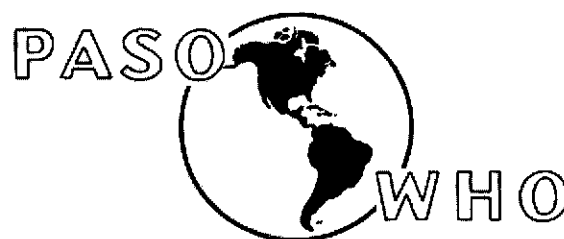


Financial Report of the Director
and
Report of the External Auditor

1 January - 31 December 1955



PUBLICATIONS OF THE PAN AMERICAN SANITARY BUREAU

OFFICIAL DOCUMENTS

Nos. 15-17

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PAN AMERICAN SANITARY ORGANIZATION

Official Documents

No. 15

May, 1956

FINANCIAL REPORT OF THE DIRECTOR

AND

REPORT OF THE EXTERNAL AUDITOR

1 JANUARY - 31 DECEMBER 1955

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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ABBREVIATIONS

AMRO	Regional symbol for Inter-Country and Inter-Zone Projects
BCG	Bacillus Calmette-Guerin
COMEP	Coordination Office of the Malaria Eradication Program
DDT	Dichlorodiphenyltrichloroethane
FAO	Food and Agriculture Organization
IA-ECOSOC	Inter-American Economic and Social Council
ICA	International Cooperation Administration
ICB	Inter-American Center of Biostatistics
IIAA	Institute of Inter-American Affairs
ILO	International Labour Organization
INCAP	Institute of Nutrition of Central America and Panama
OAS/TA	Organization of American States - Technical Assistance
OEBF	Other Extra Budgetary Funds
PASB	Pan American Sanitary Bureau
PASO	Pan American Sanitary Organization
PAU	Pan American Union
SCIDA	Servicio Cooperativo Inter Americano de Agricultura
TAA	Technical Assistance Administration
TARO	The Americas Regional Office (UNICEF)
UNICEF	United Nations Children's Fund
UN/TA	United Nations Technical Assistance
USPHS	United States Public Health Service
WHO	World Health Organization

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Letter of Transmittal

The financial statements of the Pan American Sanitary Bureau for the financial year 1 January to 31 December 1955 are presented herewith, together with the Report of the External Auditor.

The presentation of the accounts is, in general, the same as for 1954, containing the same principal statements, viz.:

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

Exhibit I and II reflect the Bureau's activities for the year, and Exhibit III and its supporting schedules show the financial position of the Bureau as at 31 December 1955. Explanation of the amounts shown in the above-mentioned exhibits is given in the attachment, together with details and summaries of 1955 expenditures.

In order to facilitate the preparation and submission of the Financial Report of the Institute of Nutrition for Central America and Panama, the 1955 activities of INCAP have been consolidated into a separate schedule (Schedule H) and shown as a separate entity in Exhibit III. The External Auditor's certificate has also been affixed to this schedule.

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 Bureau	\$2,082,230
World Health Organization	1,043,662
United Nations Technical Assistance	1,012,770
United Nations Children's Fund	31,301
Organization of American States - Technical Assistance	196,462
Institute of Nutrition of Central America and Panama	74,553
INCAP - Grants	55,447
PASB - Grants	10,820
Procurements	846,381
Special Funds	105,752
	<u>\$5,459,378</u>

It will be noted from the financial statements that the total amount of expenditures in respect of PASB was \$2,082,230, against an appropriation of \$2,100,000, leaving a balance of \$17,770, or 0.8%.

An amount of \$123,524 has been placed at the disposal of the Directing Council and represents 1955 excess of income over expenditures (\$118,173) and reversal of balances from special appropriations (\$5,351).

Still uncollected from Member Governments as at 31 December 1955 were:

Quota contributions	\$450,356
Balances of procurements	\$ 13,498
Obligations pertaining to the XIV Pan American Sanitary Conference in Santiago, Chile	\$ 13,113

It is hoped that Members in arrears with payments will make arrangements to meet their obligations during 1956 and thus further improve the financial position of the Bureau.

Washington, D.C.
1 May 1956

Fred L. Soper
Director

Statement of Appropriations, Obligations Incurred and Unobligated Balance of Appropriations for the year 1955 (Exhibit I).

Total obligations, liquidated and unliquidated were \$2,082,230 against the budget of \$2,100,000, giving a budget surplus of \$17,770, or .8%. A transfer of \$32,131 has been made from Part III of the Budget for the purpose of increasing Part I by \$12,102 and Part II by \$20,029 in accordance with Resolution IX of the VII Meeting of the Directing Council whereby the Director is authorized to make transfer between parts of the budget. Further analysis of the expenditures is given in the attachment to this report.

Statement of Income, Expenditures and Surplus for the year 1955 (Exhibit II).

Income

Quota Contributions

The assessment on member governments for 1955 totalled \$2,000,000 and collections amounted to \$1,728,499, or 86.4%. The total of quota contributions in arrears amounted to \$436,881 at the beginning of the year, of which \$258,026 were collected. 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 \$22,277. Altogether, the total balance of quota contributions due as at 31 December 1955 amounted to \$450,356. Details of quota contributions due and collections are given in Schedule A.

Voluntary Contributions

A voluntary contribution from the Government of Argentina of Arg. Pesos 1,500,000 received in the latter part of 1954 has been recorded as 1955 income in accordance with a stipulation contained in the Transmittal Letter from the Government.

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 \$21,500. This 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 and insurance. The gross payments made during 1955 in respect of procurement were \$846,381, of which 3% service charge was calculated on net purchases amounting to \$716,661.

Interest

Interest earned in the amount of \$17,798 represents revenue from short-term investments in U.S. Treasury Bills, U.S. Certificates of Indebtedness, and U.S. Treasury Notes.

Sale of Capital Assets

Sale of old capital assets, amounting to \$933, includes the sale of obsolete equipment, furniture, and an automobile.

Sale of Publications

Sale of publications in the amount of \$713 represents sale of the PASB Bulletin and various scientific pamphlets published or reprinted by the Pan American Sanitary Bureau.

Sundries

Sundries amounting to \$2,862 represent miscellaneous income from the sale of waste paper, the allowance for overhead on grant funds, etc.

Unused Balance of Obligations, Etc.

Of the amount of \$212,437 established as unliquidated obligations as at 31 December 1953, \$41,411 reverted to "Income" in 1954 and \$25,397 in 1955. These are amounts in excess of the requirements when liquidating the outstanding obligations. Likewise, an amount of \$28,476 reserved for unliquidated obligations in 1954 has been cancelled and taken up as income in 1955.

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

Income tax refund	\$1,083
Transportation, freight and excess baggage	969
Insurance claims	257
Subscriptions, etc.	<u>37</u>
	<u>\$2,346</u>

Expenditures

Total expenditures amounted to \$2,082,230, of which \$1,962,106 represent cash disbursements and \$120,124 unliquidated obligations. Details of expenditures are given in Exhibit I and in the attachment to this report.

Surplus

The excess of income over expenditures amounted to \$118,173 which has been placed at the disposal of the Directing Council, together with an amount of \$5,351, making a total of \$123,524 as shown in Schedule E.

Statement of Assets and Liabilities (Exhibit III).

Contributions Receivable from Member States

The total of quota contributions outstanding as at 31 December 1955 was \$450,356. Details are given in Schedule A.

Accounts Receivable

The Accounts Receivable totalled \$81,260, of which \$13,498 represent payments made on behalf of governments for procurement, and \$13,113 on behalf of the Government of Chile for freight, equipment and other obligations incident to the XIV Pan American Sanitary Conference held in Santiago, Chile, in October 1954. Other items are \$5,227 on behalf of the AFTOSA project and \$22,681 on behalf of WHO activities temporarily advanced from PASB funds and for which reimbursement has since been made. Sundry debtors amounting to \$8,392 include such items as travel advances to employees, advance salary payments for employees on leave in accordance with Regulations of the Organization. Other accounts receivable amounting to \$12,072 represent payments chargeable to the 1956 Budget and which are therefore treated as deferred expenses. The accrued interest of \$6,277 is interest earned but not collected as of 31 December but which represents income for 1955. Reimbursable income tax in the amount of \$3,198 represents claims submitted to the United States Bureau of Internal Revenue for reimbursement of income tax in respect of those U.S. citizens entitled to such refunds due to prolonged absence from the United States.

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. as follows:

Hitt House, original cost	\$171,000
Blodgett House, original cost	125,000
Elevator (Hitt House)	21,053
Electrical (wiring)	30,893
Air conditioning	68,000
Renovation (repairs, painting, floors)	92,166
Settlement fees, etc.	5,997
Architect and landscaping	4,155
Exhaust fans	2,896
Switchboard	1,231
Various improvements	4,174
	<u>\$526,565</u>

Cash in Banks and on Hand

Total cash in banks and on hand for all funds, except those of WHO and UN/TA, amounted to \$2,114,131, of which \$1,396,268 were invested in short-term securities as at 31 December. Details of the investments are given in Schedule C.

The total amount is distributed between the various funds as follows:

General Fund	\$ 80,807
Working Capital Fund	1,200,000
Emergency Procurement Revolving Fund	49,733
Building Fund	100,000
Special Fund	390,051
Trust Funds	244,470
Institute of Nutrition of Central America and Panama	69,672
Organization of American States - Technical Assistance	9,398
	<u>\$2,114,131</u>

Obligations Payable (General Fund)

Unliquidated obligations for 1955 amounted to \$120,124. A breakdown by parts of the budget is given in Exhibit I. A balance of \$13,101 still remains unliquidated as at 31 December in respect of obligations reserved for 1954.

Accounts Payable (General Fund)

The amount of \$9,617 represents collection of contributions from staff members and the Organization to be transmitted to the United Nations Joint Pension Fund; also insurance premiums collected for medical insurance and some minor items on behalf of WHO activities. Payments of balances in these accounts are made periodically. Likewise, an amount of \$16,384 is due for transportation received, which amount has already been charged to the respective allotments during 1955. Other accounts payable amount to \$133.

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 \$5,000 is set aside each year and the premiums are charged to this account as they fall due. The balance as at 31 December was \$2,708.

Working Capital Fund

The account of the Working Capital Fund, established at \$1,200,000 reflects only the status of this fund at the beginning and at the end of the financial year. The fund has been established in order to ensure normal operation during the course of the year pending receipt of quota contributions. Since the greatest amount of contributions are collected in the latter period of the financial year, the Working Capital Fund is used during the first part of the year to meet current expenditures in excess of current income whereupon the fund is gradually restored to its established level as collections of quotas are being made.

Emergency Revolving Fund

An amount of \$267 was paid from this fund during 1955 for emergency purchase of Typhoid-Paratyphoid Vaccine on behalf of the Government of Grenada as shown in Schedule D. A separate document (CE28/5) has been prepared on the use of the Emergency Revolving Fund.

Building Fund

In compliance with Resolution XIV of the VIII Meeting of the Directing Council, an initial amount of \$100,000 has been set aside in order to establish a building fund to be used for the construction of a new headquarters building for the Pan American Sanitary Bureau.

Special Funds

The Special Funds include the accounting for the appropriations of extra budgetary funds made by the Directing Council from the 1954 surplus and also the accounting for balances from previous years' appropriations from such surpluses. The total amount of surplus available for the year 1955 is \$123,524 which is available for disposition by the Directing Council at its IX Meeting. Details are given in Schedule E.

Trust Funds

The amount of \$172,790 represents the balance of cash deposits made with PASB on account of procurement on behalf of governments, institutions and individuals. Schedule F furnishes details of transactions arranged by countries. Under each country numerous accounts are in operation. Amounts due by the respective governments to PASB totalling \$13,498 are shown in this schedule and reflected in the balance sheet under Accounts Receivable, General Fund. Schedule G shows the funds available to PASB from grants, the total amounts reserved for and payments made to employees in respect of the Provident Fund and Accrued Repatriation Entitlements during 1955. Only one employee was still under the Provident Fund Plan during 1955. The contract of this staff member expires in May of 1956, at which time the Provident Fund will be closed.

Institute of Nutrition of Central America and Panama

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

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

Amounts of assessed quotas and collections during 1955 were as follows:

	<u>Assessed</u>	<u>Collected</u>	<u>Balance Due</u>
Costa Rica	\$12,500	\$12,500	\$ -0-
El Salvador	12,500	12,500	-0-
Guatemala	12,500	-0-	12,500
Honduras	12,500	-0-	12,500
Nicaragua	12,500	12,500	-0-
Panama	12,500	12,500	-0-
	<u>\$75,000</u>	<u>\$50,000</u>	<u>\$25,000</u>

An amount of \$74,553, of which \$4,289 represents unliquidated obligations was obligated against the 1955 regular budget of \$75,000, leaving a budget surplus of \$447.

The status of the Contingency Reserve Fund was as follows:

Balance 1 January 1955	\$37,253
Transfer of balance left of amount reserved for 1954 obligations	22
Balance of INCAP contributions to the Provident Fund	<u>76</u>
	\$37,351
Less - Transferred to the regular fund to cover excess of expenditures over income	<u>23,569</u>
Balance 31 December 1955	<u>\$13,782</u>

Miscellaneous income amounted to \$984 and includes such items as refunds against previous years' expenditures, sale of pamphlets and obsolete equipment. Accounts Receivable amounting to \$126 represent amount due for sale of pamphlets.

The following grants were received during 1955 on behalf of INCAP activities:

Kellogg Foundation	\$18,553
World Health Organization	9,000
U.S. Public Health Service	
National Institute of Health	20,378
Rockefeller Foundation	10,000
Merck and Co.	2,500
Nutrition Foundation, Inc.	3,500
Research Corporation	
Williams-Waterman Fund	5,000
Harvard University	1,800
SCIDA	4,800
H. de Sola e Hijos	1,500
Alvarez and Co.	1,500
Refund on Insurance Policy	26
	<hr/>
	<u>\$78,557</u>

Organization of American States - Technical Assistance

The total cash allocation, including miscellaneous income, received from the Organization of American States on behalf of the AFTOSA project amounted to \$165,630 for 1955, against which amount cash expenditures of \$162,904 have been disbursed, leaving a cash balance of \$2,726. This balance, together with a balance of \$2,717 pertaining to the 1954 Budget, results in a total cash balance of allocation of \$5,443. Unliquidated obligations in respect of the 1955 budget amounted to \$33,832 as shown in Schedule I which also shows the accounting of balances of allocations for previous years. Thus, total amount of expenditures liquidated and unliquidated for 1955 amounted to \$196,736.

Accounts Payable in the amount of \$5,289 represent primarily payments temporarily made from PASB funds for which reimbursement has since been made.

Accounts Receivable amounting to \$1,334 include amount to be refunded for unused transportation, \$317, and advance for installation of refrigeration equipment, \$1,017.

A P P E N D I X

SUMMARY OF 1955 EXPENDITURES BY OBJECT GROUPS

	Pan American Sanitary Organization PART I	Pan American Sanitary Bureau		TOTAL
		Head- quarters PART II	Field and Other Programs PART III	
Personal Services	\$ 91,889	\$ 607,812	\$ 456,615	\$ 1,156,316
Personal Allowances	11,997	110,439	120,736	243,172
Travel and Transportation	14,532	36,790	130,862	182,184
Space and Equipment Services	485	26,415	19,723	46,623
Other Services	3,976	34,357	54,761	93,094
Supplies and Material	20,871	23,551	86,082	130,504
Fixed Charges and Claims	8,148	66,306	7,575	82,029
Grants and Contracted Technical Services	-0-	-0-	92,376	92,376
Acquisition of Capital Assets	-0-	13,559	42,373	55,932
TOTAL	151,898	919,229	1,011,103	2,082,230

SUMMARY OF 1955 EXPENDITURES

ALL FUNDS

	PASB	WHO	UN/TA	OEBF
Personal Services	\$1,156,316	\$ 468,818	\$ 405,065	\$248,114
Personal Allowances	243,172	78,096	87,227	36,583
Travel and Transportation	182,184	132,413	101,215	62,053
Space and Equipment Services	46,623	9,497	3,830	3,885
Other Services	93,094	38,376	254,441	17,779
Supplies and Materials	130,504	53,458	31,092	65,081
Fixed Charges and Claims	82,029	54,059	12,089	4,125
Grants and Contracted Technical Services	92,376	181,282	294,806	11,378
Acquisition of Capital Assets	55,932	27,663	52,005	24,680
Overhead	-0-	-0-	-0-	2,657
TOTAL	\$2,082,230	\$1,043,662	\$1,012,770	\$476,335

STATEMENT OF 1955 EXPENDITURES

ALL FUNDS

	PASB	WHO	UN/TA	OEBF
	\$	\$	\$	\$
<u>PART I</u>				
Conference Services	68,234	15,334	5,323	-
Organizational Meetings	61,909	7,100	-	-
Common Staff Costs	21,755	2,716	2,041	-
TOTAL PART I:	151,898	25,150	7,364	-
<u>PART II</u>				
<u>Executive Offices</u>				
Office of the Director	93,643	36,232	1,133	-
Office of Public Information	16,293	51,625	1,350	-
Office of Coordination	6,235	22,117	-	-
Library	30,577	5,375	-	-
Editorial	51,330	5,572	-	-
<u>Division of Education and Training</u>				
Office of the Chief	13,012	29,072	-	-
Fellowships Branch	18,030	26,566	896	-
Professional Education Branch	17,814	-	-	-
<u>Division of Administration</u>				
Office of the Chief	23,047	1,600	-	-
Supply Office	44,781	14,273	9,973	-
Administrative Management and Personnel Branch	28,628	21,705	9,913	-
Budget and Finance Branch	67,222	37,401	9,238	-
General Services Office	108,270	21,637	9,623	-
<u>Division of Public Health</u>				
Office of the Chief	29,482	16,717	-	2,701
Health Promotion Branch	14,868	25,915	-	5,261
Communicable Diseases Branch	65,621	30,632	-	-
Environmental Sanitation Branch	16,460	13,371	555	-
<u>Common Costs</u>				
Temporary Personnel	8,218	-	-	-
Compensation for Service- Incurred Illness	1,403	-	-	-
Common Staff Costs	175,864	90,293	8,718	2,849
Common Services	88,431	43,268	14,913	225
TOTAL PART II:	919,229	493,371	66,312	11,036

	PASB	WHO	UN/TA	OEBF
	\$	\$	\$	\$
PART III				
Zone Offices				
Jamaica Field Office (Zone I)	27,635	-	-	-
Mexico Zone Office (Zone II)	77,231	28,285	-	-
Guatemala Zone Office (Zone III)	94,182	14,074	-	-
Lima Zone Office (Zone IV)	84,593	275	-	-
Rio de Janeiro Zone Office (Zone V)	53,513	-	-	-
Buenos Aires Zone Office (Zone VI)	107,639	13,374	-	-
Total Zone Offices:	444,793	56,008	-	-
Programs				
Argentina				
6, Education and Training Projects	-	2,700	-	-
51, Aedes aegypti Eradication	50,327	-	-	-
Public Health Administration Fellowships	-	3,650	-	-
Brucellosis	-	500	-	-
Bolivia				
4, Malaria Eradication	480	-	8,285	-
5, Nursing Education	-	23,769	3,680	-
10, Public Health Services	17,961	-	-	-
Brazil				
16, Public Health Administration Fellowships	-	-	6,370	-
18, National Drug Services	-	1,308	-	-
26, Public Health Administration Fellowships	-	1,950	-	-
51, Yellow Fever Laboratory	6,656	-	-	-
53, Schistosomiasis	4,886	-	-	-
British Guiana				
3, Public Health Administration Fellowships	-	1,050	-	-
British Honduras				
3, Public Health Administration Fellowships	-	-	7,425	-
4, Public Health Administration Fellowships	-	2,520	-	-
British West Indies				
Barbados-2, Local Health Services	-	-	16,619	-
Barbados-2, Tuberculosis	-	-	-	2,488
Jamaica-5, Public Health Administration Fellowships	-	-	20,975	-

	PASB	WHO	UN/TA	OIEBF
<u>Chile</u>	\$	\$	\$	\$
12, Demonstration Center for Care of Prematures	-	5,190	-	-
14, Rabies Control	2,000	-	-	-
18, Public Health Administration Fellowships	-	-	27,925	-
25, Public Health Administration Fellowships	-	3,750	-	-
<u>Colombia</u>				
4, Rural Public Health Services	-	-	18,134	-
5, Malaria and Aedes aegypti Eradication	-	-	21,468	-
15, Tuberculosis Control - BCG	-	-	-	13,621
52, Yellow Fever, Carlos Finlay Institute	31,600	-	-	-
<u>Costa Rica</u>				
3, Nursing Education	3,811	-	38,609	-
<u>Cuba</u>				
1, Aedes aegypti Eradication	39,531	-	-	-
<u>Dominican Republic</u>				
2, Malaria and Insect Control	-	-	13,864	-
4, Reorganization of Local Health Services	36,440	-	-	-
7, Public Health Administration Fellowships	-	-	17,475	-
52, Venereal Diseases Control	12,547	-	-	-
<u>Ecuador</u>				
4, Rural Public Health Services	5,603	18,675	-	-
5, Tuberculosis Training Center	-	3,335	-	-
11, National Institute of Health	-	-	13,907	-
53, National Institute of Nutrition	-	-	658	9
<u>El Salvador</u>				
5, Health Demonstration Public Health Administration Fellowships	-	-	79,686	-
Endemo Epidemic Diseases Fellowships	-	750	-	-
	-	1,630	-	-
<u>Guatemala</u>				
6, Training of Auxiliary Nurses	-	8,537	-	-
7, Public Health Administration Fellowships	-	-	14,505	-
8, Rural Public Health Services	-	35,955	-	-
<u>Haiti</u>				
1, Yaws Eradication and Syphilis Control	19,566	17,062	-	-
2, Local Health Services	-	-	12,820	-
4, Malaria and Insect Control	-	-	15,040	-
9, Public Health Laboratory	15,623	-	-	-
10, Training of Midwives	-	8,553	-	-

	PASB	WHO	UN/TA	OEBF
<u>Honduras</u>	\$	\$	\$	\$
4, Rural Public Health Services	-	-	17,227	-
<u>Mexico</u>				
11, Course for Nursing Instructors	2,898	-	-	-
12, National University, School of Nursing	25,823	-	-	-
13, Venereal Diseases Training Course	309	-	-	-
15, Maternal Child Health	-	-	-	57
18, Other Educational Training Projects	-	5,220	-	-
20, Virus Center	-	2,198	-	-
22, Integrated Health Services	-	5,977	-	-
53, Malaria and Insect Control	-	-	47,799	-
Brucellosis	-	1,000	-	-
<u>Nicaragua</u>				
3, Rural Public Health Services	-	-	26,223	-
5, Nursing Education	-	25,521	-	-
6, Nursing	-	2,830	-	-
<u>Panama</u>				
1, Rural Public Health Services	-	-	74,478	-
7, Nursing	-	3,220	-	-
<u>Paraguay</u>				
1, Malaria Eradication	-	-	10,422	-
6, Department of Preventive Medicine School of Medicine	-	3,850	-	-
7, Tuberculosis - BCG	-	-	-	15,765
9, Leprosy Control	-	1,029	-	-
10, Public Health Services	-	-	125,246	-
<u>Peru</u>				
10, Maternal and Child Health and Related Services	-	-	5,244	-
13, Public Health Demonstration and Training Center	-	-	21,668	-
21, Public Health Administration Fellowships	-	2,220	-	-
Nursing	-	3,730	-	-
<u>Surinam</u>				
3, Tuberculosis, BCG	-	1,020	-	1,370
<u>United States</u>				
7, Public Health Administration Fellowships	-	2,395	-	-
<u>Uruguay</u>				
5, Rural Health Services	-	-	16,268	-
51, Aedes aegypti Eradication	4,843	-	-	-

	PASE	WHO	UN/TA	OEBF
<u>Venezuela</u>	\$	\$	\$	\$
1, Local Health Services	-	-	17,360	-
4, Public Health Administration Fellowships	-	-	3,309	-
52, Venereal Disease Laboratory	10,804	-	-	-
<u>Inter-Country and Inter-Zone Projects</u>				
AMRO-1, Environmental Sanitation Training	-	62,797	-	-
6, Joint Field Mission on Indigenous Populations	-	-	16,031	-
7, Malaria and Aedes aegypti Eradication	-	-	49,483	-
8, Malaria and Aedes aegypti Eradication	-	-	50,082	-
9, Seminar on Mental Health	-	17,294	-	-
10, Inter-American Center of Biostatistics	-	-	82,352	-
17, Waterworks Training Course	-	11,201	-	-
18, Medical and Public Health Education	-	33,139	-	-
28, Advanced Nursing Education	-	14,489	-	-
29, Cultural Anthropology	-	20,459	-	-
31, BCG Statistician	-	4,925	-	-
35, Fellowships (Unspecified)	39,034	-	-	-
43, Hydatidosis Control	183	-	-	-
45, Laboratory Biological Facilities	-	5,658	-	-
46, Workshop on Nursing Educa- tion	23	-	-	-
47, Yaws Eradication and Syphilis Control	-	-	18,237	-
49, Seminar on Teaching and Preventive Medicine	-	32,928	-	-
54, Assistance to INCAP	12,103	3,958	-	130,000
57, Yellow Fever Studies	38,168	-	-	-
58, Leprosy Control	-	1,352	-	-
60, Smallpox Eradication	-	-	-	38,363
61, Rabies Control	-	19,332	-	-
64, Seminar on Sanitary Engineering	-	-	6,810	-
67, Veterinary Medicine Education	-	4,409	-	-
68, Survey of Pediatric Education	-	5,740	-	-
74, Plague Investigation	9,531	-	-	-
76, Vaccine Testing	-	3,724	-	-
77, Aftosa Center	-	-	-	196,463
83, Typhus Control	20,329	-	-	-
84, Zoonosis Control	-	-	13,410	-
85, Clearing Center for Clas- sification of Diseases	-	5,452	-	-

	PASB	WHO	UN/TA	OEBF
	\$	\$	\$	\$
86, Health Statistician	-	13,909	-	-
88, Adviser on Aedes aegypti Eradication	15,694	-	-	-
90, Eradication of Malaria	-	-	-	61,342
91, Seminar on Application of International Sanitary Regulations	-	4,163	-	-
92, Poliomyelitis	1,575	-	-	-
93, Health Education	-	3,110	-	-
El Paso Field Office	23,211	-	-	-
Assistance to INCAP - Administration	29,739	-	-	-
Repatriation Grant	4,666	-	-	-
Income Tax	5,380	-	-	-
Total Programs:	491,344	469,133	939,094	459,478
<u>Publications of PASB</u>				
PASB Bulletin	34,655	-	-	-
Weekly and Quarterly Epidemio- logical Report	2,030	-	-	-
Special Publications	33,301	-	-	5,821
AIDIS Journal	4,980	-	-	-
Total Publications	74,966	-	-	5,821
TOTAL PART III	1,011,103	525,141	939,094	465,299
GRAND TOTAL PARTS I, II AND III	2,082,230	1,043,662	1,012,770	476,335

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 1955

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	
I	Pan American Sanitary Organization	\$ 139,796	\$ 12,102	\$ 151,898	\$ 216,270	\$ 5,628	\$ 151,898
II	Pan American Sanitary Bureau - Headquarters	899,200	20,029	919,229	894,254	24,975	919,229
III	Pan American Sanitary Bureau - Field and Other Programs	1,061,004	(32,131)	1,028,873	921,582	89,521	1,011,103
	TOTAL	2,100,000	-	2,100,000	1,962,106	120,124	2,082,230
							17,770

For the Director
Pan American Sanitary Bureau

Harry A. Hinderer
Harry A. Hinderer, 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 Brunsog
Uno Brunsog
External Auditor

*Figures in brackets denote reductions

STATEMENT OF INCOME, EXPENDITURES
AND SURPLUS FOR THE YEAR 1955

INCOME

Contributions from Member States:

Amounts collected in respect of 1955 assessments	1,728,499	
Amounts collected in respect of arrears for previous years	<u>258,026</u>	1,986,525

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

Amounts collected in respect of 1955 assessments		22,277
--	--	--------

Voluntary Contribution:

Argentina - Arg. Pesos 1,500,000		91,576
----------------------------------	--	--------

Miscellaneous Income:

3% Procurement charge	21,500	
Interest earned	17,798	
Sale of old capital assets	933	
Sale of publications	713	
Sundries	<u>2,862</u>	43,806

Unused Balances of Obligations, etc.:

Unused budgetary provisions for 1953	25,397	
Excess of obligations, reserved for 1954	28,476	
Credits against previous years' expenditures	<u>2,346</u>	<u>56,219</u>
		2,200,403

EXPENDITURES

Obligations Incurred

2,082,230


SURPLUS

Excess of Income over Expenditures


118,173

(Carried to Special Funds at disposal of
the Directing Council)

For the Director
Pan American Sanitary Bureau


Harry A. Hinderer, 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 ASSETS AND LIABILITIES AS AT 31 DECEMBER 1955GENERAL FUNDASSETSContributions Receivable from Member States (Schedule A)

\$ 450,356 \$
450,356

Less: Reserves for Non-Collected Contributions

Accounts Receivable

Governments, Institutions and Individuals, on Account
of Procurements (Schedule F)

\$ 13,498

Government of Chile on Account PASO Conference, for
Equipment

13,113

Organization of American States, Technical Assistance, on
Account Aftosa Project

5,227

World Health Organization, Current Account

22,681

Sundry Debtors

8,392

Interest Accrued

12,072

Reimbursable Income Tax

6,277

Less: Reserve for Income Tax

81,260

Capital Assets

Buildings in Washington

\$ 526,565

Less: Equity in Buildings

526,565

Cash in Banks and on Hand

U. S. Dollar Currency

\$ 61,623

Other Currencies

19,184 80,807

\$ 162,067

Investments (Schedule C)

\$1,200,000 Established Working Capital (Schedule B)

\$ 1,200,000

Cash in Banks
Accounts Receivable

\$ 49,733
267

Established Emergency Procurement Fund (Schedule D)

\$ 50,000

\$ 50,000

LIABILITIESObligations Payable

Unliquidated Obligations in Respect of:

1955 Budget

\$ 120,124

1954 Budget

13,101 \$ 133,225

Accounts Payable

World Health Organization, in Respect of Pension
and Insurance Contributions, etc.

\$ 9,617

American Express on Account of Transportation

16,384

Sundry Creditors

133

26,134

Insurance Equalization Account

2,708

WORKING CAPITAL FUNDEMERGENCY PROCUREMENT REVOLVING FUND

<u>BUILDING FUND</u>		
Cash in Banks	\$ 100,000	\$ 100,000
Appropriation towards Building Fund for Headquarters		
<u>SPECIAL FUNDS</u>		
Investments (Schedule C)	\$ 196,268	\$ 266,527
Cash in Banks	193,783	123,524
	\$ 390,051	\$ 390,051
<u>TRUST FUNDS</u>		
Cash in Banks	\$ 244,470	\$ 172,790
		699
		1,017
		69,964
	\$ 244,470	\$ 244,470
TOTAL	\$2,146,588	\$ 2,146,588
<u>INSTITUTE OF NUTRITION OF CENTRAL AMERICA AND PANAMA</u>		
Cash in Banks	\$ 69,672	\$ 4,289
Accounts Receivable	126	17,844
		33,883
		13,782
TOTAL INCAP	\$ 69,798	\$ 69,798
<u>ORGANIZATION OF AMERICAN STATES TECHNICAL ASSISTANCE</u>		
Cash in Banks and on Hand	\$ 5,571	\$ 5,443
U. S. Dollar Currency	3,827	5,289
Other Currencies	1,334	
Accounts Receivable		
TOTAL OAS/TA	\$ 10,732	\$ 10,732
GRAND TOTAL	\$2,227,118	\$ 2,227,118

For the Director
Pan American Sanitary Bureau

Harry A. Gindler
Harry A. Gindler
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
Uno Brunskog
External Auditor

SCHEDULES

STATEMENT OF CONTRIBUTIONS OF MEMBER STATES

States	Contributions in Respect of the Year 1955		Balance Due on 31 December 1955 in Respect of Years Prior to 1955 (See Annex)	Total Balance Due on 31 December 1955
	Assessment	Collections		
	\$	\$	\$	\$
Argentina	148,000	-	148,000	150,200
Bolivia	7,000	-	7,000	47,040
Brazil	166,400	166,400	-	-
Chile	39,200	3,896	35,304	35,304
Colombia	48,600	48,600	-	-
Costa Rica	4,800	4,800	-	-
Cuba	40,400	-	40,400	116,458
Dominican Republic	6,000	6,000	-	-
Ecuador	4,800	2,362	2,438	2,438
El Salvador	7,000	7,000	-	-
Guatemala	8,400	3,404	4,996	4,996
Haiti	4,800	4,800	-	-
Honduras	4,800	4,800	-	-
Mexico	89,000	89,000	-	-
Nicaragua	4,800	4,800	-	-
Panama	6,000	6,000	-	-
Paraguay	4,800	-	4,800	4,800
Peru	21,400	12,637	8,763	8,763
United States	1,320,000	1,320,000	-	-
Uruguay	19,800	-	19,800	60,557
Venezuela	44,000	44,000	-	80,357
	2,000,000	1,728,499	271,501	450,356
			178,855	

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

France	4,647	4,647	-	-
Netherlands	2,630	2,630	-	-
United Kingdom	15,000	15,000	-	-
	22,277	22,277	-	-

ARREARS OF CONTRIBUTIONS DUE BY MEMBER STATES
IN RESPECT TO YEARS PRIOR TO 1955

States	Year	Due on 1 January 1955	Collected in 1955	Balance Due 31 December 1955	Totals
		\$	\$	\$	\$
Argentina	1954	148,400	146,200	2,200	2,200
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	40,040
Chile	1954	3,605	3,605	-	-
Colombia	1954	2,817	2,817	-	-
Cuba	1953	34,658	-	34,658	
	1954	41,400	-	41,400	76,058
Ecuador	1953	5,550	5,550	-	
	1954	4,800	4,800	-	-
Guatemala	1954	6,604	6,604	-	-
Honduras	1954	4,800	4,800	-	-
Nicaragua	1954	4,800	4,800	-	-
Paraguay	1954	4,800	4,800	-	-
Peru	1950	4,809	4,809	-	
	1951	1,494	1,494	-	
	1952	22,547	22,547	-	
	1953	23,400	23,400	-	
	1954	21,800	21,800	-	-
Uruguay	1951	4,619	-	4,619	
	1952	15,938	-	15,938	
	1953	19,800	-	19,800	
	1954	20,200	-	20,200	60,557
		436,881	258,026	178,855	178,855

Schedule B

WORKING CAPITAL FUND

Brought forward from 1954 accounts	\$ 1,200,000
Transactions during 1955	-
Balance at 31 December 1955	<u>\$ 1,200,000</u>

Schedule C

INVESTMENTS AT 31 DECEMBER 1955

Description	Par Value	Cost	Market Value at 31 December 1955
	\$	\$	\$
U.S. Certificates of Indebtedness, maturing 22 June 1956, 2% interest (Purchased 4 August 1955)	500,000	500,000	498,594
U.S. Treasury Bills, maturing 2 February 1956 (Purchased 3 November 1955 @ 99.45)	400,000	397,800	399,196
U.S. Treasury Bills, maturing 15 March 1956 (Purchased 13 December 1955 @ 99.345)	500,000	496,725	497,535
Mexican Telephone Stock Mexican Pesos 22,500 @ 12.50	1,800	1,743	1,647
TOTAL	1,401,800	1,396,268	1,396,972

Schedule D

EMERGENCY PROCUREMENT REVOLVING FUND

Balance as at 1 January 1955		\$ 50,000
Transactions during 1955		
Government of Grenada	\$ 267	
Less: Transferred to Accounts Receivable	267	-
Balance as at 31 December 1955		<u>\$ 50,000</u>

Schedule E

SPECIAL FUNDS

Name and Purpose of Funds	1 January 1955 Brought Forward	Amounts Received During 1955	Total	Payments Made During 1955	Transfers Made During 1955	Balance in Cash at 31 December 1955	
						Unliquidated Obligations	Unobligated Total
<u>Appropriation of Extra Budgetary Funds</u>							
Building Alterations	-0-	19,000	19,000	225	-0-	-0-	18,775
Translation and Publication of Public Health Administration Book	6,542	-0-	6,542	5,821	1) 721	-0-	-0-
Smallpox Eradication	192,864	-0-	192,864	38,363	-0-	15,374	154,501
Fellowships	4,630	-0-	4,630	-0-	1) 4,630	-0-	-0-
Anti-Malaria Activities	100,000	54,594	154,594	61,343	-0-	3,012	93,251
	304,036	73,594	377,630	105,752	5,351	18,386	248,141
<u>Cash Surplus at Disposal of the Directing Council</u>							
1954 Surplus	173,594	-0-	173,594	-0-	2) 173,594	-0-	-0-
1955 Surplus	-0-	123,524	123,524	-0-	-0-	-0-	123,524
	173,594	123,524	297,118	-0-	173,594	-0-	123,524
TOTAL	477,630	197,118	674,748	105,752	178,945	18,386	390,051

- 1) Transferred to 1955 Surplus
- 2) Transferred to Building Alterations \$19,000
- " " Antimalaria Activities 54,594
- " " Building Fund 100,000

PROCUREMENT FUND

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

	1 January 1955 (Brought forward from 1954)		Amounts Received or Transferred during 1955	Payments for Supplies, etc. Made during 1955	Balance 31 December 1955	
	Amounts Due to PASB	Deposits with PASB			Amounts Due to PASB	Deposits with PASB
Argentina	\$ 1	\$ 3,217	\$ 51,075	\$ 53,815	\$ -	\$ 476
Bolivia	8,664	-	-	-	8,664	-
Brazil	483	399,793	8,878	396,566	483	12,105
British W. Indies	5	434	7,689	8,086	-	32
Chile	-	3,022	141,826	125,511	-	19,337
Colombia	1,390	24	4,102	2,735	-	1
Costa Rica	5	1	459	455	-	-
Cuba	2,642	-	-	-	2,642	-
Dom. Republic	-	-	124,864	111,568	-	13,296
Ecuador	-	781	105,623	16,090	-	90,314
El Salvador	-	2,095	7,799	3,246	-	6,648
Guatemala	647	13	40,444	40,057	647	400
Haiti	-	1,140	6,007	6,714	-	433
Mexico	683	1,978	6,438	8,246	768	255
Nicaragua	-	159	4,193	1,797	-	2,555
Panama	-	14,393	18,828	17,980	-	15,241
Paraguay	97	6,254	-	6,254	97	-
Peru	-	6,480	5,716	5,581	-	6,615
United States	-	33	395	428	-	-
Uruguay	-	283	10,827	8,958	-	2,152
Venezuela	27,666	1,795	32,684	4,693	-	2,120
Employees	82	7,750	20,243	27,385	-	526
Antigen Sales	1,621	-	1,924	216	197	284
	43,986	449,645	600,014	846,381	13,498	172,790

TRUST FUNDS
GRANTS - ACCRUED REPATRIATION ENTITLEMENTS - PROVIDENT FUND

Name and Purpose of Funds	1 January 1955 (Brought Forward From 1954)	Amounts Received During 1955	Total	Payments Made During 1955	Transfers During 1955	Balance in Cash at 31 December 1955		
						Unliquidated Obligations	Unobligated	Total
1. <u>GRANTS</u> <u>Kellogg Foundation</u> Nutrition Institute of Ecuador -- To provide equipment and scientific books for Bromatological Laboratory of the Institute Consultant in Dental Health	260 3,028	- 8,231	260 11,259	9 10,811	- -	- -	251 448	251 448
<u>TOTAL GRANTS</u>	3,288	8,231	11,519	10,820	-	-	699	699
2. <u>PROVIDENT FUND</u>	14,546	375	14,921	13,904	-	-	1,017	1,017
3. <u>ACCRUED REPATRIATION ENTITLEMENT</u>	50,078	22,005	72,083	2,119	-	-	69,964	69,964
<u>TOTAL-Grants-Provident Fund Accrued Repatriation Entitlements</u>	67,912	30,611	98,523	26,843	-	-	71,680	71,680

INSTITUTE OF NUTRITION
OF CENTRAL AMERICA AND PANAMA

	1 January 1955 (Brought Forward From 1954)	Amounts Received During 1955	Total	Payments Made During 1955	Transferred	Balances in Cash at 31 December 1955	
						Unliquidated Obligations	Unobligated Total
1. REGULAR FUNDS							
1954 Budget	4,058	-	4,058	4,036	3/ 22	-	-
1955 Budget	-	1/74,553	74,553	70,264	-	4,289	4,289
TOTAL REGULAR FUNDS	4,058	74,553	78,611	74,300	22	4,289	4,289
2. PROVIDENT FUND	14,429	7,693	22,122	4,278	-	-	17,844
3. GRANTS							
Kellogg Foundation	537	-	537	31		54	506
Books, Equipment And Supplies	2,205	553	2,758	1,955		489	803
Laboratory Equipment	-	2,500	2,500	142		1,271	2,358
Research and Adminis- trative Services -	-	2,500	2,500	-		2,489	2,500
Library	-	3,000	3,000	214		2,786	2,786
Graphic Art	-	10,000	10,000	-		434	10,000
Lab. Equipment	-	18,553	21,295	2,342		7,951	18,953
Corn Study	2,742	10,000	10,000	9,769		25	231
Rockefeller Foundation	-						
Study of Variety of Corn	-						
Merck and Company, Nutri- tion Foundation, Inc.,	-						
World Health Organization	-						
Research Corporation,	-						
Williams-Waterman Fund	-						
Nutritional Disease Investigation	7,230	12,826	20,056	19,322		-	734

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INSTITUTE OF NUTRITION
OF CENTRAL AMERICA AND PANAMA

	1 January 1955 (Brought Forward From 1954)	Amounts Received During 1955	Total	Payments Made During 1955	Transferred	Balances in Cash at 31 December 1955		
						Unliquidated Obligations	Unobligated	Total
SCIDA, H. de Sola e Hijos, Alvarez Co.								
Study of Indigenous Plants	801	7,800	8,601	7,847		-	754	754
World Health Organization								
Protein Nutrition Study	-	9,000	9,000	8,612		188	200	388
U.S. Public Health Service- National Institute of Health								
Dietary Factors in Kwashiorkor	-	20,378	20,378	7,555		952	11,871	12,823
TOTAL GRANTS	10,773	78,557	89,330	55,447		9,116	24,767	33,883
4. CONTINGENCY RESERVE FUND	37,253	2/ 98	37,351	-	4/ 23,569	-	13,782	13,782
GRAND TOTAL	66,513	160,901	227,414	134,025	23,591	13,405	56,393	69,798

1/ Quota Contributions Receivable 1955 \$ 75,000
Less: Reserve for non-collected Contrib. 25,000
Revenue from Quota Contributions 50,000
" Miscellaneous Income 984
Total Income \$ 50,984
Transferred from Contingency Reserve Fund 23,569
Total \$ 74,553

2/ Unused Budgetary Provision for 1954 \$ 22
Credits from Provident Fund Account 76
Total \$ 98

3/ Transferred Contingency Reserve Fund
4/ " Regular Fund

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.

For the Director
Pan American Sanitary Bureau
Harry A. Hinderer
Harry A. Hinderer, Chief
Division of Administration

Uno Brunakog
Uno Brunakog
External Auditor

REPORT OF THE EXTERNAL AUDITOR

Geneva.
16 March 1956

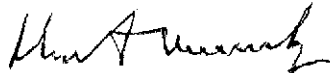
Sir,

I have the honour to transmit the financial statements of the Pan American Sanitary Bureau which were submitted by the Director with respect to the financial year 1 January to 31 December 1955. These statements have been examined by me, together with the records of the Bureau, pursuant to the Financial Regulations, Article XII, containing the scope of the audit, and are hereby certified.

In accordance with the Financial Regulations, I have the honour to present my report with regard to the above-mentioned financial 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 1955

1. Pursuant to my letter of appointment as the External Auditor, in accordance with Article XII, Paragraph 12.1, of the Financial Regulations for the Pan American Sanitary Bureau, I have examined the accounts of the Bureau for the financial year 1955, 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 accounts submitted to me by the Director.
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), which funds are controlled by the Bureau:
 - a. Statement of Appropriations, Obligations Incurred and Unobligated Balance of Appropriations for the Year 1955;
 - b. Statement of Income, Expenditures and Surplus for the Year 1955; and
 - c. Statement of Assets and Liabilities as at 31 December 1955.

Expenditures

3. Against the total appropriated budget of \$2,100,000 for 1955, an amount of \$2,082,230 has been expended, leaving an unobligated balance of \$17,770 or 0.8% of the voted budget. As regards the unobligated balance for the years 1954 and 1953, the corresponding figures were \$577 and \$135,889 or 0.02% and 6.6% respectively.
4. In order to cover the amount in excess of the appropriation, transfer from Part III, "Pan American Sanitary Bureau - Field and Other Programs" to Part I, "Pan American Sanitary Organization" of \$12,102 has been made, due to the increased cost for printing of the Director's Report. Likewise, a transfer of \$20,029 has been made from Part III to Part II, "Pan American Sanitary Bureau - Headquarters", mainly for covering increase in the local staff's salary scale amounting to \$3,000, an increase in the cost of common services and the purchase of a new bookkeeping machine for a total amount of some \$16,000.
5. The budgetary expenditures for 1955 compared with those of the two preceding years are as follows. The percentages shown reflect the percentage of the total amount obligated:

		1955		1954		1953	
		\$1,000	%	\$1,000	%	\$1,000	%
I	Pan American Sanitary Organization	152	7	208	10	120	6
II	Pan American Sanitary Bureau - Headquarters	919	44	891	42	855	45
III	Pan American Sanitary Bureau - Field and Other Programs	1,011	49	1,000	48	893	46
IV	Pan American Sanitary Bureau - Other Expenditures	-	-	-	-	56	3
TOTAL		2,082	100	2,099	100	1,924	100

The total shown above indicates a slight increase of activities in the field programs.

6. The following ex-gratia payments were made and charged to the budget:

A grant of \$175 beyond normal entitlements was made to meet part of funeral expenses for a staff member.

As a matter of urgency a staff member was transferred from one Zone to another. As he was obliged under the terms of his lease of the apartment to give notice to terminate the tenancy, a grant of \$180 was made to cover the amount he was obliged to pay in lieu of notice.

7. In the event of accident attributable to the performance of official duties on behalf of the Bureau the Staff Rules entitle staff members to compensation in accordance with rules established by the Director.

During his service in the Bureau an employee was injured. In order to cover his medical expenditures and compensation for disability the Northern Assurance Company paid to the employee \$1,257 and the Bureau \$560. It has not been possible so far for the Director to establish the rules mentioned above; the decision by the Director has been based on practice of the United Nations.

Budgetary Income

8. The budgetary revenues during 1955, as compared with those for the preceding years, are as follows:

	<u>1955</u>	<u>1954</u>	<u>1953</u>
	\$	\$	\$
Contributions for the current year collected from Member States	1,728,499	1,728,574	1,743,702
Arrears of contributions collected from Member States	258,026	500,304	260,383
Contributions collected on behalf of Non-Self Governing Territories	22,277	39,865	4,647
3% Procurement Charges	21,500	24,587	34,199
Interest Earned	17,798	14,742	19,132
Unused budgetary provisions for previous years	56,219	48,896	5,322
Voluntary Contributions	91,576	-	-
Other Income	<u>4,508</u>	<u>10,723</u>	<u>16,525</u>
Total	<u>2,200,403</u>	<u>2,367,691</u>	<u>2,083,910</u>

9. The collected contributions for the year 1955 in percentage of assessed contributions are shown in the statement below. For purposes of comparison, the corresponding figures for the years 1951 to 1954 are also given.

	<u>Contributions Assessed</u>	<u>Contributions for the Current Year Collected</u>	%
	\$	\$	
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
1952	1,943,681	1,628,730	84.00
1951	1,943,681	1,748,627	89.97

With the exception of the year 1952 the collected current contributions in the year 1955 are, in total amount as well as percentage wise, the lowest since 1951. The average of collected contributions in percentage assessed contributions during the years 1951 to 1955 amounts to 86.75%. This figure must be considered to be too low for any international organization.

10. As can be seen from the following table the uncollected arrears of contributions are still high:

	<u>1955</u>	<u>1954</u>	<u>1953</u>	<u>1952</u>
	\$	\$	\$	\$
Unpaid balance of arrears as of 1 January	436,881	665,759	669,844	627,614
Collected arrears	<u>258,026</u>	<u>500,304</u>	<u>260,383</u>	<u>272,721</u>
Balance of unpaid arrears	178,855	165,455	409,461	354,893
Add uncollected contributions for Current Years	<u>271,501</u>	<u>271,426</u>	<u>256,298</u>	<u>314,951</u>
Unpaid balances of arrears and contributions at the end of the year	450,356	436,881	665,759	669,844
% of assessed contributions	22.52	21.84	33.29	34.46

Even if there is improvement regarding the unpaid balances of arrears since 1954, there is still more than one fifth of the total assessed contributions which have not been paid at the year-end. Taking into account the total assessed contributions, this figure seems abnormally high.

11. Schedule A and its Annex I indicate that the following Member States owe fully or in part appreciable amounts of contributions for years prior to 1955 viz:

Bolivia	-	6 years of an amount of	\$ 47,040
Cuba	-	3 years of an amount of	116,458
Uruguay	-	5 years of an amount of	80,357

12. During the VIII Meeting of the Directing Council, one delegate requested me to indicate in my report the exact origin of the funds received through the service charge for purchases made for the government.

In the year 1955, the 3% procurement charges amounted to \$21,500. This income was made up as follows and for comparison the figures are shown even for the years 1953 and 1954:

	<u>1955</u>	<u>1954</u>	<u>1953</u>
	\$	\$	\$
Purchases made on behalf of:			
Government Administrations and Public Institutions	716,661	819,574	1,139,976
Antigen Sales	216	4,727	947
Employees, etc.	27,385	15,288	24,397
Shipment, freight and Insurance costs, etc.	80,619	128,192	165,680
3% Procurement charges	<u>21,500</u>	<u>24,587</u>	<u>34,199</u>
	846,381	992,368	1,365,199

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.

In addition to the purchases mentioned above the procurement service of PASB has made considerable purchases on behalf of PASB and WHO.

13. The income derived from unused budgetary provisions shows an increase as compared with previous years. The greater portion of the unused provisions represents savings in the amounts of awards granted for fellowships.
14. A voluntary contribution of Argentine Pesos 1,500,000 was received during 1954 by the Bureau. Since it was stipulated in the transmittal letter from the Government of Argentina that this contribution is to be utilized for activities during 1955 and future years, the amount has been recorded as income in 1955 rather than 1954. The equivalent value in U.S. currency amounted to \$107,143 when received. During 1955, however, two changes in the rate of exchange have reduced the amount to \$91,576, the difference of \$15,567 representing the amount of devaluation of the contribution.

Surplus

15. As shown in Exhibit II, the cash surplus for 1955 amounted to \$118,173 representing 5.6% of the total budget as compared with the cash surplus of \$268,268 or 12.8% of the budget in the previous year. The cash surplus for 1955 has been made possible by the collection of arrears of contributions from Member States.

16. The status of the surplus at the disposal of the Directing Council as at 31 December 1955 was as follows:

Cash Surplus for 1955		\$ 118,173
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Unused balances, appropriated for:

Public Health Administration Book	\$ 721	
Fellowships	<u>4,630</u>	<u>5,351</u>
		<u>\$ 123,524</u>

17. The surplus at the disposal of the Directing Council at the end of 1954 amounted to \$273,594; of that amount the XIV Pan American Sanitary Conference appropriated \$100,000 for the purpose of the intensification of antimalaria activities. The remaining amount, \$173,594, was disposed of by the Directing Council at its VIII Meeting as follows:

Establishment of a Building Reserve Fund	\$ 100,000
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Installation of a new elevator in the Blodget House	19,000
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Increase in the allocation for the antimalaria campaign	<u>54,594</u>
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TOTAL	<u>\$ 173,594</u>
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At the same time the Directing Council a) decided that any savings realized from the installation of the elevator would be transferred to the allocation for the antimalaria campaign and b) authorized the Director to utilize as much of the Building Reserve Fund as may be required in the event that additional funds should be necessary for the intensification of the malaria eradication program.

The purpose of the Working Capital Fund is mainly to ensure normal operations and also to finance and supplement existing or more programs. Thus, it seems that the Director should have been authorized to draw a limited amount from the Working Capital Fund instead of from the Building Reserve Fund if strengthening of the malaria eradication program should be required.

Assets and Liabilities

18. Under Accounts Receivable in Exhibit III the following amounts relating to procurement of supplies and equipment on behalf of Governments are still outstanding:

		<u>\$</u>	<u>Since</u>
Bolivia	Ministry of Hygiene	8,664	1949
Brazil	Yellow Fever Service	483	1952
Cuba	Ministry of Health	2,642	1949
Guatemala	Ministry of Health	647	1950
Mexico	Ministry of Health	683	1947
Paraguay	Hospital of Clinics	97	1952

19. Up to the end of the year 1955 there had been invested \$526,565 in the Headquarters' properties made up as follows:

	<u>Blodget House</u>	<u>Hitt House</u>
	<u>\$</u>	<u>\$</u>
Original cost of the property:		
Financed by loans	125,000	175,000
Financed from 1951 Budget	734	1,263
Improvement and restoration costs financed from:		
1951 Budget	15,896	27,847
1952 Budget	8,057	37,594
Special fund for construction and alterations, created by the Directing Council at its sixth meeting (1952):		
Payments in 1952	-	2,335
Payments in 1953	51,971	65,798
Payments in 1954	6,362	8,708
	<u>208,020</u>	<u>318,545</u>
TOTAL		<u>\$526,565</u>

At its VIII meeting, the Directing Council authorized the Director to apply \$19,000 of the existing budgetary surplus for 1954 for installation of a new elevator in the Blodget House. This installation is expected to take place in 1956.

The purchase of the houses in 1951 was financed by loans from the Rockefeller Foundation and the W.K. Kellogg Foundation. Payments on the loans were made from the budget in 1951 and 1952 with a total amount of \$100,000. Of the remaining amount, \$170,728 was repaid by making use of the 1952 cash surplus and the rest charged to the 1953 budget.

20. The amount of \$2,708 under the heading Insurance Equalizations Account represents the balance left of annually apportioned amounts of \$5,000 charged to Common Services to cover various types of insurances (with the exception of medical insurance) as they fall due. This system has been established in order to distribute the expenses for insurance evenly over a period of years.

Inventory

21. A statement of the inventory on hand at Headquarters as at 31 December 1955 has been submitted to me. For comparison the figures relating to the 1954 inventory are included in the following table:

<u>Description</u>	<u>1955</u>	<u>1954</u>
	\$	\$
Bookkeeping Equipment	10,190	9,480
Microscope Equipment	2,316	2,316
Bookcases and Shelving	8,458	8,202
Cabinets	14,755	14,755
Chairs	11,892	11,735
Desks	22,843	22,843
Dictaphone Equipment	9,420	8,393
Tables	2,769	2,769
Typewriters	22,901	22,837
Miscellaneous Office Properties	6,076	5,463
Cartographic Equipment	6,214	6,214
General Services Equipment	7,934	7,787
Reproduction Equipment	<u>15,874</u>	<u>15,874</u>
	\$141,642	\$138,668
Administrative Supplies (a)	<u>11,293</u>	<u>5,557</u>
TOTAL	<u>\$152,935</u>	<u>\$144,225</u>

- (a) Figures for 1954 and 1955 are not comparable. A number of items in use such as desk trays, staplers, etc. are included in the 1955 figures with the object of making the inventory more complete.

The cost of the new bookkeeping machine amounting to \$6,614, though charged to the 1955 budget as an unliquidated obligation has not been included in this inventory since it was delivered in January 1956.

General Observations

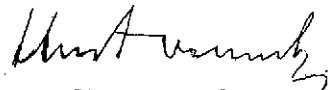
22. I wish to state that the accounting records have been examined to the extent considered necessary to satisfy myself.

I would state also that within the framework of the present structure the administration of the Bureau and the safeguarding of the funds have been satisfactory.

The financial position of the Bureau is sound.

* * *

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

Geneva.
16 March 1956