,598
Ecuador	66,748	19,220				85,968
El Salvador	6,270	100,000				106,270
Guatemala	9,375	82,261				91,636
Honduras		172,519				172,519
Jamaica	5,000					5,000
Mexico			338,558	81,828	254,766	675,152
Paraguay	180,442	169,408				349,850
St. Lucia	1,860					1,860
United States	47,396,749	1,359,800				48,756,549
Uruguay	7,500	311,557		1,700		320,757
Venezuela	123,504	12,192	111,003			246,699
<u>Non Members:</u>						
Germany	20,000		805,581			825,581
European Econ. Community	536,194	21,030				557,224
France	122,108					122,108
Republic of Cyprus	2,000					2,000
Finland		492,354				492,354
Italy	19,890					19,890
Japan	229,934	8,924				238,858
Netherlands	169,934					169,934
Spain	228,084					228,084
Others	1,780,192	2,090,152	213,793	45,625		4,129,762
	<u>\$51,895,443</u>	<u>\$8,325,241</u>	<u>\$2,001,907</u>	<u>\$267,453</u>	<u>\$435,433</u>	<u>\$62,925,477</u>

10. Tax Reimbursements

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

11. Long-term Debt

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

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

Principal amount at	
December 31, 1989:	\$13,338,570
Repayment terms:	25 years, due in monthly installments through September 2004.
Annual interest rate:	9.375%
Interest expense during	
1990/91:	\$2,420,568
Amortization of principal during 1990/91:	\$925,012
Principal balance,	
December 31, 1991:	\$12,413,558

Principal payments due for the next five years are as follows:
1992, \$531,470; 1993, \$583,493; 1994, \$640,609; 1995, \$703,315
1996, \$772,159.

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, 1989: \$16,400,000

Repayment terms: * Repayment commenced February 10, 1990. All quota receipts which serve to reduce quota arrearages with minimum repayment of \$3,200,000 per annum payable in quarterly installments.

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

Interest expense during
1990/91: \$1,988,735

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

Amortization of Principal
during 1990/91: \$14,800,000

Principal Balance at
December 31, 1991: \$1,600,000

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

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

12. Leases

The General Secretariat leases certain facilities and equipment. Rental expense for such leases was approximately \$984,000 and \$1,333,000 for the biennium ended December 31, 1991 and 1989, respectively. Aggregate rentals subsequent to December 31, 1991 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 \$10,132,000 in 1990/91 and \$11,881,000 in 1988/89.

As of December 31, 1991 accumulated plan benefits and plan net assets were as follows:

Actuarial present value of accumulated plan benefits:

Vested	\$148,710,000
Nonvested	<u>2,932,000</u>
Total at December 31, 1991	<u>\$151,642,000</u>
Net plan assets available for benefits	<u>\$225,793,000</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, \$495,000 in 1990/91 and \$530,000 in 1988/89, is budgeted and recognized in the year paid. The present value of estimated future payments of \$2.1 million at December 31, 1989 is not reflected in the financial statements. The accounting practice of recording the present value of estimated future payment began in 1990. Accordingly the approximate present value of estimated future payments of \$3.5 million, at December 31, 1991 is reflected in the statement of Assets, Liabilities and Fund Balance of the Regular Fund.

14. Post Employment Health Care and Life Insurance Benefits

In addition to providing pension benefits as described in Note 13 above, the General Secretariat provides health care and life insurance benefits for retirees and their dependents. The cost of health care is partially borne by the retirees. The cost to the General Secretariat for its portion of the health care as well as the life insurance is recognized when paid. For 1990/91 and 1988/89 those costs were \$1,959,000 and \$1,083,000, respectively.

15. Foreign Currencies

Certain income and expense transactions during the years ended December 31, 1991 and 1989 were in currencies other than United States dollars. These transactions have been translated into United States dollar equivalents at rates of exchange in effect at the time of the transactions. Foreign currency assets included in the accompanying balance sheets, consisting principally of cash and time deposits (\$621,000 and \$167,106 as of December 31, 1991 and 1989, 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, 1991 and 1989, the Regular Fund owed the Special Multilateral Funds a principal amount totalling \$8,000,000 and \$8,242,800 respectively. There are no repayment terms specified for this balance. In addition, accrued interest payable of \$2,875,809 on 1980 to 1983 borrowings was outstanding at December 31, 1991 and 1989. This amount was payable in 1985 but because of insufficient resources, the interest has not been paid. The Special Multilateral Funds have accrued the corresponding interest receivable. Interest income on the loans by the Special Multilateral Funds has been deferred, and will be recognized at such time as the Funds receive the corresponding payment from the Regular Fund.

17. Contingencies

There are several pending and threatened actions before the Administrative Tribunal in which it is alleged that the Secretary General has taken administrative actions which have adversely affected the interests of the complaining staff members. In addition, there are several cases pending in the labor courts in Brazil by individuals who allege that they were employees of the General Secretariat and therefore entitled to certain benefits. In the opinion of management these actions will not result in any material adverse effect on the financial condition of the General Secretariat.

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ORGANIZATION OF AMERICAN STATES

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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, 1991

Member State	Balances at December 31, 1990		Quota assessments for 1991		Collections for tax reimbursements	Collections		Uncollected balances at December 31, 1991
	Uncollected	Received in advance	Percent	Amount		For 1991 and prior years	In advance for 1992	
Antigua and Barbuda	\$ 6,050		0.02	\$ 12,200		\$ 9,075		\$ 9,175
Argentina	7,508,778		5.09	3,097,000		3,686,025		6,920,753
Bahamas			0.07	42,600		42,600		—
Barbados	7,066		0.08	48,700	\$ 13,700	39,532		16,234
Belize			0.03	18,300		18,300		—
Bolivia	669,982		0.07	42,600		149,300		563,282
Brazil	5,683,600		8.88	5,403,000		5,683,600		5,403,000
Canada			9.04	5,500,400		5,500,400		—
Chile	400,000		0.56	340,700		740,700		—
Colombia		\$ 61,986	0.98	596,300		596,300	\$ 60,167	—
Costa Rica	26,370		0.13	79,100		75,740		29,730
Cuba	2,166,322		1.29					2,166,322
Dominica		12,200	0.02	12,200		12,200	12,300	—
Dominican Republic	1,123,737		0.18	109,500				1,233,237
Ecuador	48,964		0.18	109,500		149,137		9,327
El Salvador	109,300		0.07	42,600		109,300		42,600
Grenada	50,600		0.03	18,300		4,000		64,900
Guatemala	296,867		0.13	79,100		101,141		274,826
Guyana			0.02	12,200				12,200
Haiti	241,225		0.07	42,600				283,825
Honduras	124,897		0.07	42,600		124,897		42,600
Jamaica			0.18	109,500		10,000		99,500
Mexico			6.31	3,839,300	2,400	3,839,300		—
Nicaragua	1,146,704		0.07	42,600		192,708		996,596
Panama	336,958		0.13	79,100		79,100		336,958
Paraguay			0.18	109,500		109,500		—
Peru	1,015,491		0.43	261,600		242,559		1,034,532
St. Kitts and Nevis			0.01	6,100		6,100		—
Saint Lucia			0.03	18,300		18,300		—
St. Vincent and the Grenadines			0.02	12,200		12,200		—
Suriname	328,874		0.07	42,600				371,474
Trinidad and Tobago	33,429		0.18	109,500		142,929		—
United States	44,577,090		61.79	37,626,400	4,100,000 (*)	44,977,400		37,226,090
Uruguay			0.27	164,300		164,300		—
Venezuela	422,098		3.32	2,020,100	10,100	2,442,198		—
	\$ 66,325,402	\$ 74,186	100.00	\$ 60,090,600	\$ 4,126,200	\$ 69,278,841	\$ 72,467	\$ 57,137,161
Collections for the year ended December 31, 1990								
						60,538,282		
Total collections for the biennium ended December 31, 1991						\$ 129,917,123		

(*) Excludes \$500,000 collected for 1992.

ORGANIZATION OF AMERICAN STATES

SPECIAL DEVELOPMENT ASSISTANCE FUND
STATEMENT OF PLEDGES, COLLECTIONS AND BALANCES
BIENNIUM ENDED DECEMBER 31, 1991

Member State	Balances at December 31, 1990		Pledges for 1991	Collections		Uncollected balances at December 31, 1991
	Uncollected	Received in advance		For 1991 and prior years	In advance for 1992	
Antigua and Barbuda	\$ 2,550		\$ 4,900	\$ 3,975		\$ 3,475
Argentina						—
Bahamas	4,600		9,900	9,900		—
Barbados			13,800	13,800		4,600
Belize						—
Bolivia	22,189		35,500	35,525		22,164
Brazil	974,349			967,121		7,228
Canada	687,614		693,066	1,380,680		—
Chile			50,000	50,000		—
Colombia		\$ 14,189	168,400	168,400	\$ 10,021	—
Costa Rica		3,239	33,000	22,292		10,708
Cuba	24,000					24,000
Dominica		400	4,900	4,900	6,596	—
Dominican Republic	10,000	948	21,700	6,590		25,110
Ecuador	1,207		31,500	32,707		—
El Salvador			35,500	18,650		16,850
Grenada	5,000		7,900	8,000		4,900
Guatemala	32,820		33,000	41,070		24,750
Guyana						—
Haiti			38,400	6,409		31,991
Honduras	12,430		30,500	42,930		—
Jamaica			35,500	24,964		10,536
Mexico			904,200	904,200		—
Nicaragua	49,324		26,600	26,600		49,324
Panama		1,863	35,500	35,500	4,184	—
Paraguay			38,400	38,400		—
Peru	277,189		70,900	16,330		331,759
St. Kitts and Nevis			1,100	1,100		—
Saint Lucia			6,900	6,900		—
St. Vincent and the Grenadines			5,000	5,000	200	—
Suriname		300				—
Trinidad and Tobago	5,403		24,600	24,600	2,151	—
United States	3,358,020 (*)		3,930,000	3,930,000		3,358,020 (*)
Uruguay			116,200	116,200		—
Venezuela	8,068		350,000	358,068	50,000	—
	<u>\$ 5,474,763</u>	<u>\$ 20,939</u>	<u>\$ 6,776,414</u>	<u>8,325,762</u>	<u>\$ 73,152</u>	<u>\$ 3,925,415</u>
Collections for the year ended December 31, 1990						
Total collections for the biennium ended December 31, 1991						
				5,945,563		
				<u>\$ 14,271,325</u>		

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

ORGANIZATION OF AMERICAN STATES

SPECIAL MULTILATERAL FUND OF THE INTER-AMERICAN COUNCIL FOR EDUCATION, SCIENCE AND CULTURE
STATEMENT OF PLEDGES, COLLECTIONS AND BALANCES
BIENNIUM ENDED DECEMBER 31, 1991

Member State	Uncollected balances at December 31, 1990	Collections			Uncollected balances at December 31, 1991
		Pledges for 1991	For 1991 and prior years	In advance for 1992	
Antigua and Barbuda	\$ 1,100	\$ 2,000	\$ 1,650		\$ 1,450
Argentina	2,188,731		57,670		2,131,061
Bahamas		7,100	7,100		-
Barbados	1,666	8,200	7,650		2,016
Belize					-
Bolivia	6,328	7,100	13,428	\$ 10,576	-
Brazil	956,486	672,200	736,735		891,951
Canada	320,887	323,430	644,317		-
Chile		58,100	58,100		-
Colombia	712	95,200	88,616		7,296
Costa Rica	4,269	13,200	7,464		10,005
Dominica		2,000	2,000	2,000	-
Dominican Republic	81,584	18,300			99,884
Ecuador	156	17,700	13,153		4,703
El Salvador		7,100	7,100	1,750	-
Grenada		3,100			3,100
Guatemala	35,400	13,200	15,494		33,106
Guyana					-
Haiti		7,100			7,100
Honduras	31,328	7,100	34,139		4,289
Jamaica	1,000	18,300	11,100		8,200
Mexico		478,000	478,000		-
Nicaragua		7,100	7,100		-
Panama	41,787	13,200	41,787		13,200
Paraguay		17,700			17,700
Peru	197,246	44,800			242,046
St. Kitts and Nevis		1,100	1,100		-
Saint Lucia		3,100	3,100		-
St. Vincent and the Grenadines		2,000	2,000		-
Suriname		7,100	7,100		-
Trinidad and Tobago		18,300	18,300		-
United States	3,500,000 (*)	4,680,000	4,680,000		3,500,000 (*)
Uruguay		27,500	27,500		-
Venezuela	132,000	229,500	229,500		132,000
	\$ 7,500,680	\$ 6,809,830	7,201,403	\$ 14,326	\$ 7,109,107
Collections for the year ended December 31, 1990			6,114,957		
Total collections for the biennium ended December 31, 1991			\$ 13,316,360		

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

ORGANIZATION OF AMERICAN STATES

SPECIAL ACCOUNT FOR CULTURE
STATEMENT OF PLEDGES, COLLECTIONS AND BALANCES
BIENNIUM ENDED DECEMBER 31, 1991

Member State	Balances at December 31, 1990		Pledges for 1991	Collections		Uncollected balances at December 31, 1991
	Uncollected	Received in advance		For 1991 and prior years	In advance for 1992	
Antigua and Barbuda	\$ 450		\$ 300	\$ 675		\$ 75
Argentina	254,204			10,204		244,000
Bahamas			1,100	1,100		-
Barbados	300		1,200	1,500	\$ 100	-
Belize						-
Bolivia			1,100	1,100	2,100	-
Brazil			80,600			80,600
Canada	32,089		32,343	64,432		-
Chile			8,900	8,200		700
Colombia		\$ 4,831	16,600	16,600	5,074	-
Costa Rica		325	2,100	1,200		900
Dominica			300	300	300	-
Dominican Republic			3,100	3,100		-
Ecuador		3,129	3,100	3,100	2,219	-
El Salvador			1,100	1,100	450	-
Grenada			500			500
Guatemala	7,459		2,100			9,559
Guyana						-
Haiti			1,100			1,100
Honduras			1,100			1,100
Jamaica			2,800	2,800		-
Mexico			57,300	57,300		-
Nicaragua			1,100	1,100		-
Panama	2,325		2,100	4,425	1,000	-
Paraguay			3,100			3,100
Peru	17,400		6,900			24,300
St. Kitts and Nevis			400	400		-
Saint Lucia			500	500		-
St. Vincent and the Grenadines			200	200	200	-
Suriname			1,100	1,100		-
Trinidad and Tobago			2,400	2,400		-
United States			200,000	200,000		-
Uruguay			4,200	4,200		-
Venezuela	19,050		26,300	26,300		19,050
	\$ 333,277	\$ 8,285	\$ 465,043	413,336	\$ 11,443	\$ 384,984
Collections for the year ended December 31, 1990				617,503		
Total collections for the biennium ended December 31, 1991				\$ 1,030,839		

ORGANIZATION OF AMERICAN STATES

MAR DEL PLATA ACCOUNT
STATEMENT OF PLEDGES, COLLECTIONS AND BALANCES
BIENNIUM ENDED DECEMBER 31, 1991

Member State	Balances at December 31, 1990		Collections			Uncollected balances at December 31, 1991
	Uncollected	Received in advance	Pledges for 1991	For 1991 and prior years	In advance for 1992	
Antigua and Barbuda	\$ 450		\$ 600	\$ 675		\$ 375
Argentina	417,833			8,333		409,500
Bahamas			2,300	2,300		—
Barbados	466		2,600	2,200		866
Belize						—
Bolivia			2,300	2,300	\$ 3,400	—
Brazil	182,750		143,700	209,838		116,612
Canada	105,434		106,270	211,704		—
Chile			18,500	17,700		800
Colombia		\$ 22,318	30,300	30,300	22,897	—
Costa Rica	656		4,200	2,407		2,449
Dominica			600	600	600	—
Dominican Republic						
Ecuador	28,117	3,169	5,800	5,600	1,551	33,917
El Salvador			5,600	2,300	500	—
Grenada			1,000			1,000
Guatemala	11,200		4,200	5,600		9,800
Guyana						—
Haiti			2,300			2,300
Honduras	8,231		2,300	10,531	3,300	—
Jamaica			5,800	5,800		—
Mexico			102,100	102,100		—
Nicaragua			2,300	2,300		—
Panama	14,125		4,200	11,488		6,837
Paraguay			5,600			5,600
Peru	66,215		14,300	16,415		64,100
St. Kitts and Nevis			400	400		—
Saint Lucia			1,000	1,000		—
St. Vincent and the Grenadines			600	600		—
Suriname			2,300	2,300		—
Trinidad and Tobago	1,852		5,476	7,328		—
United States	1,850,000 (*)		1,000,000	1,000,000		1,850,000 (*)
Uruguay			8,700	8,700		—
Venezuela	28,200		56,400	56,400		28,200
	\$ 2,715,529	\$ 25,487	\$ 1,544,046	1,727,219	\$ 32,248	\$ 2,532,356
Collections for the year ended December 31, 1990						
Total collections for the biennium ended December 31, 1991						
1,407,376						
\$ 3,134,595						

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

STATEMENTS OF SUMMARY OF APPROPRIATIONS

ORGANIZATION OF AMERICAN STATES
REGULAR FUND
SUMMARY OF APPROPRIATIONS
BIENNIUM ENDED DECEMBER 31, 1991

	1990-91 Budget approved by the General Assembly a)	Adjustments approved by the Permanent Council b)	Discretionary transfers by the Secretary General	1990-91 Adjusted Budget	Supplementary Appropriation	Final 1990-91 Appropriations
General Assembly and Permanent Council	\$ 17,127,300	\$ 483,600	\$ 477,600	\$ 18,088,500	\$	\$ 18,088,500
Executive Office of the General Secretariat	9,874,900	1,476,700	107,300	11,458,900	\$ 640,218	12,099,118
Activities of the Executive Secretariat for Economic and Social Affairs	13,708,200	572,300	102,700	14,383,200		14,383,200
Activities of the Executive Secretariat for Education, Scientific and Cultural Affairs	22,881,900	93,700	(109,500)	22,866,100		22,866,100
Offices Away from Headquarters	11,834,500	339,600	(489,700)	11,684,400		11,684,400
Activities of the Secretariat for Legal Affairs	3,027,000	(66,100)	(121,900)	2,839,000		2,839,000
Activities of the Secretariat for Management	15,296,000	(118,400)	(1,800)	15,175,800		15,175,800
Common Administrative Costs	18,029,600			18,029,600		18,029,600
Contributions to:						
Inter-American Defense Board	4,917,400			4,917,400		4,917,400
Inter-American Children's Institute	1,884,400	94,700		1,979,100		1,979,100
Inter-American Commission of Women	1,068,100	72,500	35,300	1,175,900		1,175,900
Pan American Development Foundation	192,100			192,100		192,100
Inter-American Library Simon Bolívar	100,000			100,000		100,000
Inter-American Music Council	178,800	4,300		183,100		183,100
TOTAL	\$ 120,120,200	\$ 2,952,900	\$ -	\$ 123,073,100	\$ 640,218	\$ 123,713,318

a) AG/RES.1012 (XIX-0/89) and AG/RES.1072 (XX-0/90)

b) CP/RES.553 (dec.29/90) and CP/RES.557 (mar.6/91)

ORGANIZATION OF AMERICAN STATES

REGULAR FUND
SUMMARY OF DISPOSITION OF APPROPRIATIONS
BIENNIUM ENDED DECEMBER 31, 1991

	<u>Final</u> <u>1990-91</u> <u>Appropriation</u>	<u>Charges</u> <u>for</u> <u>expenditures</u>	<u>Unliquidated</u> <u>obligations</u>	<u>Total</u> <u>expenditures</u> <u>and</u> <u>obligations</u>	<u>Unused</u> <u>Appropriations</u>
General Assembly and Permanent Council	\$ 18,088,500	\$ 15,760,193	\$ 874,207	\$ 16,634,400	\$ 1,454,100
Executive Office of the General Secretariat	12,099,118	11,427,266	346,496	11,773,762	325,356
Activities of the Executive Secretariat for Economic and Social Affairs	14,383,200	11,920,678	1,655,042	13,575,720	807,480
Activities of the Executive Secretariat for Education, Scientific and Cultural Affairs	22,866,100	16,129,815	6,388,208	22,518,023	348,077
Offices Away from Headquarters	11,684,400	10,993,465	307,335	11,300,800	383,600
Activities of the Secretariat for Legal Affairs	2,839,000	2,569,669	24,461	2,594,130	244,870
Activities of the Secretariat for Management	15,175,800	14,013,882	626,421	14,640,303	535,497
Common Administrative Costs	18,029,600	15,365,855	3,407,148	18,773,003	(743,403)
Contributions to:					
Inter-American Defense Board	4,917,400	4,915,494	2,171	4,917,665	(265)
Inter-American Children's Institute	1,979,100	1,965,100	28,259	1,993,359	(14,259)
Inter-American Commission of Women	1,175,900	897,743	254,624	1,152,367	23,533
Pan American Development Foundation	192,100	192,100		192,100	
Inter-American Library Simon Bolivar	100,000		100,000	100,000	
Inter-American Music Council	183,100	167,141	13,871	181,012	2,088
TOTAL	\$ 123,713,318	\$ 106,318,401	\$ 14,028,243	\$ 120,346,644	\$ 3,366,674

Budgeted funding:

Quotas	\$ 120,120,200
Other income	2,952,900
Americas subscription revenue	640,218
TOTAL	\$ 123,713,318

ORGANIZATION OF AMERICAN STATES
SPECIAL DEVELOPMENT ASSISTANCE FUND
SUMMARY OF APPROPRIATIONS
BIENNIUM ENDED DECEMBER 31, 1991

	APPROPRIATIONS			DISPOSITION OF APPROPRIATIONS				
	1990-91 Budget approved by the General Assembly a/	Adjustments approved by CEPCI/EC b/	CEPCI/EC discretionary transfers	Adjusted Budget for 1990-91	Charges for expenditures	Unliquidated obligations	Total expenditures and obligations	Unobligated and available for 1992-93 c/
National Technical Cooperation Projects	\$ 13,438,500	\$ (5,015,400)	\$ 27,300	\$ 8,450,400	\$ 3,798,376	\$ 1,204,707	\$ 5,003,083	\$ 3,447,317
Plurinational Projects	1,399,000	(501,800)		897,200	579,039	19,346	598,385	298,815
Inter-American Centers	2,046,300		26,200	2,072,500	1,773,372	28,870	1,802,242	270,258
Support Resources	247,400	(6,078)	(53,500)	187,822	1,592		1,592	186,230
Contribution for Administrative and Technical Support	2,568,800	(827,922)		1,740,878	1,110,795		1,110,795	630,083
	<u>\$ 19,700,000</u>	<u>\$ (6,351,200)</u>	<u>\$ -</u>	<u>\$ 13,348,800</u>	<u>\$ 7,263,174</u>	<u>\$ 1,252,923</u>	<u>\$ 8,516,097</u>	<u>\$ 4,832,703</u>

a/ AG/RES.1012(XIX-0/89) and AG/RES.1072(XX-0/90)

b/ CEPICIES/Res.42 (CXII-0/90), CEPICIES/Doc.1699 (CXIII/91) and CEPICIES/Res.43 (CXVII-0/91)

c/ AG/RES.1072(XX-0/90)

Charged to 1991 appropriations

Charged to prior years appropriations

Unobligated balance carried forward

Balance at Dec. 31, 1991 of unobligated appropriation carried forward at Dec.31, 1989.

\$ 1,252,923	\$ 8,516,097
391,632	2,853,908
<u>\$ 1,644,555</u>	<u>\$ 11,370,005</u>
	a/
	\$ 4,832,703
	3,086,542
	<u>\$ 7,919,245</u>
	t/

ORGANIZATION OF AMERICAN STATES
SPECIAL MULTILATERAL FUND OF THE INTER-AMERICAN COUNCIL
FOR EDUCATION, SCIENCE AND CULTURE
SUMMARY OF APPROPRIATIONS
BIENNIUM ENDED DECEMBER 31, 1991

	APPROPRIATIONS			DISPOSITION OF APPROPRIATIONS				
	1990-91 approved by the General Assembly a/	Adjustments approved by CEPCI ECC b/	CEPCI ECC discretionary transfers	Adjusted Budget for 1990-91	Charges for expenditures	Unliquidated obligations	Total expenditures and obligations	Unobligated and available for 1992-93 c/
Activities of the Executive Secretariat	\$ 592,000	\$ 12,700		\$ 604,700	\$ 394,377	\$ 190,754	\$ 585,131	\$ 19,569
Regional Educational Development Programs	7,816,000	626,500	\$ 4,000	8,446,500	2,734,416	4,285,671	7,020,087	1,426,413
Regional Scientific and Technological Development Programs	7,824,000	805,800	(4,000)	8,625,800	2,245,536	4,607,064	6,852,600	1,773,200
Contribution for Administrative and Technical Support	2,434,000	(145,700)		2,288,300	2,168,673		2,168,673	119,627
	<u>\$ 18,666,000</u>	<u>\$ 1,299,300</u>	<u>\$ -</u>	<u>\$ 19,965,300</u>	<u>\$ 7,543,002</u>	<u>\$ 9,083,489</u>	<u>\$ 16,626,491</u>	<u>\$ 3,338,809</u>

a/ AG/RES.1012 (XIX-089) and AG/RES.1072 (XX-0/90)

b/ CEPCIECC 232 (XXVII-E/90) and CIECC829/92

c/ AG/RES.1072 (XX-0/90)

ORGANIZATION OF AMERICAN STATES
SPECIAL ACCOUNT OF CULTURE
SUMMARY OF APPROPRIATIONS
BIENNIUM ENDED DECEMBER 31, 1991

	APPROPRIATIONS			DISPOSITION OF APPROPRIATIONS			
	1990-91 approved by the General Assembly a/	Adjustments approved by CEPCIECC b/	Adjusted Budget for 1990-91	Charges for expenditures	Unliquidated obligations	Total expenditures obligations	Unobligated and available for 1992-93 c/
Activities of the Executive Secretary	\$ 25,900	\$ (7,900)	\$ 18,000	\$ 9,983	\$ 8,017	\$ 18,000	
Regional Cultural Development Program - Direction	303,200	(267,300)	35,900	3,594	36	3,630	\$ 32,270
Cultural Policy	993,800	139,000	1,132,800	354,211	515,696	869,907	262,893
Cultural Heritage	167,100	10,000	177,100	49,809	91,591	141,400	35,700
Contribution for Administrative and Technical Support	223,400	(83,600)	139,800	154,941		154,941	(15,141)
	<u>\$ 1,713,400</u>	<u>\$ (209,800)</u>	<u>\$ 1,503,600</u>	<u>\$ 572,538</u>	<u>\$ 615,340</u>	<u>\$ 1,187,878</u>	<u>\$ 315,722</u>

a/ AG/RES.1012 (XIX-089) and AG/RES.1072 (XX-0/90)

b/ CEPCIECC 232 (XXVII-E/90) and CIECC 829/92

c/ AG/RES.1072 (XX-0/90)

ORGANIZATION OF AMERICAN STATES

ACCOUNT MAR DEL PLATA
SUMMARY OF 1990-1991 APPROPRIATIONS
BIENNIUM ENDED DECEMBER 31, 1991

	APPROPRIATIONS			DISPOSITION OF APPROPRIATIONS			
	1990-91 approved by the General Assembly a/	Adjustments approved by CEPCIECC b/	Adjusted Budget for 1990-91	Charges for expenditures	Unliquidated obligations	Total expenditures obligations	Unobligated Appropriations available for 1992-93
Executive Secretariat	\$ 513,600	\$ 236,800	\$ 750,400	\$ 212,624	\$ 16,060	\$ 228,684	\$ 521,716
Direction of the Education Department	550,500	(198,039)	352,461				352,461
Improvement of Educational Systems	1,565,300	334,178	1,899,478	484,375	1,120,815	1,605,190	294,288
Education Planning and Research		307,600	307,600	34,901	92,699	127,600	180,000
Director of the Science and Technology Department	363,500	291,500	655,000	36,300	1,010	37,310	617,690
Basic Sciences	2,271,300	122,088	2,393,388	320,708	1,484,137	1,804,845	588,543
Applied Sciences	15,500	141,100	156,700	57,432	99,268	156,700	
Contribution for Administrative and Technical Support	744,200	(166,000)	578,200	594,050		594,050	(15,850)
	<u>\$ 6,024,000</u>	<u>\$ 1,069,227</u>	<u>\$ 7,093,227</u>	<u>\$ 1,740,390</u>	<u>\$ 2,813,989</u>	<u>\$ 4,554,379</u>	<u>\$ 2,538,848</u>

a/ AG/RES.1012 (XIX-089) and AG/RES.1072 (XX-090)

b/ CEPCIECC 232 (XXVII-E/90) and CIECC 829/92

**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

Project	Biennium ended December 31, 1991				Cash		Unliquidated Obligations	Fund Balance (deficit)
	Cash Balance Jan. 1, 1990	Contributions	Transfers	Interest Income and Refunds	Expenditures	Net Change		
<u>Designated by Donor:</u>								
Argentina XII CIECC Meeting	\$ (66,356)					\$ (66,356)		\$ (66,356)
Bolivia I - A Conference Int'l Law	(41,870)					(41,870)		(41,870)
Bolivia IX General Assembly	(55,001)					(55,001)		(55,001)
Brazil Social Integrated Development Program	54,409	\$ 90,701			\$ 129,945	\$ (39,244)	\$ 4,858	10,307
Canada CIDA to IICA		34,463			34,463	(2,292)		
Chile I - A Commission of Nuclear Energy	2,292	\$ (2,292)						
Chile I - A Tribune		5,000			5,000			5,000
Chile XXI General Assembly		235,889			235,889			
Colombia XI Ordinary Meeting - CIECC	(25,703)					(25,703)		(25,703)
Colombia Commemorative IA Centenary		1,082			1,082			
Dominican Republic IACW - XX Assembly	(11,335)					(11,335)		(11,335)
Dominican Republic I - A Discovery America Meeting	103					103		103
Ecuador OAS Building	31,749					31,749		31,749
El Salvador XVIII General Assembly	21,579				12,292	(12,292)		9,287
Grenada VII General Assembly	(14,341)					(14,341)		(14,341)
Guatemala XVI General Assembly	(1,373)					(1,373)		(1,373)
Guatemala I - A Commission of Nuclear Energy	39,136	9,375			6,402	2,973	563	41,546
Honduras/El Salvador Military Observers Mission	(363,508)					(363,508)		(363,508)
Jamaica XIV CIECC Meeting - 1983	(8,769)					(8,769)		(8,769)
Jamaica Chalkmaking Industry - St. Thomas	1,619					1,619		1,619
Jamaica Food & Nutrition Policy - Prog Course	6,398					6,398		6,398
Nicaragua/Costa Rica Civilian Observers	(24,703)					(24,703)		(24,703)
Panama Canal Treaty	(24,487)					(24,487)		(24,487)
Paraguay XX Ordinary Meeting CIECC	37,648				60	(60)		37,588
Paraguay XX General Assembly		146,442			142,378	4,064		4,064
St. Vincent Fellowship Program	1,374					1,374		1,374
U.S. NEA Grant - Latin American Paintings	378	5,000			5,012	(12)		366
U.S. NEH Grant - Museum Humanities Catalog.	6,940					6,940		6,940
U.S. XIV Panamerican Child Congress	(11,218)					(11,218)		(11,218)
U.S. CIAV Nicaragua		39,406,670	\$ 551,267	\$ (28,541)	39,353,890	575,506	950,937	(375,431)
U.S. Observation Electoral El Salvador		2,000,000		67,510	916,576	1,150,934	6,413	1,144,521
U.S. Observation Electoral Nicaragua	(169,276)	500,000	(133,420)	7,357	199,422	169,276		
U.S. Observation and CIAV Nicaragua		3,626,790	123,614	25,426	3,753,891			
U.S. Telecommunications Law Symposium	5,000							5,000
U.S. Elections Constituents Paraguay					114,432	(114,432)		
Uruguay IV I - A Special Conference Int'l Law	8,113				7,987	(7,987)	4,861	(119,293)
CICAD - IA Program of Rio de Janeiro	484,224	1,737,905		75,546	916,344	900,606	345,284	1,039,546
Constructora Norberto Odebrecht - Peru		54,000			36,580	17,420	8,901	8,519
Inter - American Emergency Aid Fund	19,658			2,850	7,000	(4,150)		15,508
Emilio Odebrecht Foundation - Brazil	5,270	109,329			112,435	(3,106)	2,164	2,164
Ford Foundation - Indian Leaders Meet.		28,000			25,811	2,189	2,189	2,189
Germany - Observation Electoral Paraguay		20,000				20,000		20,000
Inter - American Children Institute	188,084	704,593		37,911	258,102	483,192	51,293	619,983
Inter - American Comm. on Human Rights	9,186	157,563		(1,210)	60,855	96,708	97,299	8,595

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

Project	Biennium ended December 31, 1991				Net Change	Cash		Unliquidated Obligations	Fund Balance (deficit)
	Cash Balance Jan. 1, 1990	Contributions	Transfers	Interest Income and Refunds		Balance Dec. 31, 1991	Dec. 31, 1991		
IBM - Commemorative IA Centenary			725		725				
Inter-American Quincentennial Fund	927	22,050	(442)		5,996	16,539		1,593	16,539
Inter-American Statistical Institute	201,294	25,255		600	46,417	211,352		799	209,759
Inter-American Commission of Women	12,466	34,987	36,600	4,639	19,855	68,837			68,038
IBM/PADF/OAS Education Program	7,936					7,936			7,936
Inter-American Music Council	(4,140)					(4,140)			(4,140)
I-A Priority Assistance Haiti	630,948	1,683,847	418,300	106,027	1,998,970	840,152	156,321		683,831
Israel - Assistance for Latin America	(1,497)		1,497		1,497				
Italy Cooperative Tourism	2,300					2,300			2,300
Italy to 500 Anniversary Discovery of America		19,890			9,938	9,952	1,885		8,067
Luis O Carneiro Exposition - Paraguay	766				2,204	766			766
Modern Art of Latin America	779	1,425			4,348	7,648			7,648
Ohio University - 500 Ann.Disc.of America	1,940	10,056							
Support Offices away of Headquarter	190,244	454,139	5,212	7,776	311,922	345,449	45,122		300,327
PALCO to Museum		2,363			2,363	2,363			2,363
SDAF/FEMICEC to OAS Fellowship Program	112,290				600	111,690			111,690
UN - ACNUR - Refugees in Latin Amer.	3,026	10,000			270	12,756			12,756
Xerox Grant - Latinoamerican Art Museum	1,997				1,116	881			881
XXI Consult. Meet.Ministers		6,000			1,400	4,600			4,600
Subtotal	1,266,496	51,142,814	449,794	916,929	(52,830)	4,988,594	1,676,129		3,312,465
Designated by OAS:									
IICA - Administrative Tribunal	18,036	30,988			44,107	4,917	2,726		2,191
Columbus Memorial Library	69,093	54,291			45,011	78,373	9,294		69,079
Art Permanent Collection	2,119	37,182			39,228	73			73
Books for OAS Education Programs	5,706		(5,706)						
Discovery of America Souvenir Sale	7,813	4,987	442		13,242				
Publications Sales	145,909	121,407			45,149	222,167	451		221,716
I-A System in its Second Century	1,125	3,260	(4,385)		(1,125)				
George Mason/OAS Joint Program	4,184	465	(4,184)		(3,719)	465			465
GSB Cafeteria Operation	278,081	47,228			52,855	272,454	2,709		269,745
Mitofische Sale	65,717				25,671	40,046			40,046
Model OAS - Public Information	7,378	30,319			30,193	7,504	3,399		4,105
OAS Vehicle Replacement Fund	1,456	150			150	1,606			1,606
OAS/IDB Centennial Essay Contest			3,660		3,660				
Rental Hall of the Americas	313,588	190,436			102,491	401,533	1,169		400,364
Sales Audio Visual Materials	14,891	31,916		(1,460)	28,415	16,932			16,932
Staff Development Activities			9,889		9,603	286			286
Work Related Disabilities Fund	278,988	200,000			87,453	436,068	1,899		434,169
Subtotal	1,214,084	752,629	(284)	44,533	527,078	1,482,424	21,647		1,460,777
	\$2,480,580	\$51,895,443	\$449,510	\$961,462	\$49,261,687	\$6,471,018	\$1,697,776		\$4,773,242
Consisting of:									
Cash and equity in OAS Treasury Fund						\$6,693,293			\$6,693,293
Travel, salary advances and other receivables						263,716			263,716
Accounts payable and other liabilities						(485,991)			(485,991)
Unliquidated obligations									(1,697,776)
						\$6,471,018			\$4,773,242

ORGANIZATION OF AMERICAN STATES

SCHEDULE 13
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SPECIAL DEVELOPMENT ASSISTANCE FUND
SPECIFIC FUNDS

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

Project	Cash Balance		Biennium ended December 31, 1991				Expenditures	Net Change	Cash Balance		Unliquidated Obligations	Fund Balance (deficit)
	Jan. 1, 1990	Dec. 31, 1990	Contributions	Transfers	Interest Income	Returns and Refunds			Dec. 31, 1991	Dec. 31, 1991		
Argentina CIET	\$ 54,914	\$ 169,985					\$ 140,026	\$ 29,959	\$ 84,873	\$ 14,893	\$ 69,980	
Argentina CICAP	(1,510)	58,037					14,821	43,216	41,706	9,079	32,627	
Argentina CIDES	40,727	290,598	\$ 13,923				300,120	4,401	45,128	6,531	38,597	
Argentina School Dining Program	529								529	500	29	
Argentina Tourism Development	661			5			666	(661)				
Argentina Horizontal Cooperation		108,708						108,708	108,708		108,708	
Bolivia Parapeti CORDECruz	1,915						934	(934)	981		981	
Bolivia Technical Cooperation CORDECH	3,623						3,162	(3,162)	461		461	
Bolivia Plicomayo River Basin -- Phase II	4,879						3,662	(3,662)	1,217		1,217	
Brazil CODEVASF to PLANVASF	289,021	5,966					286,298	(280,332)	8,689		8,689	
Brazil SUDAM	548,175	505,621					760,689	(255,068)	293,107	34,611	258,496	
Brazil SUDENE to PLANVASF	10,655						7,747	(7,747)	2,908		2,908	
Brazil CODEVASF to PRONI	690,258	873,782					990,971	(117,189)	573,069	56,828	516,241	
Brazil Reconstruction ALAGOAS	138,840	131,979					233,169	(101,190)	37,650		37,650	
Brazil CIENES --SUDENE	3,328						2,595	(2,595)	733	400	333	
Canada CIDA Technical Coop. Unprogrammed	139,567	235,340	(401,000)	31,304				(134,356)	5,211		5,211	
Canada CIDA Small Business Development	3,955			203,400			102,114	101,286	105,241	10,113	95,128	
Canada CIDA Tech. Coop. Honduras	18,000			50,800			18,000	32,800	50,800		50,800	
Canada CIDA River Basin Putumayo				110,200			138,119	(27,919)	(27,919)	10,485	(38,404)	
Canada CIDA Envir. Protection Amazonas		385,003					106,400	278,603	278,603	26,768	251,835	
Canada CIDA Interamerican Customs		20,313					18,930	1,383	1,383		1,383	
Canada CITEL	8,515						18,598	(6,385)	130		130	
Colombia CAR Conservat.Natural Resources		400,000					330,973	69,027	69,027	20,000	49,027	
Chile CIENES	229,113	290,280	41,825				201,679	130,426	359,539	94,406	265,133	
Chile CITEL							12,730	(12,730)	(12,730)	1,157	(13,887)	
Dominican Republic Public Finance IDB	19,968						18,214	(18,214)	1,754		1,754	
Dominican Republic Tech.Coop.Preinvestment	22,238						11,125	(11,125)	11,113		11,113	
Dominican Republic VII --A Ports Conference	6,444								6,444		6,444	
Ecuador Putumayo River Basin	11,497	19,220					19,196	24	11,521	2,656	8,865	
Finlandia -- Trifinio II		492,354					293,840	492,354	492,354		492,354	
Guat--Hond--Salv--ICA Trifinio II		354,780					1,183,685	(1,084,717)	60,940	27,066	33,874	
Italy Telecommunications Study CONSULTEL	1,375,456		98,968				60,357	46,469	290,739	262,041	28,698	
Paraguay Tax Administration	(43,114)	96,322	10,504						3,355		3,355	
Paraguay Rural Colonies ATS -- PAR/IDB/OAS	463						460	(460)	3		3	
Paraguay Programming and Budgeting	(14,014)	73,086	(10,504)				46,154	16,428	2,414	266	2,148	
Peru Capacitation Model	1,165								1,165		1,165	
Suriname Van Wouwe Canal	31,905	130,152					85,917	44,235	76,140	5,292	70,848	
U.S. Regional Non -- Formal Skills	133,082						3,525	(133,082)				
U.S. TDP Telecommunications	63,798	74,900					78,734	(3,834)	59,964		59,964	
U.S. Central America Energy and Food	4,415						1,863	(1,863)	2,552		2,552	
U.S. Hazards Mitigation Latin America	30,601	424,900					451,910	(27,010)	3,591	1,669	1,922	
U.S. AID Hazards Support to AID Mission		200,000					33,771	166,229	166,229	11,158	155,071	
U.S. Modernization Telecom.Systems	660,936	56,000	49,080	569			526,317	(420,668)	240,268	70,000	170,268	
U.S. to CITEL		20,000						20,000	20,000		20,000	
Uruguay Net Public Transportation	68,376	200,578					271,185	(70,607)	(2,231)	107	(2,338)	
Uruguay Forestry Development Seminary		1,941					1,656	285	285		285	
Uruguay Forestry Development Project		34,720					33,193	1,527	1,527	81,793	(80,266)	

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

Project	Cash Balance		Biennium ended December 31, 1991			Cash Balance	Unliquidated Obligations	Fund Balance (deficit)
	Jan. 1, 1990	Contributions	Transfers	Interest Income and Refunds	Net Change			
Uruguay Public Transportation Montevideo		74,318			19,984	19,984	32,906	(12,922)
Venezuela Telecommunication mobiles		12,192			4,067	4,067	17,375	(13,308)
BIRF - Center for Privatization	6,208				(6,057)	151		151
BIRF - Formulation and Evaluation	2,338					2,338		2,338
CAF - Energy in Bolivia	853				(362)	491	360	131
CAF - Energy in Ecuador	6,045				(5,513)	532		532
CINDER/CIDIAT	61,533				(26,626)	34,907	1,499	33,408
CICOM - various sources	13,159	14,042			(5,524)	7,635		7,635
Development Project Staff Reimbursement	40,689				(31,793)	8,896	12,800	(3,904)
EUROPEAN Economic Community - Trifinio Grant	40,959	21,030			(28,968)	11,991		11,991
IDB - Forestry Basin Arribonito Haiti		30,000			1,881	1,881		1,881
IDB - Environmental Study Uruguay	107,000	326,476			(86,800)	20,200	6,710	13,490
IDB/GUA/HON - El Cajon River Basin	86,964	256,261			(104,402)	(17,438)	574	(18,012)
IDB - Inter-American Customs Program	91,000	761,737		(25,232)	730,789	96,716	61,709	35,007
IDB - National Customs Costa Rica		164,314			36,098	128,216	147,253	(19,037)
IDB - Meeting PSDIC	3,424				607	(607)		2,817
ILDES	15,000				(12,764)	2,236		2,236
Information Service Foreign Trade - SICE	(156,905)	715,469	4,129	30,109	332,245	175,340	4,316	171,024
Inst. Coop. Ibero-Americana to CIENES	1,497				(1,264)	233		233
JICA/OAS Manabi Ecuador	80,550	8,924			(84,698)	15,852	1,140	14,712
UNDP - Fiscal Policy	126,000			6,483	125,293	7,190	1,505	5,685
UN - Disaster Management Training		152,700			27,542	27,542	7,615	19,927
UN-EP Watershed Colombia-Venezuela		31,000				31,000		31,000
PAHO - Parliamentarian Health Meeting		92,000			17,683	17,683		17,683
Saudi Arabia - Rural Development					(14,477)	2,734		2,734
Social Affairs Department	17,211		24,000		4,857	4,857		4,857
Administrative and accounting Support	72,337			50,982	50,982	123,319		123,319
Accounting Support	191,881		(24,000)	141,549	(112,641)	79,240	15,963	63,277
Regional Development Support	169,253			141,549	(88,890)	80,363	20,026	60,337
	<u>\$5,535,377</u>	<u>\$ 8,325,241</u>	<u>\$ (32,466)</u>	<u>\$ 605,772</u>	<u>\$ (154,220)</u>	<u>\$ 9,909,560</u>	<u>\$ 1,079,570</u>	<u>\$ 3,290,574</u>
Consisting of:								
Cash and equity in OAS Treasury Fund						\$ 4,636,856		\$ 4,636,856
Travel, salary advances and other receivables						21,755		21,755
Accounts payable and other liabilities						(288,467)		(288,467)
Unliquidated obligations						(1,079,570)		(1,079,570)
						<u>\$ 4,370,144</u>		<u>\$ 3,290,574</u>

ORGANIZATION OF AMERICAN STATES

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

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

Project	Cash		Biennium ended December 31, 1991		Cash		Fund Balance	
	Balance Jan. 1, 1990	Contributions	Transfers	Interest Income and Refunds	Expenditures	Net Change	Balance Dec. 31, 1991	Unliquidated Obligations
Argentina Science Projects		\$ 272,619			\$ 137,610	\$ 135,009	\$ 15,461	\$ 119,548
Canada Education Projects		130,126			97,438	32,688	125,708	(93,020)
Canada Science Projects	\$ (15,650)	15,650				15,650		
Chile Science Projects		33,529			3,000	30,529	30,528	1
Colombia Unprogrammed funds	1,476	81,048	\$ (56,087)			24,961	26,437	26,437
Colombia Secretariat Projects	15,760				1,159	(1,159)	14,601	14,601
Colombia Education Projects	18,807		56,087		60,723	(4,636)	14,171	14,171
Dominican Republic Education Projects	25,919						25,919	25,919
Germany Science Projects	262,044	805,581		\$ 36,793	1,001,896	(159,522)	102,522	91,345
Mexico Unprogrammed funds—Educ. Secretariat	70	338,558	(185,255)	80,657		233,960	234,030	234,030
Mexico Secretariat Projects	309,889		396,452		486,207	(89,755)	220,134	199,709
Mexico Education Projects	32,938		38,567			38,567	71,505	71,505
Mexico Unprogrammed funds—Science	160,233		(127,762)			(127,762)	32,471	32,471
Mexico Science Projects	40,042		156,671		182,617	(25,946)	14,096	6,823
Paraguay Unprogrammed funds	63,148		(60,372)			(60,372)	2,776	2,776
Paraguay Education Projects	19,960		60,372		36,393	23,979	43,939	17,463
U.S. Unprogrammed funds	368,417		(223,900)	59,623		(164,277)	204,140	204,140
U.S. Education Projects	9,343		223,900		173,000	50,900	60,243	10,284
U.S. Science Projects	17,641						17,641	17,641
Venezuela Unprogrammed funds	378,447	111,003	(399,679)	41,279		(247,397)	131,050	131,050
Venezuela Education Projects	38,253		153,583		125,284	28,299	66,552	3,600
Other Education Projects	2,500	78,536	107		101	78,542	81,042	34,850
Other Science Projects	6,982	70,316		\$ (242)	57,914	12,160	19,142	7,325
Scientific Monographs	115,377	18,042			51,324	(33,282)	82,095	6,370
Caribbean Basin Scholarship	315,656	46,899		50,177	29,206	67,870	383,526	1
	\$2,187,252	\$ 2,001,907	\$ 32,684	\$ 268,529	\$ 2,443,872	\$ (140,994)	\$ 662,665	\$ 1,383,593
Consisting of:								
Cash and equity in OAS Treasury Fund							\$ 2,041,478	\$ 2,041,478
Travel, salary advances and other receivables							7,782	7,782
Accounts payable and other liabilities							(3,002)	(3,002)
Unliquidated obligations							(662,665)	(662,665)
							\$ 2,046,258	\$ 1,383,593

ORGANIZATION OF AMERICAN STATES

SPECIAL ACCOUNT FOR CULTURE

SPECIFIC FUNDS

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

Project	Cash Balance Jan. 1, 1990	Biennium ended December 31, 1991			Cash Balance Dec. 31, 1991	Unliquidated Obligations	Fund Balance (deficit) Dec. 31, 1991
		Contributions	Transfers	Interest Income and Refunds			
				Returns	Net Change		
Brazil Unprogrammed funds	\$ 126,500		\$ (87,400)	\$ 5,320	\$ (82,080)	\$ 44,420	\$ 44,420
Chile Unprogrammed funds		\$ 130,500	3,157		16,295	16,295	16,295
Chile Cultural Projects	3,000					3,000	3,000
Colombia Cultural Projects	8,233	7,800			7,610	15,843	13,374
Mexico Unprogrammed funds	35,600	81,828		1,833	83,661	119,261	119,261
Mexico Cultural Projects	16,123					16,123	
Uruguay Cultural Projects		600			177	177	177
Venezuela - Unprogrammed funds	4,235		(3,288)		(3,288)	947	947
Venezuela Cultural Projects	17,523		43,688		4,431	21,954	21,401
Beca Amelia Fortabat Music friends	817	40,000			29,432	11,385	876
Beca Carlos y Alegria Beracasa	3,790				3,790		1
Miscellaneous records	637	5,625			2,895	3,532	3,421
IAME	559				(846)	(287)	(287)
OAS - Concert - UTAH Chambers players		1,100			101	101	
	<u>\$ 217,017</u>	<u>\$ 267,453</u>	<u>\$ (43,843)</u>	<u>\$ 7,153</u>	<u>\$ 35,734</u>	<u>\$ 29,867</u>	<u>\$ 222,884</u>
Consisting of:							
Cash and equity in OAS Treasury Fund						\$ 264,721	\$ 264,721
Travel, salary advances and other receivables						(11,970)	(11,970)
Accounts payable and other liabilities						(29,867)	(29,867)
Unliquidated obligations						\$ 252,751	\$ 222,884

ORGANIZATION OF AMERICAN STATES

MAR DEL PLATA ACCOUNT
SPECIFIC FUNDS

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

Project	Biennium ended December 31, 1991				Cash Balance		Unliquidated Obligations	Fund Balance (deficit)
	Cash Balance Jan. 1, 1990	Contributions	Transfers	Interest Income and Refunds	Expenditures	Net Change		
Argentina Unprogrammed funds		\$ 180,667			\$ 84,848	\$ 95,819	\$ 15,270	\$ 80,549
Brazil Unprogrammed funds	\$ 3,895					3,895		3,895
Colombia Unprogrammed funds	23,171					23,171		23,171
Costa Rica Science projects	1,547					1,547		1,547
Mexico Unprogrammed funds—Educat.Secretariat	326,884	254,766	\$ (373,205)	\$ 72,981		(45,458)	281,426	281,426
Mexico Secretariat Projects	51,574		94,531		134,131	(39,600)	11,974	1,275
Mexico Education Projects	59,016						58,016	56,651
Mexico Unprogrammed funds—Science	6,560		61,898			61,898	68,458	68,458
Mexico Science Projects	64,973		(61,897)		2,956	(64,853)	120	120
Venezuela Unprogrammed funds	107,665		(2,396)	18,339		15,943	123,608	123,608
Venezuela Science Projects	15,932		38,396		15,959	22,437	38,369	1,678
	\$ 660,217	\$ 435,433	\$ (242,673)	\$ 91,320	\$ 237,894	\$ 46,186	\$ 64,025	\$ 642,378
Consisting of:								
Cash and equity in OAS Treasury Fund							\$ 707,661	\$ 707,661
Travel, salary advances and other receivables							(1,258)	(1,258)
Accounts payable and other liabilities								(64,025)
Unliquidated obligations							\$ 706,403	\$ 642,378

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

SECTION III

RETIREMENT AND PENSION FUND

The Retirement and Pension Fund of the Organization of American States is administered by the Retirement and Pension Committee. At December 31, 1991, the committee was composed of:

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

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

The Board used the services of Ernst & Young to audit the accounts and financial statements of the Fund at December 31, 1991 and 1990 and for the years then ended. That firm's report on the statements is included in this report.

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

	Year ended December 31,	
	1991	1990
Investment income		
Net unrealized appreciation (depreciation) in value of investments	\$ 24,595,874	\$ (10,581,147)
Net realized gains on sale of investments	4,294,215	779,722
Interest	9,397,051	9,574,096
Dividends	2,746,167	2,656,984
	41,033,307	2,429,655
Less investment expenses	326,476	293,857
	40,706,831	2,135,798
Contributions		
Institutions	6,497,004	6,155,521
Participants	3,233,129	3,075,774
	9,730,133	9,231,295
Increase	50,436,964	11,367,093
Payments to pensioners	1,724,096	1,690,994
Liquidations paid to participants (or their beneficiaries)	9,985,585	11,692,839
Interest credited to Provident Plan accounts	266,854	144,948
	11,976,535	13,528,781
Administrative expenses	383,740	354,616
Decrease	12,360,275	13,883,397
Net increase (decrease)	38,076,689	(2,516,304)
Net assets available for participant benefits:		
Beginning of year	187,716,437	190,232,741
End of year	\$ 225,793,126	\$ 187,716,437

See accompanying notes

ORGANIZATION OF AMERICAN STATES

RETIREMENT AND PENSION FUND NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1991 AND 1990

1. Description of plans

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

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

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

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

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

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

at their request, the Committee has the power to substitute some other form of benefit of equivalent value.

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

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

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

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

- A surviving spouse of a present annuitant who retired before January 1, 1982, and who is alive on July 1st, 1990, shall be entitled to an annuity on the same terms as those on which this benefit is applied to a surviving spouse of an annuitant who retired on or after that date.
- Authorized the Retirement and Pension Committee to grant cost-of-living adjustments of up to 3% per annum on annuities, subject to conditions set forth in Resolution AG/RES 1051 (XX-0/90).
- Reduced from 15 to 7 the number of years of participation required for a participant to become entitled to withdraw the entire amount of the institutional credit upon leaving the service, and modified the vesting schedule.
- Increased from 10 to 50% the annuity of unmarried children who are totally and permanently disabled, when both parents are deceased.
- Authorized payment of the respective personal credit to the beneficiaries designated by a participant who dies while in active service with no surviving spouse or children.
- Established an alternative minimum annuity to participants at the lowest salary levels.
- Repealed the rule that the surviving spouse may not continue to receive an annuity if he or she remarries.
- Incorporated the necessary provisions for the Plan to continue to enjoy the status of a "qualified plan"
- Authorized the Retirement and Pension Committee to enter into agreements with the boards of retirement plans of other international organizations and member state governments to permit the transfer and continuity of pension rights and the transfer of funds of participants who leave to work in those organizations or governments, or vice versa, as set forth in amended Plan.
- Several other amendments to facilitate the application of the Plan were approved.

2. Income tax status of the Fund

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

3. Funding policy

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

A portion of the income earned on the Retirement and Pension Fund's investments is allocated semi-annually to Provident and Plan participants' accounts at rates determined by the Retirement and Pension Committee. The remaining portion, if any, is retained in the Plan's General Reserve for administrative expenses and to ensure continued Plan stability. Interest credited to participants' accounts was 13.25% and 5.5% in 1991 and 1990, respectively. Present participants accumulated contributions were \$55,800,000 and \$48,900,000 at December 31, 1991 and 1990, 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 Co., within the investment policy guidelines established by the Retirement and Pension Committee.

The State Street Bank manages the equity and bond portfolios, including the Dedicated Bond Portfolio. The Northern Trust Co. manages the short-term investment portfolio. The Wells Fargo Institutional Trust Co. manages and acts as a custodian of the international equity portfolio. The Northern Trust Co. 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 classification of investments in terms of portfolios and financial instruments allows the matrix presentation that follows:

PORTFOLIOS 1990

FINANCIAL CATEGORIES	SHORT TERM	FIXED TERM	NATIONAL EQUITIES	INTL. EQUITY	DEDICATED	TOTAL
SHORT TERM INVESTMENT	\$16,192,375	\$ 4,197,453	\$ 481,901	\$ -	\$ 535,466	\$ 21,407,195
U.S.GOVERNMENT AND AGENCY ISSUES	11,108,295	38,227,108			12,275,108	61,610,511
CORPORATE BONDS	7,046,250	15,180,757				22,227,007
MUNICIPALITIES BONDS		948,249				948,249
MISCELLANEOUS BONDS		1,919,702				1,919,702
PREFERRED STOCK			6,760			6,760
COMMON STOCK			80,364,676	\$ -		80,364,676
TOTAL	\$34,346,920	\$60,473,269	\$80,853,337	\$ -	\$12,810,574	\$188,484,100

PORTFOLIOS 1991

FINANCIAL CATEGORIES	SHORT TERM	FIXED TERM	NATIONAL EQUITIES	INTL. EQUITY	DEDICATED	TOTAL
SHORT TERM INVESTMENT	\$ 6,805,710	\$ 4,860,206	\$ 333,910	\$ 12,953	\$ 791,797	\$ 12,804,576
U.S. GOVERNMENT AND AGENCY ISSUES	23,012,195	31,923,809			13,096,795	68,032,799
CORPORATE BONDS	6,700,400	28,577,413				35,277,813
MUNICIPALITIES BONDS		1,041,318				1,041,318
MISCELLANEOUS BONDS		1,409,642				1,409,642
PREFERRED STOCK						-
COMMON STOCK			93,092,495	\$15,974,080		109,066,575
TOTAL	\$36,518,305	\$67,812,388	\$93,426,405	\$15,987,033	\$13,888,592	\$227,632,723

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

Any asset not traded on an active market such as thinly traded issues are valued by either obtaining a price from their issuer, a reputable private dealer, or from pricing specialists. Quoted prices in active markets or prices otherwise determined are provided by The Northern Trust Company. Investments for which fair values were determined by means other than a quoted price in an active market and net appreciation (depreciation) for the year ended December 31, 1991, are as follows:

DECEMBER 31, 1991			
Net Appreciation (depreciation)			
	Quoted Price on Active Market	Otherwise Determined	Total
Short Term Investment	\$ (316,198)	\$ -	\$ (316,198)
Common and preferred stocks	19,299,505	454,013	19,753,518
United States Government Obligations	3,300,139	143,196	3,443,335
Corporate bonds and debentures	1,067,511	523,234	1,590,745
Municipalities	124,474	-	124,474
	<u>\$23,475,431</u>	<u>\$1,120,443</u>	<u>\$24,595,874</u>

DECEMBER 31, 1990
Net Appreciation (depreciation)

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

6. Plan termination

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

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

7. Actuarial present value of accumulated plan benefits

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

The significant assumptions used in the valuation as of December 31, 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 on 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% pensionable salary increase 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 factor 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, 1989, 1990 and 1991 are shown in the following table:

	DECEMBER 31		
	1989	1990	1991
	(US \$1,000)		
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS			
Vested Benefits			
Participants	\$ 92,913	\$ 98,057	\$ 120,337
Pensioners	<u>24,292</u>	<u>28,407</u>	<u>28,373</u>
Total vested benefits	117,205	126,464	148,710
Non vested benefits	<u>1,979</u>	<u>2,079</u>	<u>2,932</u>
Total actuarial present value of accumulated plan benefits	<u>\$119,184</u>	<u>\$128,543</u>	<u>\$151,642</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, 1990 and December 31, 1991:

	YEARS ENDED DECEMBER 31	
	1990	1991
	(US \$1,000)	
Total actuarial present value of accumulated Plan benefits at beginning of the year	\$119,184	\$128,543
Increase (decrease) attributable to:		
Interest earned on accumulated Plan benefits	10,812	11,569
Benefits paid	(12,072)	(12,093)
Benefits accumulated	7,904	16,907
Amendments	2,715	-
Assumption changes	<u>-</u>	<u>6,716</u>
Total actuarial present value of Accumulated Plan benefits at end of the year	<u>\$128,543</u>	<u>\$151,642</u>

The liabilities and assets are the result of the in depth actuarial valuation as of December 31, 1991, performed by Buck Consultant Actuaries.

8. Equity in the OAS Treasury Fund

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

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

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

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

Ernst & Young audited the financial statements of these trust funds at December 31, 1991 and 1990 and for the years then ended, and the report rendered on the statements of each fund is included in this report.

Rowe Memorial Benefit Fund

The Fund is administered by the Rowe Memorial Benefit Fund Committee. At December 31, 1991, the Committee was composed of five ex-officio members who are officers of the General Secretariat.

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

Leo S. Rowe Pan American Fund

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

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

**ROWE MEMORIAL BENEFIT FUND
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1991 AND 1990
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 Fund (the Fund) as of December 31, 1991 and 1990, 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, 1991 and 1990, and its results of operations and its changes in fund balance for the years then ended in conformity with generally accepted accounting principles.



April 27, 1992

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

	<u>December 31,</u>	
	<u>1991</u>	<u>1990</u>
Assets and Fund Balance		
Equity in OAS Treasury Fund (Note 2)	\$ 18,001	\$ 4,951
Investments at cost (approximate market value of \$158,000 and \$145,000 at December 31, 1991 and 1990, respectively)	137,154	138,320
Total assets and fund balance	<u>\$ 155,155</u>	<u>\$ 143,271</u>

STATEMENT OF INCOME, EXPENSES AND OTHER
 CHANGES IN FUND BALANCE

	<u>Year ended December 31,</u>	
	<u>1991</u>	<u>1990</u>
Income		
Dividends and interest	\$ 6,945	\$ 7,432
Sales and distributions from mutual funds	11,889	3,504
Income from OAS Treasury Fund (Note 2)	450	440
	<u>19,284</u>	<u>11,376</u>
Awards and other benefits (Note 1)	7,400	600
Net Increase during the year	<u>11,884</u>	<u>10,776</u>
Fund balance, beginning of year	143,271	132,495
Fund balance, end of year	<u>\$ 155,155</u>	<u>\$ 143,271</u>

See accompanying notes

ORGANIZATION OF AMERICAN STATES

ROWE MEMORIAL BENEFIT FUND NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1991 AND 1990

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, 1991 and 1990, gross unrealized gains pertaining to investments were \$21,030 and \$8,960 and gross unrealized losses were \$260 and \$1,890 respectively.

**LEO S. ROWE PAN AMERICAN FUND
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1991 AND 1990
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, 1991 and 1990, 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, 1991 and 1990, and its results of operations and its changes in operating account fund balance for the years then ended in conformity with generally accepted accounting principles.

A handwritten signature in cursive script that reads 'Ernst & Young'.

April 27, 1992

ORGANIZATION OF AMERICAN STATES

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

<u>ASSETS</u>	December 31,	
	<u>1991</u>	<u>1990</u>
Equity in OAS Treasury Fund (Note 2)	\$ 137,914	\$ 11,032
Investments at cost (approximate market value at December 31, 1991, and 1990, respectively, shown in parentheses)		
Equity investments and related mutual funds (\$1,820,599 and \$1,310,699)	1,318,301	1,295,028
Fixed income securities and related mutual funds (\$4,769,151 and \$4,409,882)	4,565,915	4,471,901
Allowance for unrealized losses (Note 5)	—	(46,347)
	<u>6,022,130</u>	<u>5,731,614</u>
Loans receivable (Note 3)		
Students		
Installments not yet due	583,243	550,837
Installments past due	163,994	159,514
Allowance for uncollectible loans	(86,917)	(84,542)
	<u>660,320</u>	<u>625,809</u>
Employees of the Organization of American States	207,406	172,626
	<u>867,726</u>	<u>798,435</u>
	<u>\$6,889,856</u>	<u>\$6,530,049</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Miscellaneous payable	\$ 75,082	\$ 74,024
Fund balances		
Capital account (Note 1)	1,000,000	1,000,000
Operating account:		
Balance before unrealized loss on investments	5,814,774	5,502,372
Less unrealized loss on investments (Note 5)		(46,347)
	<u>5,814,774</u>	<u>5,456,025</u>
	<u>\$6,889,856</u>	<u>\$6,530,049</u>

See accompanying notes

ORGANIZATION OF AMERICAN STATES

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

	Year ended December 31,	
	1991	1990
Income		
Dividend and interest income	\$ 366,832	\$ 317,684
Capital gains distributions from mutual funds	—	632
Miscellaneous income	26,575	21,756
	<u>393,407</u>	<u>340,072</u>
Expenses		
Increase in allowance for uncollectible loans (Note 3)	2,375	387
Investment management and custodian fees	15,000	15,000
Administrative expenses (Note 4)	20,000	20,000
Loss on sale of investments	13,830	483,956
Other expenses	29,800	27,591
	<u>81,005</u>	<u>546,934</u>
Net increase (decrease) during year	312,402	(206,862)
Fund balance, beginning of year	5,502,372	5,709,234
Fund balance, end of year	<u>\$ 5,814,774</u>	<u>\$ 5,502,372</u>

See accompanying notes

ORGANIZATION OF AMERICAN STATES

LEO S. ROWE PAN AMERICAN FUND NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1991 AND 1990

1. Organization and Financing

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

2. Equity in OAS Treasury Fund

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

3. Loan Status

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

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

	1991	1990
Balance, beginning of year	\$ 84,542	\$ 84,237
Write Off of uncollectible loans	-	(82)
Provision for uncollectible loans	<u>2,375</u>	<u>387</u>
Balance, end of year	<u>\$ 86,917</u>	<u>\$ 84,542</u>

In the opinion of the Committee, the allowance of \$86,917 at December 31, 1991 is sufficient to provide for losses that may be incurred upon the ultimate realization of these loans.

During 1991 and 1990 the Fund disbursed new student loans aggregating approximately \$182,000 and \$181,000, respectively. The Fund received loan repayments of approximately \$145,000 and \$149,000 in 1991 and 1990, respectively.

New loans to employees for educational purposes or in emergency situations aggregated \$76,000 and \$90,000 in 1991 and 1990 respectively. The Fund received loan repayments of approximately \$41,000 and \$44,000 in 1991 and 1990 respectively. The interest rate on new employee loans granted in 1991 was 10%. Interest rates on outstanding loans granted in prior years varied from 10.5% to 12%.

4. Administrative Expenses

The Committee authorized payments of \$20,000 in both 1991 and 1990 to the General Secretariat of the OAS as a reimbursement for a portion of costs incurred in the administration of the Fund. The accompanying financial statements reflect approximately \$22,800 in other expenses related to the services of a contract employee in 1991 (\$20,400 in 1990). No additional amounts are recorded in the accompanying financial statements relating to the use of services and facilities provided to the Fund by the General Secretariat as no objective basis is currently available to measure the value of such contribution.

5. Investments

Investments are presented in the financial statements in the aggregate of the lower of cost or market value as determined by the latest available published or brokers' prices. At December 31, 1990 cost exceeded market value by \$46,347. To reduce the 1990 carrying amount of the investment to aggregate market, a valuation allowance was established within fund balance.

At December 31, 1991 and 1990, gross unrealized gains pertaining to investments were \$717,097 and \$119,320, and gross unrealized losses were \$11,563 and \$165,667 respectively.

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

Report of Independent Auditors

Board of External Auditors
Organization of American States

We have audited the accompanying statement of assets, liabilities and fund balance of the Inter-American Defense Board (the Board) as of December 31, 1991 and 1990, and the related statement of revenues, expenses and changes in fund balance, and changes in financial position for the years then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 4, the Board relies upon the Organization of American States (the OAS) for funding a significant portion of its operating activities and is dependent upon the continued financial support of the OAS, or its ability to obtain alternative sources of funding. Board funding received from the OAS in 1991 was equivalent to that received in 1990, however, 1992 and 1993 appropriations in support of the Board's general purpose funding have been reduced approximately 5% each year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board at December 31, 1991 and 1990, and the results of its operations and its changes in financial position for the years then ended in conformity with generally accepted accounting principles.



May 1, 1992

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

	December 31,	
	1991	1990
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 784,176	\$ 917,994
Prepaid expenses and other assets	41,210	26,574
Total current assets	<u>825,386</u>	<u>944,568</u>
Property and equipment, at cost:		
Furniture and equipment (Note 5)	535,146	622,000
Vehicles	11,891	11,891
	<u>547,037</u>	<u>633,891</u>
Less accumulated depreciation	270,045	356,250
Net property and equipment	<u>276,992</u>	<u>277,641</u>
Total assets	<u><u>\$ 1,102,378</u></u>	<u><u>\$ 1,222,209</u></u>
<u>LIABILITIES AND FUND BALANCE</u>		
Current liabilities:		
Accounts payable	\$ 70,793	\$ 37,996
Accrued leave (Note 2)	223,367	227,685
Total current liabilities	<u>294,160</u>	<u>265,681</u>
Undesignated fund balance (Note 6)	<u>808,218</u>	<u>956,528</u>
Total liabilities and fund balance	<u><u>\$ 1,102,378</u></u>	<u><u>\$ 1,222,209</u></u>

See accompanying notes

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

	Year ended December 31,	
	1991	1990
Revenue:		
Funding received from the Organization of American States (Note 4)	\$ 2,458,700	\$ 2,458,700
Special contributions	—	510
Interest and other income	54,212	69,044
Total revenue	<u>2,512,912</u>	<u>2,528,254</u>
Expenses:		
Personnel expenses	2,055,564	1,959,626
Building and maintenance	83,004	63,487
Building renovation	57,535	—
Equipment and supplies	136,761	112,534
Other general and administrative costs	153,011	85,925
Travel	28,382	26,809
Depreciation	79,629	68,302
Printing and reproduction	30,726	28,378
Contracts	26,113	29,465
Total expenses	<u>2,650,725</u>	<u>2,374,526</u>
(Deficit) Excess of revenue over expenses before disposal of equipment	(137,813)	153,728
Loss on disposal of equipment (Note 5)	(10,497)	—
(Deficit) Excess of revenue over expenses	<u>(148,310)</u>	<u>153,728</u>
Fund balance, beginning of year	956,528	802,800
Fund balance, end of year	<u>\$ 808,218</u>	<u>\$ 956,528</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>1991</u>	<u>1990</u>
Sources of cash and cash equivalents:		
Excess of revenue over expenses	\$ —	\$ 153,728
Decrease in other assets	—	914
Increase in accounts payable	32,797	4,337
Items not involving use of cash:		
Depreciation	79,629	68,302
	<u>112,426</u>	<u>227,281</u>
Uses of cash and cash equivalents:		
(Deficit) of revenue over expenses	137,813	—
Increase in other assets	14,636	—
Decrease in accrued leave	4,318	21,850
Net acquisitions of property and equipment	89,477	103,064
	<u>246,244</u>	<u>124,914</u>
Net (decrease) increase in cash and cash equivalents	(133,818)	102,367
Cash and cash equivalents at beginning of year	917,994	815,627
Cash and cash equivalents at end of year	<u>\$ 784,176</u>	<u>\$ 917,994</u>

See accompanying notes

ORGANIZATION OF AMERICAN STATES

INTER-AMERICAN DEFENSE BOARD NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1991 AND 1990

1. Organization

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

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

2. Summary of Significant Accounting Policies

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

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

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

Employee benefits - The Board provides certain benefits to its employees, which accrue to them during periods of employment and are payable upon separation. All employees are entitled to accrued vacation; certain other employees receive terminal pay, merit awards and special leave. The payments made during 1991 and 1990 for these benefits amounted to approximately \$34,000 and \$63,000, respectively.

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

3. Pension Plan

Substantially all of the employees of the Board participate in a defined benefit multi-employer pension plan (Plan) administered by the Retirement and Pension Committee of the Organization of American States. Contributions to the Plan by the Board and employees are based on fixed percentages of annual pensionable salaries. Pension expense aggregated approximately \$258,000 and \$252,000 in 1991 and 1990, 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 remained at the same level as 1990: \$2,458,700. Contributions for 1992 are currently appropriated by the OAS to be \$2,335,700. The Board relies upon the OAS for funding a significant portion of its operating activities and is dependent upon the continued financial support of the OAS, or its ability to obtain alternative sources of funding.

The headquarters of the Board is a building owned by the General Secretariat of the OAS. Expenditures incurred for building renovation and improvements are not capitalized by the Board since the building is owned by the OAS. Building renovations and improvements amounting to \$57,535 were incurred and expensed by the Board during 1991. None were incurred in 1990.

5. Furniture & Equipment

During 1991, a physical inventory of all assets maintained at both the Board's and the Inter-American Defense College's Headquarters locations was performed, and the fixed asset records were appropriately updated. As a result, fixed assets with a historical cost totalling approximately \$176,000 were removed from the fixed asset records. Related accumulated depreciation of \$165,500 was also written off.

6. Contingency

In 1985, the OAS contracted for the renovation of the building occupied by the Board, as well as for the construction of a separate annex. Two years into the renovation, the OAS terminated the contract, citing breach of duties by the builder. The construction was never completed by the builder, and additional contractors were hired by the Board to complete the job. In 1989, the builder filed a claim for unpaid costs and elected the arbitration clause contained in the contract with the OAS to settle the claim. In January 1992, the Arbitral Tribunal Panel denied the builder's claim against the OAS, and ruled in favor of the counterclaim presented by the OAS. The builder has subsequently filed suit in the District of Columbia courts seeking to overturn the tribunal's decision. In the opinion of management and OAS counsel, the possibility of the builder prevailing is remote.

The OAS has requested the Board to pay its share of the costs of the arbitration, estimated to be \$103,000 from its operating funds. As of December 31, 1991, the Board has remitted a total of \$75,000 to the OAS, and has accrued an additional \$25,000.

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

Report of Independent Auditors

Board of External Auditors
Organization of American States

We have audited the accompanying statement of assets, liabilities and fund balance of the Fund for the International Commission of Support and Verification of the Organization of American States (the Fund), pursuant to the agreements between the Organization of American States (the OAS), the United States Department of State and the United States Agency for International Development (the Agreements), as of December 31, 1991, and the related statement of activity and changes in fund balance for the period from February 27, 1990 (inception) to December 31, 1991. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund at December 31, 1991, and its activity and its changes in fund balance for the period from February 27, 1990 (inception) to December 31, 1991 on the basis of accounting described in Note 2.

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

Ernst & Young

June 5, 1992

ORGANIZATION OF AMERICAN STATES

INTERNATIONAL COMMISSION OF SUPPORT AND VERIFICATION STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE AS OF DECEMBER 31, 1991

ASSETS

Equity in OAS Treasury Fund (Note 3)	\$ 411,528
Other assets	262,231
	<u>\$ 673,759</u>

LIABILITIES AND FUND BALANCE

Unliquidated obligations (Note 2)	\$ 950,937
Accounts payable	98,253
Fund (deficit) balance	(375,431)
	<u>\$ 673,759</u>

STATEMENT OF ACTIVITY AND CHANGES IN FUND BALANCE FROM INCEPTION (February 27, 1990) TO DECEMBER 31, 1991

Increases	
United States – State Department contribution	\$ 39,100,000
United States – AID contribution	1,376,790
Venezuela contribution	10,000
Republic of Cyprus contribution	2,000
European Economic Community (EEC) contribution	294,670
OAS Treasury Fund income	551,267
Miscellaneous	1,348
	<u>41,336,075</u>
Decreases	
Obligations and Expenditures	
Operational Costs	8,138,050
Transportation	2,892,649
Food	10,216,525
Clothing	1,206,923
Kitchen Utensils	422,455
Personal Hygiene	232,355
Construction Material and Tools	4,369,353
Agricultural Tools	2,125,572
Negotiation, Land Survey other	207,561
Special Reconstruction Projects	3,117,476
Cash to Demobilized	976,357
Nicaraguan Repatriation Institute	822,077
Phase II Distribution and Delivery	405,216
Pan-American Health Organization	2,433,000
Resettlement of Disabled	2,690,112
Atlantic Coast Agriculture	935,241
Emergency Medical Assistance	189,571
Others	3,900
EEC activities	126,550
EEC Commercialization of Grain	165,675
EEC Reinforce Miskut Radio	5,000
	<u>41,681,618</u>
Interest due to contributor – AID	29,888
	<u>41,711,506</u>
Fund (deficit) balance at end of period	<u>\$ (375,431)</u>

ORGANIZATION OF AMERICAN STATES

FUND FOR THE INTERNATIONAL COMMISSION OF SUPPORT AND VERIFICATION NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1991

1. Organization

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

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

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

The Secretary General of the OAS established an OAS International Commission of Support and Verification (The Fund) to account for the proceeds and disbursements pursuant 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, results in accounting principles which vary in certain material respects from generally accepted accounting principles. The significant deviation from generally accepted accounting principles is as follows:

Unliquidated obligations in the Fund include amounts related to commitments resulting from offers made by the Fund to vendors to disburse monies for the procurement of goods or services in 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 Treasury Fund. Each fund administered by the General Secretariat maintains an equity to the extent of its cash balance retained therein. The Treasury Fund is administered by the General Secretariat, and amounts not immediately required for operations are invested. Income earned by the Treasury Fund is added to the equity of each fund in proportion to its balance.

4. Funding

Within the framework of the Foreign Assistance Act and the Dire Emergency Supplemental Appropriations Act of 1990, the Government of the United States acting through the U.S. Mission to the OAS, contributed to CIAV/OAS a total of \$40,476,790 during the 1990/91 Biennium. In addition CIAV/OAS received contributions during the Biennium from the Government of Venezuela in the amount of \$10,000, Cyprus in the amount of \$2,000, and from the European Community Commission the amount of \$294,670.

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, 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
FUND FOR THE OBSERVATION OF THE ELECTORAL PROCESS IN EL SALVADOR
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 Observation of the Electoral Process in El Salvador 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, 1991, and the related statement of activity and changes in fund balance for the period from January 11, 1991 (inception) to December 31, 1991. 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 its activity and its changes in fund balance from January 11, 1991 (inception) to December 31, 1991 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 expenditures of the Fund pursuant to the Agreement.



April 27, 1992

ORGANIZATION OF AMERICAN STATES

OBSERVATION OF ELECTORAL PROCESS IN EL SALVADOR
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
AS OF DECEMBER 31, 1991

ASSETS

Equity in OAS Treasury Fund (Note 3)	\$ 1,151,074
	<u>\$ 1,151,074</u>

LIABILITIES AND FUND BALANCE

Unliquidated obligations (Note 2)	\$ 6,413
Accounts payable	140
Fund balance	1,144,521
	<u>\$ 1,151,074</u>

STATEMENT OF ACTIVITY AND CHANGES IN FUND BALANCE
FROM INCEPTION (January 11, 1991) TO DECEMBER 31, 1991

Increases	
United States -- State Department contribution	\$ 2,000,000
OAS Treasury Fund income	67,510
	<u>2,067,510</u>
Decreases	
Obligations and Expenditures:	
Travel	583,724
Equipment and Supplies	147,647
Consultants	41,352
Rental	16,338
Other	133,928
	<u>922,989</u>
Fund balance at end of period	<u>\$ 1,144,521</u>

ORGANIZATION OF AMERICAN STATES

OBSERVATION OF THE ELECTORAL PROCESS IN EL SALVADOR NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1991

1. Organization

On September 13, 1990, the Minister of Foreign Affairs of El Salvador called upon the Secretary General to observe the electoral process in El Salvador which culminated with elections held on March 10, 1991.

By note dated October 1, 1990, the Secretary General advised the Minister of Foreign Affairs that he had taken initial action towards forming a group, whose mission would be to observe the electoral process consistent with the legislation in effect in El Salvador.

On January 11, 1991, the Agreement between the Government of El Salvador and the Secretary General of the Organization of American States on the Privileges and Immunities of Observers of El Salvador Electoral Process was signed at the OAS Headquarters.

The Secretary General established the Observation of the Electoral Process in El Salvador Fund (Fund) to account for contributions in support of the costs incurred for the observation activities.

2. Basis of Accounting

The accompanying financial statements have been prepared in accordance with the Budgetary and Financial Rules of the OAS (Rules). The Rules provide the basis for the accounting principles applied in the preparation of the financial statements. The Rules were adopted to meet budgetary and other requirements of the OAS and, as such, result in accounting principles which vary in certain material respects from generally accepted accounting principles. The significant deviation from generally 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 futures periods. This amount does not represent liabilities to unrelated third party at December 31, 1991. Rather, it represents amounts anticipated to be expended in the subsequent year upon project completion.

3. Equity in OAS Treasury Fund

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

4. Funding

On February 28, 1991, the U.S. State Department contributed \$2,000,000 to the Organization of American States (OAS) to carry out the role it had been requested to play by the Government of El Salvador to monitor the freedom and fairness of elections which took place on March 10, 1991.

