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Financial Report of the Director and Report of the External Auditor

1 January -31 December 1957



Pan American Sanitary Bureau
Regional Office of the World Health Organization
1501 New Hampshire Avenue, N.W.
Washington 6, D. C., U. S. A.

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TABLE OF CONTENTS

	Page
Letter of Transmittal	1
Explanatory Notes	4
Summary and Distribution of Obligations Incurred	9
 <u>Financial Statements for the Year 1957</u>	
Exhibit I - Statement of Appropriations, Obligations Incurred and Unobligated Balance of Appropriations for the Year 1957	20
Exhibit II - Statement of Income, Expenditures and Surplus for the Year 1957	21
Exhibit III - Statement of Assets and Liabilities as at 31 December 1957	22
Schedule A - Statement of Contributions of Member States	25
Annex 1 - Arrears of Contributions (Prior to 1957)	26
Schedule B - Investments at 31 December 1957	27
Schedule C - Special Malaria Fund - Statement of Income and Expenditures for the Year 1957	28
Schedule D - Special Funds	29
Schedule E - Procurement Fund	30
Schedule F - Trust Funds	31
Schedule G - Institute of Nutrition of Central America and Panama	32
Annex 1 - INCAP - Statement of Contributions of Member Countries	34
Schedule H - Organization of American States - Technical Assistance	35
 Report of the External Auditor for 1957	 37

Letter of Transmittal

In compliance with the provisions of Article XI of the Financial Regulations, the financial statements of the Pan American Sanitary Bureau for the year 1 January through 31 December 1957 are presented herewith, together with the Report of the External Auditor.

Accordingly, the annual accounts are presented with these principal statements:

- 1) Statement of Appropriations, Obligations Incurred and Unobligated Balances of Appropriations (Exhibit I).
- 2) Statement of Income, Expenditures and Surplus (Exhibit II).
- 3) Statement of Assets and Liabilities (Exhibit III).

Exhibits I and II reflect the Bureau's activities for the year, and Exhibit III with its supporting schedules show the financial position of the Bureau as at 31 December 1957.

In order to facilitate the preparation of the Financial Report of the Institute of Nutrition of Central America and Panama, the 1957 activities of INCAP in addition to appearing in Exhibit III, also have been displayed in greater detail in a separate schedule (Schedule G and Annex 1), to which the External Auditor's certificate has been affixed.

With further reference to Exhibit III, attention is invited to the fact that the Statement of Assets and Liabilities reflects separately the financial position of the Special Malaria Fund. Supporting Schedules B and C present the financial activities in this respect.

Total funds expended for the combined activities of the Pan American Sanitary Bureau and the Regional Office of the World Health Organization were as follows:

Pan American Sanitary Organization	\$ 2,365,333
PASO Special Malaria Fund	922,345
PASO Special Funds	98,982
PASO Grants	100,040
Organization of American States -	
Technical Assistance	231,061
Institute of Nutrition of Central America	
and Panama (INCAP)	87,448
INCAP Grants	155,076
World Health Organization	1,308,419
World Health Organization -	
Technical Assistance	<u>1,180,213</u>
Sub Total	\$ 6,448,917
Procurement services in the Americas	<u>1,760,376</u>
Grand Total	<u><u>\$ 8,209,293</u></u>

It will be noted from the financial statements that the total amount of expenditures in respect of PASO was \$2,365,333 against an appropriation of \$2,400,000, leaving a balance of \$34,667 or 1.4%.

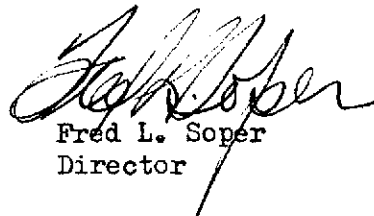
Still uncollected from member governments as at 31 December 1957 were:

Quota Contributions	\$ 476,275
Balances of Procurements	12,974
Obligations pertaining to the XIV Pan American	
Sanitary Conference in Santiago, Chile	<u>13,113</u>
	<u><u>\$ 502,362</u></u>

The amount of \$150,221 representing surplus of income over expenditures for 1957 has been transferred to the Working Capital Fund. Of this amount \$125,080 has been used to replenish the deficit carried forward from the financial year 1956. The additional balance of \$25,141 brought the Working Capital Fund to the level of \$1,225,141 as of 31 December 1957, as compared to the authorized established level of \$1,440,000 for the financial year 1957.

It seems clear that this deficiency amounting to \$214,859 can be eliminated only if arrears of quota contributions are paid in the immediate future and 1958 quotas are paid on a current basis.

The External Auditor has once again expressed his concern in this regard, and I respectfully commend to the member governments that the maintenance of a sound financial condition remains of utmost importance in the performance of Bureau operations.



Fred L. Soper
Director

Washington, D. C.
12 April 1958

The following notes are given to facilitate the study of the various exhibits and schedules.

Statement of Appropriations, Obligations Incurred and
Unobligated Balance of Appropriations
for the year 1957 (Exhibit I).

Total obligations, liquidated and unliquidated were \$2,365,333 against an effective appropriation of \$2,400,000. Transfers totalling \$128,516 were made from Part III of the Budget for the purpose of increasing Part I by \$4,862 and Part II by \$123,654 in accordance with Resolution V of the IX Meeting and Resolution VIII of the X Meeting of the Directing Council. Further analysis of the expenditures is given in the attachment to this report.

Statement of Income, Expenditures and Surplus for
the year 1957 (Exhibit II).

Income

Quota Contributions

The assessment on member governments for 1957 totalled \$2,300,000 and collections amounted to \$2,034,801 or 88.47%. The total of quota contributions in arrears for years prior to 1957 amounted to \$565,573, of which \$354,497 were collected during 1957. Altogether, the total balance of quota contributions due as at 31 December 1957 amounted to \$476,275.

The contributions of the Governments of France, the Netherlands and the United Kingdom on behalf of their departments and territories in the Western Hemisphere totalled \$28,340. Details of quota contributions due and collections are given in Schedule A and Annex A 1.

Procurement Service Charges

The revenue from the 3% procurement charge which is applied to purchases made on behalf of member governments in accordance with the terms of Resolution XXIX of the V Meeting of the Directing Council amounted to \$33,754. The service charge is calculated on net commodity prices at the time of payment of invoices to the vendors. No service charge is levied upon items such as freight, loading, insurance or emergency procurement nor is the charge applied for procurement services rendered to staff members.

Interest

Interest earned in the amount of \$44,121, represents revenue from short-term investments in USA Treasury Bills, USA Treasury Certificates of Indebtedness, dividend on Mexican Telephone Stock, interest earned on bank deposits and on income tax refunds.

Sale of Capital Assets

Sale of old capital assets, amounting to \$7,184, includes the sale of obsolete equipment, furniture, and two automobiles.

Sale of Publications

Sale of publications in the amount of \$1,973 represents sale of PASB Bulletin and various scientific pamphlets published by the Pan American Sanitary Bureau.

Sundries

Sundries amounting to \$248 represent miscellaneous income from the sale of waste paper, the commission on receipts from public telephone in Headquarters Buildings, etc.

Unused Balance of Obligations, etc.

As of 31 December 1957 all 1955 and 1956 obligations had been liquidated, leaving amounts of \$3,356 and \$4,082 respectively in excess of requirements. These amounts were taken up as income in 1957.

The item "Credits against previous years' expenditures" represents various types of refunds which were previously charged to expense, viz.:

Income tax	\$ 1,056
Transportation	1,445
Fellowship stipend	208
Personal services and allowances	365
Unused funds earmarked for the investigation of Hydatidosis	63
Insurance claim, etc.	61
	<u>\$ 3,198</u>

Expenditures

Budgetary expenditures during the year amounted to \$2,365,333 of which \$2,205,266 represent disbursements and \$160,067 unliquidated obligations. Details of expenditures are given in Exhibit I and in the attachment to this report.

Surplus

In 1957 there was a cash surplus (i.e. an excess of income over expenditures) amounting to \$150,221 which was transferred to the Working Capital Fund. (Exhibit II)

Statement of Assets and Liabilities (Exhibit III)

Contributions Receivable from Member States

The total of quota contributions outstanding as at 31 December 1957 was \$476,275. Details are given in Schedule A and Annex A 1.

Accounts Receivable

The accounts receivable totalled \$138,193, representing interest accrued, amounts due from other international and governmental agencies,

advances to staff members made in accordance with Regulations of the Organization, deposit accounts and sundry other debtors. This sum comprises receivables for all funds, excepting INCAP and OAS/TA.

Capital Assets

The amount of \$526,565 represents the recorded book value of land and buildings of the Headquarters of the Pan American Sanitary Bureau in Washington, D.C.

Cash in Banks and on Hand

Total cash in banks and on hand for all funds amounted to \$1,006,814, distributed as follows:

General Fund	\$ 100,742
Special Malaria Fund	96,328
Working Capital Fund	229,733
Emergency Procurement Revolving Fund	37,792
Building Fund	11,691
Special Funds	66,078
Trust Funds	288,928
Institute of Nutrition of Central America and Panama	113,610
Organization of American States - Technical Assistance	61,912
	<u>\$1,006,814</u>

Investments

Investments costing the total amount of \$4,403,445 are held in USA Treasury Bonds, USA Treasury Bills, USA Treasury Certificates of Indebtedness and Mexican Telephone Stock. Details are given in Schedule B.

Obligations Payable (General Fund)

Unliquidated obligations for 1957 amounted to \$160,067. A breakdown by parts of the budget is given in Exhibit I.

Accounts Payable (General Fund)

The amount of \$27,660 includes contributions from staff members and the Organization to be transmitted to the United Nations Joint Pension Fund, credit balances for personal accounts of staff members and sundry creditors.

Insurance Equalization Account

This account has been established in order to distribute evenly the expenses for various types of insurance over a period of years. An amount of \$5,400 was credited to this account during the year. The balance as at 31 December was \$344.

Special Malaria Fund

This fund was established during 1957. Total income received during the year amounted to \$3,946,251 representing contributions of \$3,899,400 and interest of \$46,851 earned on investments. Of the total amount received \$922,345 was expended, leaving a balance available as at 31 December 1957 of \$3,023,906. For detail see Exhibit III and Schedule C. Additional detail on the expenditures under this Fund are reported in Summary and Distribution of Obligations Incurred.

Working Capital Fund

The Working Capital Fund was established in order to finance normal operation during the course of the year pending receipt of quota contributions.

During 1957 the current income exceeded current budget expenditures by \$150,221 (Exhibit II) which amount has been transferred to the Working Capital Fund. Of this amount \$125,080 was used to replenish the advance made for 1956 operations.

Emergency Procurement Revolving Fund

Emergency purchases of supplies and equipment were made from this fund on behalf of several Governments. The total of these purchases amounted to \$22,411 of which \$10,203 has been refunded leaving a balance of \$12,208 due the Fund as at 31 December 1957.

Building Fund

This fund increased \$6,193 during 1957 representing interest of \$6,250 earned on the investments of the Fund less investment agents fees of \$57.

Special Funds

The Special Funds include special appropriations made by the Directing Council from surplus funds of previous years. Details are given in Schedule D.

Trust Funds

The amount of \$148,183 represents the balance of cash deposits made with PASB on account of procurement on behalf of governments, institutions and individuals. Schedule E furnishes details of transactions displayed by country. Amounts due to PASB from the respective governments totalling \$12,974 are shown in Schedule E and reflected in the balance sheet under Accounts Receivable, General Fund.

Schedule F shows the funds available to PASB from grants. This schedule also shows the Accrued Repatriation Entitlements. It will be noted that no transfers were made to the Accrued Repatriation Entitlements during 1957.

Institute of Nutrition of Central America and Panama

Under the basic agreement of INCAP "The Pan American Sanitary Bureau continues to assume responsibility for the administration of INCAP"

Details of receipts and payments to INCAP activities are given in Schedule G.

Amounts of assessed quotas and collections during 1957 are given in Schedule G - Annex 1.

Organization of American States - Technical Assistance

The total cash allocation received from the Organization of American States on behalf of the Aftosa project during 1957 amounted to \$269,797. Cash expenditures amounting to \$211,782 have been disbursed against these allocations. In addition to the cash allocation miscellaneous income representing revenue from interest amounted to \$137. Unliquidated obligations in respect of 1957 Budget amounted to \$19,279 as shown in Schedule H which also shows the accounting of balances of allocations for previous years. Thus, total amount of expenditures liquidated and unliquidated for 1957 amounted to \$231,061.

SUMMARY AND DISTRIBUTION OF OBLIGATIONS INCURRED

SUMMARY OF 1957 EXPENDITURES BY OBJECT GROUPS

	Pan American Sanitary Organization PART I	Pan American Sanitary Bureau		TOTAL
		Headquarters PART II	Field and Other Programs PART III	
Personal Services	\$ 97,719	\$ 703,527	\$ 494,739	\$ 1,295,985
Personal Allowances	13,671	124,135	152,655	290,511
Travel and Transportation	9,353	61,830	146,760	217,943
Space and Equipment Services	946	45,116	18,354	64,416
Other Services	2,464	32,702	46,613	81,779
Supplies and Materials	26,827	26,103	79,404	132,334
Fixed Charges and Claims	10,052	91,592	7,200	108,844
Grants and Contracted Technical Services	-	-	126,657	126,657
Acquisition of Capital Assets	-	30,689	16,175	46,864
TOTAL	161,032	1,115,744	1,088,557	2,365,333

SUMMARY OF 1957 EXPENDITURES

ALL FUNDS

	PASO \$	PASO SMF \$	Pan American Sanitary Organization - Other				WHO \$	WHO/TA \$
			Special Funds \$	Grant Funds \$	OAS/TA \$	INCAP \$		
Personal Services	1,295,985	136,636	40,850	67,836	133,668	143,165	531,979	521,822
Personal Allowances	290,511	29,613	16,804	10,454	19,620	7,729	117,897	92,708
Travel and Transportation	217,943	133,496	19,697	7,586	20,596	5,343	130,742	123,322
Space and Equipment Services	64,416	9,402	-	4,472	969	4,419	19,426	3,188
Other Services	81,779	31,137	1,950	3,851	12,331	24,327	39,458	7,782
Supplies and Materials	132,334	281,101	4,230	3,039	32,325	24,800	56,419	19,841
Fixed Charges and Claims	108,844	3,005	124	875	2,138	2,146	54,285	6,430
Grants and Contracted Technical Services	126,657	183,486	158	-	6,685	1,984	324,168	345,859
Acquisition of Capital Assets	46,864	114,469	15,169	1,927	2,729	28,611	34,045	59,261
TOTAL	2,365,333	922,315	98,982	100,040	231,061	242,524	1,308,419	1,180,213

STATEMENT OF 1957 EXPENDITURES

ALL FUNDS

<u>PART I</u>	PASO \$	PASO SMF \$	PASO OTHER \$	WHO \$	WHO/TA \$
Conference Services	75,821	-	-	18,074	6,219
Organizational Meetings	56,926	-	-	9,300	-
Common Staff Costs	28,285	-	-	2,747	1,559
TOTAL, PART I	161,032	-	-	30,121	7,778
<u>PART II</u>					
<u>Executive Offices</u>					
Office of the Director	90,239	-	-	18,273	-
Office of Public Information	21,905	-	-	57,661	1,090
Library	31,667	-	-	5,975	-
Editorial	63,674	-	-	6,085	-
<u>Division of Education and Training</u>					
Office of the Chief	7,526	-	-	7,456	-
Fellowships Branch	28,306	-	-	41,022	3,385
Professional Education Branch	30,807	-	-	-	-
<u>Division of Administration</u>					
Office of the Chief	25,525	-	-	2,439	74
Supply Office	42,383	-	-	13,124	4,948
Administrative Management and Personnel Branch	28,727	-	-	26,966	14,342
Budget and Finance Branch	79,284	-	-	53,742	13,576
General Services Office	110,658	-	-	32,184	3,556
<u>Division of Public Health</u>					
Office of the Chief	28,687	-	-	12,475	23
Health Promotion Branch	17,594	-	-	28,689	-
Communicable Diseases Branch	85,236	-	-	24,328	-
Environmental Sanitation Branch	5,510	-	-	32,031	-
Malaria Eradication	40,879	63,255	-	-	-
<u>Temporary Personnel</u>	15,270	-	-	-	-
<u>Common Costs</u>					
Compensation for Service- Incurred Illness	5	-	-	-	-
Common Staff Costs	235,518	7,933	-	108,141	10,973
Common Services	126,344	26,771	-	55,616	7,739
TOTAL, PART II	1,115,744	97,959	-	526,207	59,706

PART III	PASO	PASO	PASO	WHO	WHO/TA
	\$	SMF	OTHER	\$	\$
<u>Zone Offices</u>					
El Paso Field Office	40,361	-	-	-	-
Jamaica Field Office (Zone I)	43,975	2,283	-	979	-
Mexico Zone Office (Zone II)	86,738	1,685	-	28,380	-
Guatemala Zone Office (Zone III)	94,972	2,292	-	16,905	-
Lima Zone Office (Zone IV)	110,487	4,826	-	4,565	-
Rio de Janeiro Zone Office (Zone V)	61,920	987	-	12,148	-
Buenos Aires Zone Office (Zone VI)	81,702	998	-	2,068	-
Total, Zone Offices	520,155	13,071	-	65,045	-
<u>Programs</u>					
<u>Argentina</u>					
3 - Nursing Education	-	-	-	-	9,423
6 - P.H.A. Fellowships	-	-	-	9,590	-
7 - Local Health Services	-	-	-	-	49,567
8 - Malaria Eradication	-	9,692	-	-	-
15 - Nutrition	-	-	-	1,908	-
51 - Aedes aegypti Eradication	46,829	-	-	-	-
<u>Barbados</u>					
2 - Local Health Services	-	-	-	-	14,247
<u>Bolivia</u>					
4 - Malaria Eradication	-	17,918	-	-	11,222
5 - Nursing Education	-	-	-	19,027	-
10 - Public Health Services	37,623	-	-	-	-
11 - Joint Field Mission on Indigenous Populations	-	-	-	-	10,792
13 - P.H.A. Fellowships	-	-	-	-	4,144
<u>Brazil</u>					
17 - Hydatidosis Control	-	-	-	-	5,000
18 - National Drug Service	-	-	-	14,711	-
19 - School of Public Health	-	-	-	3,560	-
21 - Trachoma Control	-	-	-	-	3,354
22 - Nursing Education	-	-	-	-	10,219
24 - Malaria Eradication	-	13,737	-	-	-
28 - P.H.A. Fellowships	9,065	-	-	-	-
30 - Plague Investigation	-	-	-	-	1,813
51 - Yellow Fever Laboratory	5,000	-	-	-	-
<u>British Guiana and West Indies</u>					
5 - P.H.A. Fellowships	-	-	-	37,707	-
<u>British Honduras</u>					
1 - Malaria Eradication	-	2,348	-	-	-
4 - P.H.A. Fellowships	-	-	-	3,949	-
5 - Rural Public Health Services	-	-	-	16,290	-

	PASO	PASO SMF	PASO OTHER	WHO	WHO/TA
	\$	\$	\$	\$	\$
<u>Canada</u>					
1 - P.H.A. Fellowships	-	-	-	1,250	-
<u>Chile</u>					
10 - Tuberculosis Control	-	-	-	-	8,652
17 - University of Chile, Medical School Laboratory	-	-	-	-	46,424
20 - Midwifery Education	-	-	-	17,464	-
25 - P.H.A. Fellowships	-	-	-	5,884	-
28 - Fellowships in Various Health Fields	-	-	-	-	29,296
<u>Colombia</u>					
4 - Public Health Services	-	-	-	-	64,618
5 - Malaria Eradication	-	59,260	-	-	10,575
22 - Aedes Aegypti Eradication	-	-	-	-	22,680
52 - Yellow Fever, Carlos Finlay Institute	31,600	-	-	-	-
<u>Costa Rica</u>					
2 - Malaria Eradication	-	16,510	-	-	-
3 - Nursing Education	-	-	-	7,038	-
17 - Evaluation of Public Health Program	514	-	-	-	-
<u>Cuba</u>					
1 - Aedes Aegypti Eradication	38,115	-	-	-	-
5 - Malaria Eradication	-	-	-	-	9,836
7 - P.H.A. Fellowships	-	-	-	2,595	-
<u>Dominican Republic</u>					
2 - Malaria and Aedes Aegypti Eradication	-	30,106	-	-	13,739
4 - Reorganization of Local Health Services	40,760	-	-	-	-
9 - P.H.A. Fellowships	-	-	-	3,894	-
52 - Venereal Disease Control	12,345	-	-	-	-
<u>Ecuador</u>					
4 - Rural Public Health Services	-	-	-	25,675	-
5 - Tuberculosis Teaching Center	-	-	-	2,700	-
11 - National Institute of Health	-	-	-	-	2,291
14 - Malaria Eradication	-	14,236	-	-	9,205
16 - Nursing Education	-	-	-	6,081	-
53 - National Institute of Nutrition	-	-	-	-	10,514
<u>El Salvador</u>					
2 - Malaria Eradication	-	20,891	-	-	-
5 - Health Demonstration Area	-	-	-	-	49,315
<u>Guadeloupe</u>					
1 - Malaria Eradication	-	897	-	-	-

	PASO	PASO SMF	PASO OTHER	WHO	WHO/TA
	\$	\$	\$	\$	\$
<u>Guatemala</u>					
1 - Malaria Eradication	-	13,567	-	-	5,051
6 - Training of Nursing Auxiliaries	-	-	-	12,661	-
7 - P.H.A. Fellowships	-	-	-	-	12,881
8 - Rural Public Health Services	-	-	-	40,427	-
11 - BCG Vaccination	-	-	-	-	3,294
<u>Haiti</u>					
1 - Yaws Eradication and Syphilis Control	12,116	-	-	49,798	-
2 - Local Health Services	-	-	-	-	12,464
4 - Malaria and Aedes Aegypti Eradication	-	42,400	-	-	24,205
9 - Public Health Laboratory	872	-	-	-	-
15 - P.H.A. Fellowships	-	-	-	3,985	-
<u>Honduras</u>					
1 - Malaria Eradication	-	13,302	-	-	-
4 - Rural Public Health Services	-	-	-	-	39,836
5 - BCG Vaccination	-	-	-	-	11,313
<u>Jamaica</u>					
2 - Malaria Eradication	-	24,466	-	-	-
7 - P.H.A. Fellowships	-	-	-	6,613	-
<u>Martinique</u>					
3 - P.H.A. Fellowships	-	-	-	-	3,693
<u>Mexico</u>					
13 - Venereal Diseases Training Course	207	-	-	-	-
18 - P.H.A. Fellowships	-	-	-	8,935	-
22 - Integrated Health Services (Guanajuato)	-	-	-	39,659	-
24 - P.H.A. Fellowships	-	-	-	-	11,668
26 - Environmental Sanitation Aedes Aegypti Eradication	-	-	-	-	81
28 - Public Health Laboratory	-	-	-	382	-
53 - Malaria Eradication	-	99,183	-	-	30,423
<u>Netherlands Antilles and Surinam</u>					
1 - Malaria and Aedes Aegypti Eradication	-	4,108	-	-	-
<u>Nicaragua</u>					
1 - Malaria Eradication	-	27,558	-	-	-
3 - Rural Public Health Services	-	-	-	-	13,226
5 - Nursing Education	-	-	-	22,640	-
<u>Panama</u>					
1 - Public Health Services	-	-	-	-	44,694
2 - Malaria Eradication	-	15,615	-	-	7,368

	PASO	PASO SMF	PASO OTHER	WHO	WHO/TA
	\$	\$	\$	\$	\$
<u>Paraguay</u>					
1 - Malaria Eradication	-	23,203	-	-	-
9 - Leprosy Control	-	-	-	12,713	-
10 - Public Health Services	-	-	-	-	83,729
<u>Peru</u>					
5 - Malaria Eradication	-	49,670	-	-	4,264
21 - P.H.A. Fellowships	-	-	-	2,659	-
22 - Public Health Services	-	-	-	-	61,573
23 - Joint Field Mission on Indigenous Populations	-	-	-	-	5,339
<u>Trinidad</u>					
3 - Malaria Eradication	-	24,664	-	-	-
6 - Public Health Legislation	-	-	-	3,206	-
<u>Uruguay</u>					
5 - Rural Health Services	-	-	-	-	56,075
8 - P.H.A. Fellowships	-	-	-	2,227	-
<u>United States</u>					
7 - Public Health Administration, Fellowships	-	-	-	4,148	-
<u>Venezuela</u>					
1 - Local Health Services	-	-	-	-	32,135
10 - P.H.A. Fellowships	-	-	-	4,535	-
52 - Venereal Disease Laboratory	15,237	-	-	-	-
<u>Windward Islands (St. Lucia)</u>					
2 - Malaria Eradication	-	5,127	-	-	-
<u>Inter-Country and Inter-Zone Projects</u>					
<u>AMRO:</u>					
1 - Environmental Sanitation Training	-	-	-	74,266	-
7 - Malaria and Aedes Aegypti Eradication (Central America and Panama)	-	29,199	-	-	64,017
8 - Malaria and Aedes Aegypti Eradication (Caribbean)	-	-	-	-	77,467
10 - Inter-American Program for Education in Biostatistics	-	-	-	-	46,059
17 - Waterworks Training Course	-	-	-	19	-
18 - Medical and Public Health Education	-	-	-	40,308	-
26.3 - Brucellosis Training Course	-	-	-	25,531	-
28 - Advanced Nursing Education	-	-	-	29,699	-
29 - Cultural Anthropology	-	-	-	1,117	-
35 - Fellowships (Unspecified)	57,754	-	-	-	-
45 - Laboratory Services	-	-	-	2,037	-

	PASO	PASO SMF	PASO OTHER	WHO	WHO/TA
	\$	\$	\$	\$	\$
47 - Yaws Eradication and Syphilis Control (Caribbean)	-	-	1/ -	-	21,110
54 - Collaboration with INCAP	50,756	-	242,524	-	-
57 - Yellow Fever Studies	38,460	-	-	-	-
60 - Smallpox Eradication	16,402	-	2/ 49,971	-	-
61 - Rabies Control	-	-	-	40,865	-
62 - Housing Sanitation	-	-	-	3,873	-
67 - Veterinary Medicine Education	-	-	-	499	-
72 - Dental Health	-	-	2/ 8,207	-	-
74 - Plague Investigation (Bolivia, Ecuador, and Peru)	7,647	-	-	-	-
76 - Vaccine Testing	-	-	-	4,447	-
77 - Pan American Foot and Mouth Disease Center	-	-	4/ 231,061	-	-
81 - Pan American Zoonoses Center	24,724	-	5/ 11,072	-	29,880
83 - Typhus Control (Bolivia and Peru)	2,167	-	-	-	-
85 - Latin American Center for Classification of Diseases	-	-	-	18,916	-
86 - Health Statistics	-	-	-	15,256	-
88 - Aedes Aegypti Eradication	2,587	-	-	-	-
90 - Malaria Technical Advisory Services	43,322	26,703	-	-	-
91 - Seminar on Application of International Sanitary Regulations	-	-	-	257	-
92 - Poliomyelitis	-	-	-	13,135	-
93 - Health Education	-	-	-	12,691	-
94 - Diarrheal Diseases in Childhood	22,098	-	-	-	-
95 - Environmental Sanitation (Caribbean)	-	-	-	-	13,958
105 - Field Studies of Dieldrin and Other Insecticides (Mexico)	-	-	6/ 80,761	-	-
109 - Malaria Eradication	-	-	2/ 49,011	-	-
110 - Tuberculosis Prevention	681	-	-	-	-
114 - Training for Malaria Eradication	-	132,038	-	-	-
115 - ICA Health Education Seminar (Malaria Education Activities)	-	5,676	-	-	-
116 - Seminar on Laboratory Techniques in Malaria Eradication	-	22,268	-	-	-
117 - Malaria Technical Advisory Services (FOC)	-	20,045	-	-	-

- 1/ INCAP
2/ Special appropriation from surplus
3/ Grant funds - Kellogg Foundation
4/ OAS/TA
5/ Grant funds - Government of Argentina
6/ Grant funds - Shell Chemical Corporation

	PASO	PASO SMF	PASO OTHER	WHO	WHO/TA
	\$	\$	\$	\$	\$
133 - Training Course for Malaria Eradication (Guatemala City)	-	45,581	-	-	-
143 - Health Statistics	-	-	-	10,219	-
Ex Gratia Payment	1,460	-	-	-	-
Total, Programs	518,341	809,968	672,607	687,046	1,112,729
<u>Publications of PASB</u>					
PASB Bulletin	32,017	-	-	-	-
Statistical Publications and Reports	7,376	-	-	-	-
Special Publications	5,668	-	-	-	-
AIDIS Journal	5,000	-	-	-	-
Malaria Special Publications	-	1,347	-	-	-
Total, Publications	50,061	1,347	-	-	-
TOTAL, PART III	1,083,557	824,386	672,607	752,091	1,112,729
GRAND TOTAL, PARTS I, II, and III	2,365,333	922,345	672,607	1,308,419	1,180,213

F I N A N C I A L S T A T E M E N T S

Exhibit I

STATEMENT OF APPROPRIATIONS, OBLIGATIONS INCURRED AND UNOBLIGATED
BALANCE OF APPROPRIATIONS FOR THE YEAR 1957

Part of the Budget	Purpose of Appropriation	Appropriated by the Directing Council	Amounts Transferred Between Parts	Effective Appropriation	Obligations Incurred			Unobligated Balance of Appropriations
					Liquidated by Disbursements	Unliquidated	Total	
I	Pan American Sanitary Organization	\$ 156,170	\$ 4,862	\$ 161,032	\$ 153,825	\$ 7,207	\$ 161,032	\$ -
II	Pan American Sanitary Bureau - Headquarters	992,090	123,654	1,115,744	1,081,026	34,718	1,115,744	-
III	Pan American Sanitary Bureau - Field and Other Programs	1,251,740	(128,516)	1,123,224	970,415	118,142	1,088,557	34,667
	TOTAL	2,400,000	-	2,400,000	2,205,266	160,067	2,365,333	34,667

For the Director
Pan American Sanitary Bureau

D. F. Simpson

D. F. Simpson, Chief
Division of Administration

The above statement has been examined in accordance with my
directions. I have obtained all the information and expla-
nations that I have required, and I certify, as a result of
the audit, that, in my opinion, the above statement is
correct subject to the observations in my report.

Uno Brunsog

Uno Brunsog
External Auditor

Note: Figure in parentheses denotes reduction.

Exhibit II

STATEMENT OF INCOME, EXPENDITURES
AND SURPLUS FOR THE YEAR 1957

INCOME

\$

\$

Contributions from Member States:

Amounts collected in respect of 1957 assessments	2,034,801	
Amounts collected in respect of arrears for previous years	<u>354,497</u>	2,389,298

Contributions on behalf of Territories of France,
Netherlands, and United Kingdom:

Amounts collected in respect of 1957 assessments		28,340
--	--	--------

Miscellaneous Income:

3% Procurement charge	33,754	
Interest earned	<u>44,121</u>	
Sale of old capital assets	7,184	
Sale of publications	1,973	
Sundries	<u>248</u>	87,280

Unused Balances of Obligations, etc.:

Unused budgetary provisions for 1955	3,356	
Unused budgetary provisions for 1956	<u>4,082</u>	
Credits against previous years' expenditures	<u>3,198</u>	<u>10,636</u>

TOTAL INCOME		2,515,554
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EXPENDITURES

Obligations incurred		<u>2,365,333</u>
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SURPLUS

Excess of Income over Expenditures (Transferred to Working Capital Fund)		<u><u>150,221</u></u>
---	--	-----------------------

For the Director
Pan American Sanitary Bureau

The above statement has been examined in accordance with my directions. I have obtained all the information and explanations that I have required, and I certify, as a result of the Audit, that in my opinion, the above statement is correct subject to the observations in my report.

D. F. Simpson

D. F. Simpson, Chief
Division of Administration

Uno Brunskog

Uno Brunskog
External Auditor

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 1957

GENERAL FUND

ASSETS

Contributions Receivable from Member States (Schedule A)	\$ 476,275	\$
Less: Reserves for Non-Collected Contributions	476,275	--
Accounts Receivable		
Governments, Institutions and Individuals, on Account of Procurements (Schedule E)	\$ 12,974	
Less: Reserve for Doubtful Accounts	12,436	\$ 538
Government of Chile on Account PASO Conference, for Equipment	13,113	
Organization of American States, Technical Assistance on Account Aftosa Project	3,117	
World Health Organization, Current Account	43,897	
Sundry Debtors	18,851	
Other Accounts Receivable - Prepayments	487	
Interest Accrued	11,048	91,051

Capital Assets

Buildings in Washington	\$ 526,565	
Less: Equity in Buildings	526,565	--

Investments (Schedule B)

1,744

Cash in Banks and on Hand:

US Dollar Currency	91,031	
Other Currencies	9,711	100,742
		\$ 191,537

SPECIAL MALARIA FUND

Investments (Schedule B)	\$ 3,210,449	Unliquidated Obligations	316,545
Cash in Bank	96,328	Unobligated Funds (Schedule C)	3,023,906
Account Receivable - Accrued Interest	33,674		
	\$ 3,340,451		\$ 3,340,451

WORKING CAPITAL FUND

Investments (Schedule B)	\$ 995,408	1 January 1957 Established Working Capital Fund	\$ 1,200,000
Cash in Banks and on Hand:		Less: Advance to 1956 Budget	125,080
US Dollar Currency	229,733	Excess of Income Over Expenditures 1957 (Exhibit II)	150,221
	\$ 1,225,141		\$ 1,225,141

EMERGENCY PROCUREMENT REVOLVING FUND

Cash in Banks	37,792	Established Emergency Procurement Fund	50,000
Accounts Receivable	12,208		
	\$ 50,000		\$ 50,000

BUILDING FUND

Investments (Schedule B)	195,844	Appropriations toward Building Fund for Headquarters	200,000
Cash in Bank	11,691	Income: Interest on Investments	9,204
Account Receivable - Accrued Interest	1,260	Less: Fees Investment Agent	409
	\$ 208,795		\$ 208,795

SPECIAL FUNDS

Cash in Banks	\$ 66,078	Appropriations of Extra Budgetary Funds (Schedule D)	\$ 66,078
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TRUST FUNDS

Cash in Banks:		Procurement Fund (Schedule E)	\$ 148,183
US Dollar Currency	\$ 260,532	Grants (Schedule F)	66,246
Other Currencies	28,396	Accrued Repatriation Entitlements (Schedule F)	74,499
	\$ 288,928		\$ 288,928

TOTAL

\$ 5,372,930

TOTAL

\$ 5,372,930

INSTITUTE OF NUTRITION OF CENTRAL AMERICA AND PANAMA

Contributions Receivable from Member Countries (Schedule G-AI)	\$ 15,000	Obligations Payable (Schedule G)	\$ 4,313
Less: Reserves for Non-Collected Contributions	15,000	Accounts Payable - Sundry	360
Cash in Banks and on Hand:		Provident Fund (Schedule G)	30,592
US Dollar Currency	\$ 111,167	Grants (Schedule G)	109,425
Other Currencies	2,443	Contingency Reserve Fund (Schedule G)	45,886
Investments			
Sundry Debtors	69,398		
Account Receivable - Accrued Interest	7,197		
	371		
	\$ 190,576		\$ 190,576

ORGANIZATION OF AMERICAN STATES TECHNICAL ASSISTANCE

Cash in Banks and on Hand:		Obligations Payable (Schedule H)	\$ 19,279
US Dollar Currency	\$ 61,333	Accounts Payable - PASS and Sundry	4,791
Other Currency	579	Unobligated Funds	39,168
Accounts Receivable	1,594		
Less: Reserve for Doubtful Accounts	268		
	\$ 63,238		\$ 63,238

GRAND TOTAL

\$ 5,626,744

GRAND TOTAL

\$ 5,626,744

For the Director
Pan American Sanitary Bureau

D. F. Simpson
D. F. Simpson
Chief, Division of Administration

The above statement has been examined in accordance with my directions. I have obtained all the information and explanations that I have required, and I certify, as a result of the audit, that in my opinion the above statement is correct, subject to the observations in my report.

Uno Brunskog
External Auditor

STATEMENT OF CONTRIBUTIONS OF MEMBER STATES

States	Contributions in Respect of the Year 1957			Balance Due on 31 December 1957 in Respect of Years Prior to 1957 (See Annex)	Total Balance Due on 31 December 1957
	Assessment	Collections	Balance Due		
Argentina	\$ 172,270	\$ 148,000	\$ 24,270	\$ -	\$ 24,270
Bolivia	7,130	-	7,130	53,550	60,680
Brazil	172,960	172,960	-	-	-
Chile	47,610	4,876	42,734	-	42,734
Colombia	59,110	26,145	32,965	-	32,965
Costa Rica	5,750	5,750	-	-	-
Cuba	43,240	-	43,240	40,761	84,001
Dominican Republic	7,130	7,130	-	-	-
Ecuador	7,130	7,130	-	-	-
El Salvador	8,740	7,770	970	-	970
Guatemala	10,120	10,120	-	-	-
Haiti	5,750	5,750	-	-	-
Honduras	5,750	4,800	950	-	950
Mexico	110,860	110,860	-	-	-
Nicaragua	5,750	5,510	240	-	240
Panama	7,130	-	7,130	-	7,130
Paraguay	5,750	-	5,750	9,840	15,590
Peru	23,000	-	23,000	3,678	26,678
United States	1,518,000	1,518,000	-	-	-
Uruguay	24,840	-	24,840	103,247	128,087
Venezuela	51,980	-	51,980	-	51,980
	2,300,000	2,034,801	265,199	211,076	476,275

STATEMENT OF CONTRIBUTIONS ON BEHALF OF TERRITORIES OF FRANCE, NETHERLANDS AND UNITED KINGDOM

France	5,525	5,525	-	-	-
Netherlands	2,815	2,815	-	-	-
United Kingdom	20,000	20,000	-	-	-
	28,340	28,340	-	-	-

Schedule A
Annex 1

ARREARS OF CONTRIBUTIONS DUE BY MEMBER STATES
IN RESPECT TO YEARS PRIOR TO 1957

States	Year	Due on 1 January 1957	Collected in 1957	Balance Due 31 December 1957	Totals
		\$	\$	\$	\$
Argentina	1956	155,400	155,400	-	-
Bolivia	1950	5,426	-	5,426	
	1951	10,690	-	10,690	
	1952	9,524	-	9,524	
	1953	7,000	-	7,000	
	1954	7,400	-	7,400	
	1955	7,000	-	7,000	
	1956	6,510	-	6,510	53,550
Brazil	1956	68,420	68,420	-	-
Colombia	1956	4,358	4,358	-	-
Costa Rica	1956	240	240	-	-
Cuba	1954	27,475	27,475	-	-
	1955	40,400	37,859	2,541	
	1956	38,220	-	38,220	40,761
Ecuador	1956	2,519	2,519	-	-
Nicaragua	1956	240	240	-	-
Paraguay	1955	4,800	-	4,800	
	1956	5,040	-	5,040	9,840
Peru	1956	14,624	10,946	3,678	3,678
Uruguay	1951	4,619	-	4,619	
	1952	15,938	-	15,938	
	1953	19,800	-	19,800	
	1954	20,200	-	20,200	
	1955	19,800	-	19,800	
	1956	22,890	-	22,890	103,247
Venezuela	1956	47,040	47,040	-	-
		565,573	354,497	211,076	211,076

Schedule B

PAN AMERICAN SANITARY BUREAU

INVESTMENTS AT 31 DECEMBER 1957

	Par Value	Cost	Market Value at 31 December 1957
	\$	\$	\$
<u>General Fund:</u>			
Mexican Telephone Stock Mexican Pesos 22,500 at 12.50	1,800	1,744	1,620
<u>Special Malaria Fund:</u>			
U.S. of America Treasury Bills Maturing 6 March 1958	100,000	99,215	99,521
U.S. of America Treasury Certificates of Indebtedness, 3 3/8% Maturing 14 February 1958	1,200,000	1,199,781	1,201,875
U.S. of America Treasury Certificates of Indebtedness, 3 3/4% Maturing 1 December 1958	1,000,000	1,006,250	1,006,250
U.S. of America Treasury Certificates of Indebtedness, 1% Maturing 1 August 1958	900,000	905,203	905,625
<u>Working Capital Fund:</u>			
U.S. of America Treasury Certificates of Indebtedness, 3% Maturing 14 February 1958	600,000	598,968	600,937
U.S. of America Treasury Bills Maturing 9 January 1958	400,000	396,440	399,784
<u>Building Fund:</u>			
U.S. of America Treasury Bonds 3% Maturing 15 February 1995	100,000	97,500	95,313
U.S. of America Treasury Bonds 3 1/4% Maturing 15 June 1983	100,000	98,344	100,063
TOTAL	4,401,800	4,403,445	4,410,988

SPECIAL MALARIA FUND
STATEMENT OF INCOME AND EXPENDITURES
FOR THE YEAR 1957

	\$	\$
<u>INCOME:</u>		
<u>Voluntary Contributions:</u>		
Government of the Dominican Republic	100,000	
Government of the United States of America	3,500,000	
Government of Venezuela	<u>299,400</u>	3,899,400
 <u>Miscellaneous Income:</u>		
Interest earned		<u>46,851</u>
TOTAL INCOME		3,946,251
 <u>EXPENDITURES</u>		
Obligations incurred		<u>922,345</u>
Balance 31 December 1957		<u><u>3,023,906</u></u>

SPECIAL FUNDS

Name and Purpose of Funds	Balance 1 January 1957	Disbursed During 1957	Balance 31 December 1957		Total
			Unliquidated Obligations	Unobligated	
<u>Appropriation of Extra Budgetary Funds</u>	\$	\$	\$	\$	\$
Smallpox Eradication	80,039	49,971	7,214	22,854	30,068
Anti-Malaria Activities	61,497	49,011	2,919	9,567	12,486
Initial Architectural Expenses for Headquarters Building	23,524	-	-	23,524	23,524
	165,060	98,982	10,133	55,945	66,078

P R O C U R E M E N T F U N D

STATEMENT OF PROCUREMENT SERVICES EFFECTED
ON BEHALF OF GOVERNMENT ADMINISTRATIONS,
PUBLIC INSTITUTIONS, ETC.

	Balance 1 January 1957		Amounts Received or Transferred During 1957	Payments for Supplies, etc. Made during 1957	Balance 31 December 1957	
	Amounts Due to PASB	Deposits with PASB			Amounts Due to PASB	Deposits with PASB
Argentina	\$ -	\$ 10,260	\$ 90,047	\$ 79,477	\$ 17	\$ 20,847
Bolivia	8,664	-	-	-	8,664	-
Brazil	483	869,730	479,334	1,307,024	483	42,040
British W. Indies	-	8,478	11,870	18,024	-	2,324
Chile	-	171,745	14,912	157,161	5	29,501
Colombia	296	2,158	12,708	14,429	86	227
Costa Rica	2	-	1,586	1,585	1	-
Cuba	2,642	-	-	-	2,642	-
Dominican Republic	-	7,462	4,023	11,209	-	276
Ecuador	-	2,677	29,182	28,528	214	3,545
El Salvador	-	18,308	27,891	36,626	-	9,573
Guatemala	685	1,865	1,532	3,006	685	391
Haiti	-	64	6,451	4,876	93	1,732
Honduras	-	232	-	232	-	-
Mexico	768	2,915	911	3,052	-	6
Nicaragua	-	92	6,922	6,930	-	84
Panama	-	8,666	10,731	13,864	-	5,533
Paraguay	97	9,954	15,345	15,165	-	10,037
Peru	-	6,142	7,029	6,835	-	6,336
Uruguay	10	10	10	-	-	10
Venezuela	2	9,405	15,843	20,352	-	4,894
Employees	22	15,076	27,690	32,001	84	10,827
TOTAL	13,671	1,445,239	764,017	1,760,376	12,974	148,183

Schedule F

TRUST FUNDS

GRANTS - ACCRUED REPATRIATION ENTITLEMENT

Name and Purpose of Funds	Balance 1 January 1957	Received During 1957	Total	Disbursed During 1957	Refund During 1957	Balance 31 December 1957	
						Unliquidated Obligations	Unobligated Total
1. <u>GRANTS</u>							
Kellogg Foundation	1,133	8,369	9,502	8,207	1,295	-	-
Consultant in Dental Health							
Shell Chemical Corporation							
Field Studies of Dieldrin and Other Insecticides	52,215	66,459	118,674	80,761	-	530	37,913
Government of Argentina							
Pan American Zoonoses Center	14,264	25,141	39,405	11,072	-	102	28,333
TOTAL GRANTS	67,612	99,969	167,581	100,040	1,295	632	66,246
2. <u>ACCRUED REPATRIATION ENTITLEMENTS</u>							
	77,191	-	77,191	2,692	-	-	74,499
TOTAL-Grants-Accrued Repatriation Entitlements	144,803	99,969	244,772	102,732	1,295	632	140,745

INSTITUTE OF NUTRITION
OF CENTRAL AMERICA AND PANAMA

	Balance 1 January 1957	Received During 1957	Total	Disbursed During 1957	Transferred	Balance 31 December 1957		
						Unliquidated Obligations	Unobligated	Total
1. REGULAR FUNDS								
<u>Budgetary Provisions</u>								
1956 Budget	1,114	-	1,114	754	(360)	-	-	-
1957 Budget	-	90,000	90,000	80,635	(5,052)	4,313	-	4,313
Interest Earned	-	2,776	2,776	-	(2,776)	-	-	-
Credits Against Previous Years' Expenditures	-	56	56	-	(56)	-	-	-
TOTAL - BUDGETARY PROVISIONS	1,114	92,834	93,948	81,389	1/ (8,216)	4,313	-	4,313
<u>Appropriation for Unbudgeted Expenditure</u>								
Surplus at Disposal of Council	2,553	-	-	2,500	2/ 2,500	-	-	-
<u>Contingency Reserve Fund</u>	37,500	-	2,553	-	2/ (2,553)	-	-	-
Excess Income over expenditures 1957			37,500	-	1/ 8,216	-	45,886	45,886
Transfer from Surplus at Disposal of Council					2/ 53			
Credits from Provident Fund					3/ 67			
TOTAL - REGULAR FUNDS	42,167	92,834	134,001	83,889	87	4,313	45,886	50,199
2. PROVIDENT FUND	20,326	13,105	33,433	2,754	2/ (87)	-	30,592	30,592
3. DRAWTS								
<u>W.K. Kellogg Foundation</u>								
Research and Administrative Services:								
Library - Sept. 1955-Aug. 1957	40	2,500	2,540	2,050		-	490	490
Library - Sept. 1957-Aug. 1958		5,000	5,000	1,033		66	3,901	3,901
Graphic Arts - Sept. 1955-Aug. 1957	993	3,000	3,993	3,819		40	174	174
Corn Studies - Sept. 1955-Aug. 1957	312		312	13		-	269	269
Laboratory Equipment - Sept. 1955-Aug. 1957		5,707	5,707	4,510		1,133	64	1,197
Laboratory Equipment - Sept. 1957-Aug. 1958		9,088	9,088	5,935		1,724	1,429	3,153
Installation for Auditorium Sept. 1957-Aug. 1958		5,750	5,750	848		3,811	1,091	4,902
<u>E.I. Dupont de Nemours and Co.</u>	1,345	31,045	32,390	18,238		6,774	7,376	14,152
<u>Amino Acid Studies</u>								
National Live Stock and Meat Board	14,735	30,000	44,735	41,204		1,573	1,958	3,531
<u>Atherosclerosis and Dietary Factors</u>	6,461	8,000	14,461	12,216		-	2,215	2,215

INSTITUTE OF NUTRITION
OF CENTRAL AMERICA AND PANAMA
STATEMENT OF CONTRIBUTIONS OF MEMBER COUNTRIES

Country	Contributions in Respect of the Year 1957		
	Assessment	Collections	Balance Due
	\$	\$	\$
Costa Rica	17,500	12,500	5,000
El Salvador	17,500	17,500	-
Guatemala	17,500	17,500	-
Honduras	17,500	12,500	5,000
Nicaragua	17,500	17,500	-
Panama	17,500	12,500	5,000
	105,000	90,000	15,000

Krashdorkor and Vegetable Protein Mixture Development July 1956-June 1957	11,884	-	11,884	11,373	-	511	511
Krashdorkor and Vegetable Protein Mixture Development July 1957-June 1958	16,500	16,500	16,500	2,697	-	13,803	13,803
<u>Nutrition Foundation, Inc.</u>							
Atherosclerosis and Dietary Factors	4,000	4,000	4,000	3,190	229	581	810
Krashdorkor and Vegetable Protein Mixture Development	5,100	5,100	5,100	3,387	-	1,713	1,713
<u>Research Corporation, Williams- Materman Fund</u>							
Krashdorkor and Vegetable Protein Mixture Development	16,000	16,000	16,000	6,603	47	9,397	9,397
<u>Rockefeller Foundation</u>							
Corn Studies	10,000	10,000	10,493	10,009	-	490	490
<u>SCIDA - Servicio Cooperativo Interamericano de Agricultura</u>							
Animal Nutrition Studies	2,000	2,000	2,613	921	136	1,556	1,692
<u>United Fruit Company</u>							
Diarrheal and Parasitic Diseases	5,000	5,000	5,000	-	-	5,000	5,000
<u>U.S. Public Health Service National Institutes of Health</u>							
Krashdorkor and Vegetable Protein Mixture Development - Sept. 1956-Aug. 1957	12,733	-	12,733	10,472	-	2,261	2,261
Krashdorkor and Vegetable Protein Mixture Development - Sept. 1957-Aug. 1958	13,875	13,875	13,875	4,665	125	9,085	9,210
Atherosclerosis and Dietary Factors- Jan-Dec. 1957	32,959	32,959	32,959	29,630	447	2,882	3,329
Atherosclerosis and Dietary Factors- Jan-Dec. 1958	32,959	32,959	32,959	-	-	32,959	32,959
<u>World Health Organization</u>							
Krashdorkor and Vegetable Protein Mixture Development	22	8,000	22	-	-	22	22
Diarrheal and Parasitic Diseases	66	711	777	447	-	8,000	8,000
<u>Education and Training in Nutrition</u>							
	48,352	216,249	264,501	155,076	-	9,331	100,094
TOTAL GRANTS	109,847	322,088	431,935	244,719	-	13,644	176,572
GRAND TOTAL							109,425

Note: Figures in parentheses denote reduction.

For the Director
Pan American Sanitary Bureau

D. F. Simpson

D. F. Simpson, Chief
Division of Administration

The above statement has been examined in accordance with my directions. I have obtained all the information and explanations that I have required, and I certify, as a result of this audit, that, in my opinion, the above statement is correct.

Uno Brunekeg
External Auditor

ORGANIZATION OF AMERICAN STATES

TECHNICAL ASSISTANCE

	Balance 1 January 1957	Received During 1957	Total	Disbursed During 1957	Refund to OAS/TA	Balance 31 December 1957	
						Unliquidated Obligations	Unobligated Total
Aftosa Center - 1955	\$ 4,236	-	4,236	-	\$ 4,236	-	\$ -
1956	26,938	-	26,938	24,099	2,407	-	432
1957	-	269,797	269,797	211,782	-	19,279	38,736
	31,174	1/ 269,797	300,971	235,881	6,643	19,279	39,168
							2/ 58,447

1/ Revenue from Allocations	\$ 269,660	2/ U. S. Dollar Currency	\$ 61,333
Revenue from Interest	137	Cruzeiro Currency	579
	\$ 269,797	Accounts Receivable	1,326
			\$ 63,238
		Less: Accounts Payable	4,791
			\$ 58,447

R E P O R T O F T H E E X T E R N A L A U D I T O R

Washington, D. C.
11 April 1958


Sir,

I have the honour to transmit the financial statements of the Pan American Sanitary Bureau in respect of the year 1 January to 31 December 1957, which were submitted by the Director.

In accordance with the Financial Regulations, I have the honour to present my report with regard to the above-mentioned period.

I have the honour to be, Sir,

Your obedient Servant,



Uno Brunskog
External Auditor

The Chairman of the
Directing Council of the
Pan American Sanitary Organization

REPORT OF THE EXTERNAL AUDITOR
ON THE AUDIT OF THE ACCOUNTS OF THE
PAN AMERICAN SANITARY BUREAU FOR 1957

1. Pursuant to my letter of appointment as the External Auditor in accordance with Article XII, paragraph 12.1 of the Financial Regulations of the Pan American Sanitary Bureau, I have examined the accounts of the Bureau for the financial year 1957, with due regard to the provisions covering the scope of the audit as contained in Article XII of the Financial Regulations, and I have the honour to submit the following report, together with the financial statement and schedules thereto submitted to me by the Director on and before 10 April 1958.
2. Audit certificates have been issued subject to the observations in this report to the following statements of the Pan American Sanitary Bureau. These certificates also apply to the Institute of Nutrition of Central America and Panama (INCAP), the funds for which are administered by the Bureau.
 - a. Statement of Appropriations, Obligations Incurred, and Unobligated Balance of Appropriations for the year 1957;
 - b. Statement of Income, Expenditures and Surplus for the year 1957;
 - c. Statement of Assets and Liabilities as at 31 December 1957.

Budgetary Expenditures

3. Against the total appropriated budget of \$2,400,000 an amount of \$2,365,333 has been expended, leaving an unobligated balance of \$34,667. As regards the unobligated balance for the years 1955 and 1956, the corresponding figures were \$17,770 and \$34, respectively.
4. The budgetary expenditures for 1957 compared with those of the two preceding years were as follows:

	<u>1955</u>		<u>1956</u>		<u>1957</u>	
	Thousands	%	Thousands	%	Thousands	%
I Pan American Sanitary Organization	152	7	174	8	161	7
II Pan American Sanitary Bureau - Headquarters	919	44	955	43	1,116	47
III Pan American Sanitary Bureau - Field and Other Programs	1,011	49	1,071	49	1,088	46
Total	2,082	100	2,200	100	2,365	100

5. The table in paragraph 4 shows a big increase in the expenditure of the Headquarters during 1957 while the cost connected with the two other parts of the budget have been approximately the same as in 1956.

The \$161,000 increase of the Headquarters expenditure is mainly due to higher costs caused by:

- a. Adjustments in staff entitlements following the recommendations of the Salary Review Committee of the United Nations;
- b. Transfer of COMEP office from Mexico to Headquarters;
- c. Rental and equipment of the Headquarters' third building.

In anticipation of the needed increases, the Executive Committee at its first meeting in 1957 authorized the Director to transfer up to 15 per cent of Part III to Part II of the budget for 1957. Thus, Part II of the budget amounting to \$992,090 was by transfer enforced by \$123,654 (9.9 per cent of Part III) at an amount of \$1,115,744.

6. During the year 1957 an ex-gratia payment was made to a staff member of an amount of \$1,460 representing reimbursement for the cost of a car, shipped by the Bureau in 1953. The automobile was expropriated by a government, and efforts of the Bureau to obtain payment of an indemnity have been unsuccessful.

Budgetary Income

7. Revenues during 1957, compared with those of preceding years, were as follows:

	1955	1956	1957
Gross income budget	<u>\$2,100,000</u>	<u>\$2,200,000</u>	<u>\$2,400,000</u>
Contributions for the current year collected from member states	\$1,728,499	\$1,734,499	\$2,034,801
Arrears of contributions collected from member states	258,026	250,284	354,497
Contributions collected from non-self governing territories	22,277	22,532	28,340
3% Procurement charges	21,500	25,179	33,754
Interest earned	17,798	26,696	44,121
Unused budgetary provisions for previous years	56,219	9,572	10,436
Voluntary contributions	91,576	-	-
Other income	4,508	6,938	9,605
Total budgetary income	<u>\$2,200,403</u>	<u>\$2,075,700</u>	<u>\$2,515,554</u>
Percentage of income budget	104.78%	94.35%	104.81%

8. The collected contributions for the year 1957, in percentage of assessed contributions, are exhibited in the table below:

	<u>Contributions Assessed</u>	<u>Current Year Contributions Collected</u>	<u>%</u>
1957	\$2,300,000	\$2,034,801	88.47
1956	2,100,000	1,734,499	82.60
1955	2,000,000	1,728,499	86.42
1954	2,000,000	1,728,574	86.43
1953	2,000,000	1,743,702	87.18

It is true that collection of current contributions for the year 1957 shows an improvement, but I must still emphasize that the percentage must be considered too low for any international organization. The average of collected contributions, stated as a percentage of assessed contributions, during the last five years, 1953-1957, amounts only to 86.25 per cent.

9. Going through the records of collections of current contributions each year, from 1951 I have noted that some member states have frequently paid the current contributions in the following year. The delay in payment seems due to legislative processes and is understandable, but I must still stress the importance of the contributions being paid early in the year they fall due thus making it possible for the Bureau to carry out its tasks as and when they are planned. In that respect I would like to draw attention to the time when the current contributions were collected in the year 1957.

<u>Month</u>	<u>Collected Contributions</u>		<u>Percentage of Collected Contributions</u>
	<u>Monthly</u>	<u>Quarterly</u>	
January	\$ 5,038		
February	10,626		
March	<u>6,510</u>	\$ 22,174	1.1
April	25,200		
May	52,092		
June	<u>115,217</u>	192,509	9.5
July	1,572,978		
August	75,230		
September	<u>22,960</u>	1,671,168	82.1
October	-		
November	148,000		
December	<u>950</u>	<u>148,950</u>	<u>7.3</u>
Total		\$ 2,034,801	100.0

As will be seen from the table above, only some 10 per cent of contributions was collected during the first half year, and that means that the Working Capital Fund was heavily drawn upon until July when the bulk of contributions was received.

10. Uncollected arrears of contributions at 31 December 1957 amounted to \$476,275. The following is a comparative table showing the position with regard to arrears for the three years to 31 December 1957.

	<u>1955</u>	<u>1956</u>	<u>1957</u>
Unpaid balance of arrears of contributions as at 1 January	\$436,881	\$450,356	\$565,573
Arrears collected during year	<u>258,026</u>	<u>250,284</u>	<u>354,497</u>
Balance of arrears	\$178,855	\$200,072	\$211,076
Add: Uncollected arrears for current year	<u>271,501</u>	<u>365,501</u>	<u>265,199</u>
Unpaid balance of contributions for current and previous years as at 31 December	\$450,356	\$565,573	\$476,275
Percentage of assessed contributions	22.52%	26.93%	20.71%

Although there was improvement regarding the unpaid balances of arrears during 1957, there was still unpaid at the end of the year more than one-fifth of the total assessed contributions. However, I would point out that 62.7 per cent of the balance of arrears as at 1 January 1957 were paid during the year 1957 as compared with 55.6 per cent in the year 1956.

11. Of the outstanding contributions, the following member states are more than two years in arrears, viz:

Bolivia - 8 years: an amount of \$60,680
 Uruguay - 7 years: an amount of \$128,087
 Cuba - 3 years: an amount of \$84,001 ^{1/}

altogether representing 57.3 per cent of the total outstanding arrears as at 31 December 1957.

12. During 1957 the 3% procurement charges increased by \$21,876. This increase was made up as follows, and for comparison the figures are shown for the years 1955 and 1956:

	<u>1955</u>	<u>1956</u>	<u>1957</u>
Purchases on behalf of government administrations and public institutions	\$ 716,661	\$ 916,142	\$1,568,500
Antigen sales	216	-	-
Employees, etc.	27,385	9,294	32,001

^{1/} At the date of issue of this report Cuba had paid all arrears for 1955 and 1956 amounting to \$40,761.

	<u>1955</u>	<u>1956</u>	<u>1957</u>
Shipment, freight, and insurance costs, etc.	\$ 80,619	\$ 103,141	\$ 112,820
3% Procurement charges	<u>21,500</u>	<u>25,179</u>	<u>47,055</u>
Total	\$ 846,381	\$1,053,756	\$1,760,376

Procurement charges are made only on purchases for government administrations and public institutions and only on the net purchase price, excluding freight, loading, insurance cost, etc. Procurements in connection with the field activities or of the Bureau itself or on behalf of the World Health Organization are not included in the above table.

The income of the 3% procurement charges is shown in Exhibit II at an amount of \$33,754. The difference between this amount and the amount shown in the table above, \$47,055, is \$13,301 and is explained as follows: In previous reports I have drawn attention to balances of claims on different governments and institutions having been outstanding and unpaid for a number of years. Repeated efforts made to collect these balances had been unsuccessful. Of these outstanding balances the Director decided in 1957 to write off \$865 representing disputed claims. The collection of other balances, amounting to \$12,436, is regarded as doubtful and a reserve for doubtful accounts has been set up to cover them. The total of the two amounts, \$13,301, has been set off against the 3% procurement charges.

Cash Surplus

13. In 1957 there was a cash surplus (i.e. the difference between the budgetary income in cash and the obligations incurred in respect of the financial year 1957) amounting to \$150,221. In 1956 there was a cash deficit amounting to \$125,080 and in 1955 a cash surplus of \$118,173.

The cash deficit for 1956 necessitating an advance from the Working Capital Fund was covered by arrears collected during 1957.

Working Capital Fund

14. In Resolution VI of its X meeting, the Directing Council resolved:

- "1. To authorize the establishment of the Working Capital Fund at the level of 60 per cent of the approved budget of the Organization for 1957 and subsequent years.
- "2. To authorize the Director of the Bureau to meet the necessary increase by the transfer of surplus funds that may result in 1957 and subsequent years."

The position of the Working Capital Fund was as follows:

Established fund as at 1 January 1956	\$1,200,000
Deduct: 1956 deficit	<u>125,080</u>
	\$1,074,920
Add: 1957 surplus	<u>150,221</u>
Balance as at 31 December 1957	\$1,225,141

The Working Capital Fund has to support the floating financial needs of the Bureau during the year 1958 and it amounts only to some 40% of the budget of the Organization for the year. Having regard to the increased activities of the Bureau and to the increased budget ceilings approved by the Directing Council from year to year and also referring to paragraphs 8 and 9 above, it is my duty to point out that the Bureau could encounter severe financial difficulties with so small a Working Capital Fund. Recourse to the powers given in Article 6.9 of the Financial Regulations that "the Director, with the prior and written concurrence of a majority of the members of the Executive Committee, shall have the power to borrow funds" is undesirable except in circumstances of unforeseeable financial crisis and should not be relied upon for the normal financial management of the Bureau.

15. As it seems improbable that the action set on in the resolution of the Directing Council will raise the total of the Working Capital Fund to 60% of the effective budget as quickly as is necessary, it is my recommendation that further study be given the matter by the Directing Council with a view to establishing means of increasing the Fund to a safe operating level at the earliest possible date.

Inventory

16. The Headquarters inventory of equipment, as at 31 December 1957, has been submitted to me and a comparison with that for 1956 is as follows. Inventory contents are shown at cost.

	<u>1956</u>	<u>1957</u>
Air conditioning units	\$ -	\$ 5,658
Bookkeeping, calculating, and adding machines	16,871	22,189
Microscopes	579	579
Bookcases, shelving	8,576	12,366
Cabinets, Card file	15,358	16,491
Chairs	11,731	11,950
Desks	22,843	24,901
Dictaphone Equipment	9,420	9,728
Tables	2,844	2,243
Typewriters	22,901	31,627
Miscellaneous office equipment	5,648	5,209

	<u>1956</u>	<u>1957</u>
Cartographic equipment	\$ 6,189	\$ 6,334
General services equipment	3,857	3,863
Reproduction equipment	13,018	13,709
Automobiles	<u>4,025</u>	<u>7,893</u>
	\$143,360	\$ 174,740
Administrative supplies	<u>11,091</u>	<u>16,776</u>
Total	\$154,951	\$ 191,516

17. The overcrowding of the Bureau's Headquarters buildings, 1501 and 1515 New Hampshire Avenue, N.W., Washington, D.C., was accentuated by the transfer of COMEP personnel from Mexico at the onset of the antimalaria campaign, and it became necessary to rent additional space at 1520 New Hampshire Avenue. In consequence, some additional furniture and equipment was required for furnishing the building and extending library facilities. In addition, it became necessary to replace a number of worn-out typewriters during 1957, and to replace one motor vehicle and purchase one additional vehicle.

18. Acquisition of equipment and vehicles during 1957 amounted to \$40,198 and dispositions to \$9,318. The cost of replacing obsolete equipment is enhanced by price increases since the original equipment was purchased.

In accordance with policy agreed on uniformity with WHO, certain items of small individual value were transferred during 1957 from the non-expendable to the supplies inventory. These items had a total cost value of \$4,637 and this amount is included in the item of \$9,318, dispositions. This item, together with increased prices, explains the increase in the administrative supplies figure shown on the summary.

General Observations

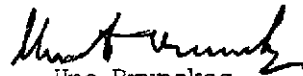
19. During 1957 an additional Internal Auditor was assigned by the World Health Organization to the Region of the Americas. He is stationed in Lima and will perform the internal audit of the decentralized accounts of the Zone and Field Offices. An examination of the records of these offices has been made during 1957 and the reports on these examinations indicate a generally satisfactory position.
20. In the fall of 1957 decentralization of many administrative functions from Headquarters to Zone Offices took place. This should ultimately result in a decrease in the administrative cost of Headquarters. The lapse of time since the initiation of this reorganization has not yet been sufficiently long to show what savings in administration will result. It is hoped that savings in Headquarters costs should be sufficient to cover all additional administrative costs at Zone Offices

resulting from the decentralization. It must, however, be realized that Headquarters itself is faced with increasing workload due to increases in program and budget and that the decentralization was dictated as much to improving administrative efficiency as to decreasing Headquarters costs.

21. I am satisfied that every effort was made during 1957 to ensure efficient administration of the Bureau and to safeguard the funds. However, I would say that in my opinion the amount of the Working Capital Fund is insufficient for the maintenance of the financial stability of the Bureau and once again, I recommend that the Directing Council consider the relationship of the Working Capital Fund to the proposed increased budget and, further, decide what steps could be taken to ensure the timely payment of contributions and the collection of arrears.

* * * *

22. The audit was facilitated by the officers of the Bureau, and I am pleased to state that all necessary help was given to me in the most obliging manner, for which I express my appreciation.


Uno Brunskog
External Auditor

Washington, D.C.
11 April 1958