

PAN AMERICAN SANITARY BUREAU
CENTRAL COORDINATING AGENCY OF THE PAN AMERICAN SANITARY ORGANIZATION

REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 1950

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April 2, 1951

To the Executive Committee of the Directing Council
of the Pan American Sanitary Organization

In accordance with instructions, we have made an examination of the financial statements of the Pan American Sanitary Bureau as at December 31, 1950, and submit herewith our report which includes the following exhibits:

Statement of financial position as at December 31, 1950	Exhibit I
Statement of receipts and expenditures (general funds), year ended December 31, 1950	Exhibit II
Statement of capital funds, year ended December 31, 1950	Exhibit III
Special grants and funds, statement of receipts and expenditures, year ended December 31, 1950	Exhibit IV
Statement of quota contribution collections and balances, year ended December 31, 1950	Exhibit V

Certain cooperative epidemiological projects and practical applications of public health procedures have been carried out by representatives of the Bureau in Central and South America with local funds furnished by cooperating countries and we were informed that these funds were accounted for directly to the respective countries in accordance with local financial procedures. The financial statements of Pan American Sanitary Bureau do not include an accounting for such funds and our examination did not include a review of such accounts nor the inspection of records maintained by the

field representatives. Otherwise, our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, with the explanation in the preceding paragraph, the accompanying financial statements (Exhibits I to V), and the related explanatory notes, present fairly the receipts and expenditures of the Pan American Sanitary Bureau for the year ended December 31, 1950 and the composition of the funds remaining in its custody at that date.

Arice Waterhouse

PAN AMERICAN SANITARY BUREAU
CENTRAL COORDINATING AGENCY OF THE PAN AMERICAN SANITARY ORGANIZATION

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 1950

Unrestricted operating funds:

Cash in banks and on hand (chiefly U. S. dollars)	\$507,812.75	
<u>Less</u> - Amount equivalent to unexpended special grants and funds	<u>41,642.27</u>	\$ 466,170.48
Investments in United States Government obligations		617,998.00
Receivable from member nations and other organizations for purchase, shipping and administrative costs incurred on their account		69,118.26
Travel and other advances to staff		32,187.67
Deposits on real estate purchases		20,000.00
Other receivables		<u>4,935.72</u>
		<u>\$1,210,410.13</u>

Deduct:

Accounts payable for goods and services received to December 31, 1950	\$ 30,621.83	
Provision for commitments entered into before end of year	82,405.51	
Deposits by member nations and others	109,999.02	
Funds of the Inter-American Association of Sanitary Engineers, an association administratively supported by the Bureau	4,096.54	
Estimated liability for employees' income taxes	45,000.00	
Reserve for employees' terminal leave	7,234.62	
Quota contributions collected in advance	<u>384.00</u>	
		<u>279,741.52</u>
Net total unrestricted operating funds		<u>\$ 930,668.61</u>

Restricted funds:

Unexpended balances of special grants and funds - U. S. dollars	\$ 41,642.27	
Emergency revolving fund - U. S. dollars	49,164.20	
Brazilian currency - CR.2,728,423.60 - (Note A)	<u>136,421.18</u>	
		<u>227,227.65</u>
Together		<u>\$1,157,896.26</u>

Represented by capital:

Special grants and funds (Exhibit IV)	\$ 41,642.27	
General funds restricted (Exhibit III)	185,585.38	
Working capital fund - (Note B) (Exhibit III)	<u>930,668.61</u>	
		<u>\$1,157,896.26</u>

PAN AMERICAN SANITARY BUREAU
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STATEMENT OF RECEIPTS AND EXPENDITURES (GENERAL FUNDS)
YEAR ENDED DECEMBER 31, 1950

Receipts:

Contributions:	
Annual quota contributions for 1950 (Exhibit V)	\$1,378,971.51
Supplemental contribution for general purposes from Dominican Republic	2,500.00
Transfers from special grants and funds to capital funds (Exhibit IV)	2,663.81
Processing charges	14,218.72
Interest on investments	10,272.21
Other receipts	14,227.56
	<u>\$1,422,853.81</u>

Expenditures:

Salaries and allowances	\$ 893,814.06
Travel	203,050.14
Fellowships	97,603.93
Office and laboratory equipment	46,376.11
Office supplies	39,508.81
Printing and publications	37,546.84
Grants to other organizations	34,033.45
Building expenses	33,823.17
Contractual services	28,346.28
Communications	29,263.63
Official bulletin	22,709.52
Contributions to Pan American Union retirement and pension plan	16,740.95
Medical and laboratory supplies	13,959.88
Freight	11,829.20
Automobile equipment	9,019.04
Automobile expense	6,894.80
Library expense	5,005.38
Reimbursement of emergency revolving fund	1,744.91
Miscellaneous	12,298.42
	<u>\$1,543,568.52</u>

Excess of expenditures over receipts from:

Brazilian currency fund (Exhibit III)	\$ 82,212.77
Working capital fund (Exhibit III)	<u>38,501.94</u>
	<u>\$ 120,714.71</u>

Note -

Collections of quota contributions for 1949 and prior years were credited to the working capital fund (see Exhibit III).

PAN AMERICAN SANITARY BUREAU
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STATEMENT OF CAPITAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1950

RESTRICTED FUNDS

Emergency revolving fund:			
Balance December 31, 1949			\$ 50,000.00
Expenditures	\$2,580.71		
<u>Less</u> - Reimbursement from general funds	<u>1,744.91</u>	<u>835.80</u>	
Balance December 31, 1950			\$ 49,164.20
Brazilian currency fund - (Note A):			
Balance December 31, 1949			\$218,633.95
<u>Less</u> - Excess of expenditures over receipts for year ended December 31, 1950 (Exhibit II)		<u>82,212.77</u>	
Balance December 31, 1950			<u>136,421.18</u>
Total restricted funds December 31, 1950			<u>\$185,585.38</u>

WORKING CAPITAL FUND

Balance December 31, 1949			\$842,253.15
<u>Add:</u>			
Collections of quota contributions for 1949 and prior years (Exhibit V)		\$117,499.86	
Excess provision for obligations at December 31, 1949		<u>9,417.54</u>	<u>126,917.40</u>
			\$969,170.55
<u>Deduct:</u>			
Excess of expenditures over receipts for the year ended December 31, 1950 (Exhibit II)			<u>38,501.94</u>
Balance December 31, 1950			<u>\$930,668.61</u>

PAN AMERICAN SANITARY BUREAU
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SPECIAL GRANTS AND FUNDS
STATEMENT OF RECEIPTS AND EXPENDITURES
YEAR ENDED DECEMBER 31, 1950

<u>Grant or fund</u>	<u>Source</u>	<u>Unexpended balance December 31, 1949</u>	<u>Grants received</u>	<u>Expenditures</u>		<u>Unexpended balance December 31, 1950</u>
				<u>Direct expenses</u>	<u>Other</u>	
Markle Foundation Typhus Project	Markle Foundation	\$ 335.81			\$ 335.81*	-
Institute of Nutrition of Central America and Panama	Governments of Honduras, El Salvador and Guatemala and Kellogg Foundation	31,943.71	\$ 43,995.26	\$ 62,702.79		\$13,236.18
Nutrition Section	Kellogg Foundation	6,877.89	15,000.00	15,000.22		6,877.67
Research on Onchocerciasis: Year 1949-50 Year 1950-51	United States Government Public Health Service	2,388.87	14,917.21 31,433.00	16,473.43 21,999.24	2,328.00**	832.65 7,105.76
Malaria: Year 1949-50	United States Government Public Health Service	18,472.35	3,000.00	19,445.89		2,026.46
Vegetable Protein Project	Merck & Co., Inc., Lederle Laboratories and National Vitamin Foundation	2,000.00	9,814.00	10,664.18		1,149.82
Nutrition Institute of Ecuador	Kellogg Foundation		12,000.00	1,586.27		10,413.73
		<u>\$62,018.63</u>	<u>\$130,159.47</u>	<u>\$147,872.02</u>	<u>\$2,665.81</u>	<u>\$41,642.27</u>

* Unexpended balance transferred to the general funds of the Bureau in accordance with letter from grantor.

** This amount of \$2,328 was transferred to the general funds of the Bureau and represents an allowance for administering the grant.

PAN AMERICAN SANITARY BUREAU
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STATEMENT OF QUOTA CONTRIBUTION COLLECTIONS AND BALANCES
YEAR ENDED DECEMBER 31, 1950

	Balances December 31, 1949	Assessments for 1950	Collections			Balances December 31, 1950				
			For prior years	For 1950	For 1951	Due and unsettled		Dating from	Received in advance for 1951	
						Total	For 1950	For prior years		
Argentina	\$ 80,517.04	\$ 79,419.38				\$159,936.42	\$ 79,419.38	\$ 80,517.04	1948	
Bolivia	15,290.68	10,851.14				26,141.82	10,851.14	15,290.68	1947	
Brazil	91,206.19	154,335.59	\$ 41,580.00			203,961.78	154,335.59	49,626.19	1949	
Chile	10,720.00	23,221.33	10,720.00	\$ 8,885.74		14,335.59	14,335.59			
Colombia	34,724.73	33,089.95	6,945.76			60,868.92	33,089.95	27,778.97	1949	
Costa Rica	-	2,734.99				2,734.99	2,734.99			
Cuba	26,175.73	18,571.84	18,200.00			26,547.57	18,571.84	7,975.73	1946	
Dominican Republic	6,120.00	6,245.20	6,120.00	6,245.20	\$365.20	-				\$365.20
El Salvador	5,950.00	5,987.37	5,950.00	5,987.37		-				
Ecuador	11,812.95	9,105.62	2,193.82	9,105.62		9,619.13		9,619.13	1948	
Guatemala	11,633.32	9,758.88				21,392.20	9,758.88	11,633.32	1948	
Haiti	-	9,238.01		9,238.01		-				
Honduras	1,870.00	3,853.38	1,870.00	3,853.38	18.80	-				18.80
Mexico	*	69,190.15		69,190.15		-				
Nicaragua	2,894.99	3,599.04	2,894.99	168.61		3,430.43	3,430.43			
Panama	-	2,755.90		2,755.90		-				
Paraguay	6,479.66	3,776.73				10,256.39	3,776.73	6,479.66	1943	
Peru	35,463.08	23,268.36	21,025.29			37,706.15	23,268.36	14,437.79	1949	
United States	-	1,247,147.24		1,247,147.24		-				
Uruguay	11,993.51	9,490.61				21,484.12	9,490.61	11,993.51	1947	
Venezuela	-	16,394.29		16,394.29		-				
	<u>\$352,851.88</u>	<u>\$1,742,035.00</u>	<u>\$117,499.86</u>	<u>\$1,378,971.51</u>	<u>\$384.00</u>	<u>\$598,415.51</u>	<u>\$363,063.49</u>	<u>\$235,352.02</u>		<u>\$384.00</u>

* The 1949 assessment of \$67,490 shown as due from Mexico in the previous annual report was liquidated by application of a portion of a voluntary supplemental contribution received from that Member in 1948.

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NOTES TO FINANCIAL STATEMENTS

Note A - A rate of 20 cruzeiros to 1 United States dollar has been used for purposes of accounting for the supplemental contribution made by the Brazilian Government in 1949. The Bureau does not intend to convert any portion of this fund into U. S. currency and for this reason the unexpended balance has been segregated as restricted funds on the accompanying statement of financial position.

Note B - The working capital fund was created pursuant to a resolution adopted by the XIII Pan American Sanitary Conference in October 1950. The resolution provided that the fund shall comprise:

- " a) Balance of cash available for credit to the reserve fund 31 December 1949 plus payments of quotas for 1949 and prior years received during 1950, in accordance with the appropriate Resolution of the Directing Council at its Third Meeting, Lima, October 13, 1949;
- b) plus any cash received in 1950 in respect to the 1950 budget that shall be in excess of obligations;
- c) in years subsequent to 1950, cash in excess of obligations shall be credited to the Working Capital Fund to the amount needed to replenish the Fund and finance the expenditure level approved by the Directing Council; and other balances, if any, will be disposed of in accordance with such financial regulations as are adopted by the Directing Council."

The resolution further provided that title of fund shall rest with the Bureau and that the fund shall be administered by the Director of the Bureau.

General - On the basis of memorandum records maintained by the Washington office of the Pan American Sanitary Bureau, it is estimated that the cost-free services and certain South American currencies which were at the disposal of the Bureau or its accredited representatives during 1950, and which are excluded from the accounting presented in this report, had a United States dollar equivalent of about \$120,000.