PAN AMERICAN HEALTH ORGANIZATION

Letter of Transmittal

In accordance with the provisions of Regulation XIII of the Financial Regulations, I have the honor to submit the Financial Report of the Pan American Health Organization for the financial period 1 January 2013 to 31 December 2013.

Carissa F. Etienne

Director

Pan American Health Organization

Certification of Financial Statements

The Financial Statements and supporting Notes are approved:

Michael H. Lowen

Manager

Area of Financial Resources Management

Carissa F. Etienne

Director

Pan American Health Organization

9 April 2014

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Statement on Internal Control

Scope of Responsibility

As the Director of the Pan American Health Organization (PAHO), I have responsibility for maintaining a sound system of internal control that supports the achievement of PAHO's mandate and objectives, while safeguarding the funds and assets administered by PAHO, for which I am responsible, in accordance with the responsibilities entrusted to me in the PAHO Constitution, by the Governing Bodies, and in the Financial Regulations of the Organization.

Accountability is an integral component of PAHO's Results Based Management (RBM) framework and, as such, empowers managers to take the necessary steps to achieve their expected results, while requiring the exercise of due diligence in actions and decisions, and compliance with applicable regulations and rules. Delegation of Authority is a prerequisite for the successful implementation of RBM. Good governance is enabled by the appropriate delegation of authority and, as Director, I have approved a Delegation of Authority framework that delineates clear lines of authority over all available resources, both human and financial, and includes the responsibility and accountability of personnel across the Organization.

Accountability at PAHO carries with it the obligation to report on the discharge of one's delegated responsibilities through established mechanisms, including the annual certification of financial information and the evaluation of the status of the implementation of the biennial work plan.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve expected results and strategic objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritize the risks to the achievement of the Organization's mandate and objectives, to evaluate the likelihood of those risks being realized and the impact should they be realized, and to manage them efficiently, effectively, and economically. The system of internal control has been in place at PAHO for the financial reporting period 1 January 2013 through 31 December 2013, and up to the date of the approval of the Financial Report of the Director.

The foundation for the system of internal control at PAHO lies in the Constitution of the Pan American Health Organization and the Financial Regulations. From this, the Organization has developed and employed additional tools to further inform and guide the control framework, such as the Country Cooperation Strategy (CCS), Personnel Rules, the E-Manual and the Manual for Country Office Operations, Personnel Performance and Evaluation System (PPES), Performance Monitoring and Assessment (PMA), and the Financial Accountability Framework.

Capacity to Handle Risk

As the Director of PAHO, I have taken note that a system has been created of core and cross-functional teams which have overall responsibility for identifying and assessing risks associated with the implementation of the Program of Work and the overall operations of the Organization. Core teams include the Office of Internal Oversight and Evaluation Services, the Ethics Office, the Office of Legal Counsel, the Country Focus Support Office, the Department of Planning and Budget, the Department of Human Resources Management, and the Department of Financial Resources Management. These core teams are responsible for establishing the control environment, and providing the discipline and structure for the achievement of the primary objectives of the system of internal control.

Some examples of key cross-functional teams include the Integrity and Conflict Management System (ICMS), the Asset Protection and Loss Prevention Committee (APLPC), the Property Survey Committee, the PAHO Infrastructure Investment Projects Committee (PIIC), the Investment Committee, the Disaster Task Force, and the Epidemic Alert and Response Task Force.

Risk and Control Framework

The risk and control framework is developed and implemented by the Governing Bodies and the Pan American Sanitary Bureau (PASB), the Secretariat of the Organization. These organs, as stipulated in Article 3 of the Constitution of PAHO, determine the Organization's general policies, including financial policy, and review and approve the multi-year strategy and biennial program and budget of the Organization.

The Secretariat provides regular reports to the Governing Bodies on the financial, program and budgetary status of the Organization, including an annual report by the External Auditors of PAHO. Furthermore, the Office of Internal Oversight and Evaluation Services (IES) issues an annual report of its activities, with a status of outstanding audit recommendations. The Auditor General also provides the Director with an overall opinion on PAHO's internal control environment. For the financial reporting period 1 January 2013 through 31 December 2013, the Auditor General has concluded the following:

"Based on the findings of its oversight activities in 2013 (and in previous years), and taking into account the findings of other sources of assurance, IES's overall opinion is that the PASB's internal control environment provides reasonable assurance on the accuracy, authorization and timely recording of transactions, assets and liabilities, and on the mitigation of risks to the achievement of the Organization's objectives. Absolute assurance is, of course, impossible. Internal controls have inherent limitations: compliance with internal controls may deteriorate (or improve) over time, and a range of factors (including error, fraud, and changes to operating conditions and internal procedures) may render some internal controls inadequate. As a consequence, the dynamism of the Organization's activities and its ever-changing risk profile necessitate a continuous revision of the efficiency and effectiveness of internal controls. Overall, IES has seen a gradual improvement in the PASB's internal controls in 2013."

The Departments of Financial Resources Management (FRM) and Planning and Budget (PBU) submit monthly reports to Executive Management covering the Organization's current financial position, the likelihood that financial and budgetary plans will be achieved, and the risks attached. These reports are discussed in detail in order that the members of Executive Management have appropriate and comprehensive information necessary to the decision-making process. In addition, a corporate Performance Management Assessment process (PMA) is conducted semi-annually, which involves Executive Management, Entity Managers, and technical staff to assess progress towards the program of work and the Strategic Plan.

A fully functional Enterprise Risk Management (ERM) system is critical to control the pace and manner of change in the Organization resulting from the adoption of new technology, the expansion of technical cooperation requirements of Member States, the growth in resources under administration, and adapting to UN transformation. In 2011, PAHO's Executive Management team approved the conceptual framework of the ERM, which is based upon ISO31000.

PAHO's approach to risk management is an integral and systematic process not represented by a static risk register, but by a process that is continuously identifying, mitigating, monitoring, and communicating top risk events to the Organization. This type of process requires a risk management framework, a risk governance policy, a risk assessment methodology, and Organization-wide training before comprehensive risk assessments can be performed. The completion of the comprehensive risk assessments will then form the foundation of a factual and accurate risk register.

In 2013, PAHO approved and made effective the ERM policy and continued the implementation of ERM by conducting risk management training and assessment workshops where 49 risk management focal points were trained to further train PAHO staff and facilitate risk assessments. As a result, 350 PAHO staff participated in risk assessments over the past year, gaining experience in the risk management process. Furthermore, risk assessments of select donor projects, the 2012-2013 biennial work plans and the operations of thirteen country offices were completed.

In compliance with the ERM Policy, risk assessments were included as an integral part of the 2014-2015 biennial operational planning process, and the Risk Assessment Methodology was included in the Operational Planning Manual 2014-2015. All PAHO entities were required to identify the risks and mitigation actions for 2014-2015 projects and programs. These registers were included as a planning element of each entity's biennial work plan. The methodology is also published in the Operations E-Manual for Country Offices and Specialized Centers.

Review of Effectiveness

As the Director of the Pan American Health Organization, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Office of Internal Oversight and Evaluation Services (IES), by the senior managers within the Organization who have responsibility for the development and maintenance of the internal control framework, and by the comments made by the External Auditors in their management letters and audit reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Auditor General and the Audit Committee. A plan to address identified weaknesses and ensure continuous improvement of the system is in place.

The Auditor General reports directly to me. IES undertakes independent and objective assurance and advisory activities, which are designed to improve and add value to the Organization's operations. Using a systematic, risk-based approach, IES seeks to assist the Organization to achieve its objectives by auditing the effectiveness and efficiency of organizational governance, internal controls, operations, and processes. IES undertakes internal audit assignments, for which very precise objectives are established through an assessment of the relevant risks**.** On the conclusion of an oversight assignment, IES prepares a detailed report addressed to me, and copied to concerned individuals in the Secretariat. The assignment reports include findings and recommendations to help management address risks, maintain or enhance internal controls, and encourage effective governance. IES systematically follows up on all the recommendations it makes. In addition, IES provides support to evaluation activities throughout the Organization, recording and monitoring all evaluation assignments undertaken across the Organization.

The PAHO Audit Committee, which was established pursuant to Resolution CD49.R2, serves in an independent expert advisory capacity to assist the Director and PAHO's Member States. It provides independent assessment and advice on the operation of the Organization's financial control and reporting structures, risk management processes, and the adequacy of the Organization's systems of internal and external controls. The Audit Committee meets twice each year, and met in March and November of 2013.

The system of internal control has been in place for the year ending 31 December 2013 and up to the date of the approval of the Financial Report of the Director. However, with the significant growth in the Organization, a number of weaknesses in the system of internal control were identified that have necessitated additional work to be undertaken in order that adequate internal control assurances could be provided.

Significant Internal Control Issues	**Actions Taken to Address Issues**
1. **Corporate Administrative Systems -** • The implementation of International Public Sector Accounting Standards (IPSAS) has further highlighted the weaknesses in the collection of legacy systems, which required significant modification and manual "work arounds" to meet the requirements of accrual accounting, asset capitalization and depreciation, and annual financial reporting. Furthermore, the systems cannot easily provide the range of integrated management reporting required of a dynamic and growing Organization.	After the completion of a business case for PMIS and following one of its recommendations, the PAHO Management Information System (PMIS) team identified, through a competitive procurement process, the best ERP solution and Systems Integrator for PAHO. As a result, two contracts were signed, one with Workday on 30 September 2013, and another with Collaborative Solutions as the Systems Integrator on 30 December 2013. Subsequently, another contract was signed with Tidemark on 31 October 2013 for a Planning and Budgeting software solution for PAHO. Tidemark and Workday are both offered as Software as a Service (SaaS) solutions, and Workday has prebuilt integration with Tidemark. While Workday will be implemented as the core ERP for PAHO covering Human Resources, Payroll, Procurement and Finance, other best of breed solutions will be part of the PMIS implementation for specific functional areas. As mentioned before Tidemark will cover Planning and Budgeting; In-tend will cover Tendering; Cornerstone will be used as PAHO's Management Learning System; and, a Treasury workstation solution will be identified to provide the Treasury functionality not covered by Workday. It was agreed with the Systems Integrator that implementation will be completed in two phases. The first phase will address Human Resources and Payroll, and will Go Live on 1 January 2015. The second phase will cover Finance and Procurement and will Go Live on 1 January 2016. The Planning and Budget rollout will be completed in phases and will be available to plan and budget for the 2016-2017 biennium.

Significant Internal Control Issues	**Actions Taken to Address Issues**
• The implementation of an Enterprise Resource Planning (ERP) system, which would integrate Program Planning, Budget, Finance and Human Resource administration, will result in more accurate and comprehensive real-time information. However, it will also require an increased level of interaction with the ERP by all staff, providing accurate data and extracting necessary information in a decentralized environment. Given that the current systems are not fully integrated, much of this work is centralized at the Regional Headquarters. Therefore, the required competencies to fully realize the effectiveness of an ERP do not exist throughout the Organization.	The full extent of competency requirements will not be known until the ERP is implemented. However, a training plan is being developed based on the competency needs and gaps as identified during the design and test phase of the Implementation Plan for each module and system. The training plan will be continuously updated and enhanced as the various systems processes are implemented. An assessment of competency gaps will be performed post-implementation to address any remaining training requirements.
2. **Project Implementation** - Effective implementation of the Program and Budget is critical to the reputation and sustained growth of the Organization. The balance of Voluntary Contributions commitments that remain unimplemented, as well as the funds returned to donors, has continued to be a concern. A balance of project acceptance and design, rational business practices, policies and procedures, and absorptive capacity of beneficiaries is required to reach optimal project implementation goals.	Over the period 2008-2013, the amount that PAHO has returned to donors has decreased to less than 0.5% of the total Voluntary Contributions funds available to be implemented. PAHO continues to enhance the management controls of Voluntary Contributions, relying on the Project Implementation Review Reports and the Financial Certification process to ensure optimal implementation of funds entrusted to the Organization. An assessment of the Voluntary Contributions Management Function was conducted in 2012. In 2013, PAHO's Executive Management adopted a Resource Management Framework (RMF), which will be implemented in the first semester of 2014. The new RMF defines clear roles for the Resource Mobilization Business Process, to be led by the Department of External Relations, Partnerships and Governing Bodies (EPG), and the Resource Utilization Business Process, to be led by the Department of Planning and Budget (PBU). The Resource Utilization Business Process includes the following functions: technical design, development, and budget development; project start-up, monitoring and reporting; annual project reviews and adjustments; progress reports to donors; project evaluation; project closure; and, analysis and documentation to identify lessons learned. It is expected that the new Framework will enhance accountability and will improve resource coordination and, ultimately, the implementation of the Program and Budget. While the RMF is in the early stages of implementation, PBU continues to coordinate and review Voluntary Contributions agreements.
3. **Succession Planning** - The retirement of senior managers has the potential to result in a loss of institutional knowledge.	The Member States requested during the Organization's Governing Bodies sessions, such as the 52nd Directing Council, 152nd Session of the Executive Committee and the 7th Session of the Subcommittee on Program, Budget and Administration of the Executive Committee, that strategic human resource and succession planning be designed to secure the right skill mix for the future. In February 2014, the Executive Management (EXM) approved the Human Resource

Significant Internal Control Issues	Actions Taken to Address Issues
	plans for all entities of the Organization, within the framework of the development of the 2014-2015 biennial work plan. This planning process foresees the timely replacement of positions that remain vacant during this biennium, including managerial positions. These plans are now in the implementation stage. In addition, the Organization has initiated a process for contracting an external consulting firm, in order to systematically implement the process of Succession Planning. Currently, the Department of Human Resources Management is in the process of identifying potential vendors. It is foreseen that these advisory services will be available for the Organization in the second semester of 2014.
4. **Emergency Response** PAHO, as the preeminent health agency in the Region of the Americas, must take a leadership role in addressing emergencies. The impact and severity of recent emergencies in the Region, including the H1N1 crisis and the disaster in Haiti, have highlighted the need to have a strong, centralized team of specialists to analyze and coordinate response requirements and information.	The implementation of PAHO's institutional response and disaster policy continues to strengthen and enhance the ability to respond to emergencies and disasters in the Region. In 2013, the Department of Emergency Preparedness and Disaster Relief (PED) provided technical support across the Region, including workshops in Panama and Barbados on PAHO Emergency Response Procedures for Representatives, Administrators and Disaster focal points of 22 country offices. Furthermore, PED was successful in mobilizing resources in response to Member States requests for support in emergency situations, including: support to internally displaced populations in Colombia, dengue in Honduras and Nicaragua, acute respiratory illness in Peru, and the severe floods in St. Vincent and the Grenadines, St. Lucia and Dominica. In addition, the Department of Communicable Diseases and Health Analysis (CHA) is the WHO International Health Regulations (IHR) contact point for the Region of the Americas. In this context, CHA coordinates a PAHO internal network including (a) an Alert & Response team working 24/7 at PAHO HQ, (b) focal points in 27 PAHO country offices and (c) 50 PAHO subject matter specialists on biological threats including zoonoses, chemical and radio nuclear threats. The main objective of the PAHO Alert & Response network linked to the 35 IHR national focal points is to detect, assess, communicate, monitor and respond to potential public health events of international concern. During the year 2013, 82 events were detected and assessed, of which 39 triggered actions from the Organization. If necessary, CHA can activate the Global Outbreak Alert and Response Network (GOARN) of partners and deploy experts on the field to assist the national authorities for risk assessment or outbreak response. Also, during 2013 a PAHO Epidemic Emergency Response Fund of US$ 1.0 million has been established and will be managed under chapter XVII.2 of the PAHO Manual.
5. **International Economic Environment -** The prolonged challenging global economic environment presents several risks to the Organization's ability to fund the Regular Budget: • Member States have continued to espouse a policy of	The Organization has a very conservative Investment Policy overseen by the Investment Committee. The Investment Committee meets in person at least twice each year to review the performance of the investment portfolio and regularly invites experts to these meetings to discuss the various risks in the portfolio, as well as their forecast of the economic environment. The Investment Committee has contracted with

Significant Internal Control Issues	**Actions Taken to Address Issues**
zero to minimal nominal growth to the Regular Budget as a result of their own fiscal challenges. • The low interest rate environment has reduced the investment income earned and available to supplement the Member States' Assessed Contributions. • Exchange rates in some primary countries have fluctuated significantly during the year, resulting in additional uncertainties regarding the value of the Regular Budget resources locally.	four investment managers to manage over $260 million of the $478 million portfolio, thus taking advantage of expertise, economies of scale and opportunities in the market in order to maximize the yield on available resources. The Organization continues to monitor exchange rates in the country offices, and manages the local currency bank balances accordingly. Exchange rate gains and losses are allocated based on the source of the funds. However, as the Regular Budget is denominated in US dollars, fluctuations in local exchange rates will still impact the country office's "buying power". Country Offices work closely with the Department of Planning and Budget to address these issues.
6. **Funding of Long-Term Employee Liabilities -** With the implementation of IPSAS in 2010, the Organization recognized the assets and liabilities of the Organization, resulting in a more transparent picture of the true financial status of the Organization. The long-term liabilities associated with After-Service Health Insurance (ASHI) and Termination and Repatriation Entitlements Plan (TAREP) were recorded on the Statement of Financial Position in 2010, and irrevocable trusts were established for the financial resources available to fund these liabilities (plan assets). While several initiatives have been implemented to provide some funding on both an annual and ad hoc basis, the Organization does not have a comprehensive plan to fully fund the ASHI liability over a determined period of time.	Currently, PAHO is assessing a 4% surcharge on staff payroll to provide funding towards the ASHI liability. Revenue from this surcharge totaled $1.8 million in 2013. An additional $650,000 of investment income earned on the irrevocable trust assets was also credited to the Trust. However, in order to fund the ASHI liability, additional consistent funding sources must be identified. The Organization requested Aon Hewitt to provide projections of the funding requirements to finance this liability over 30 and 40 years. Based on the analysis provided by Aon Hewitt, PAHO is presenting a comprehensive plan to the Governing Bodies in 2014, including various options to fund the liability.
7. **IT security of PAHO's Headquarters Network** The strength of the security controls in place to access the headquarters IT network presents risks to the integrity of the Organization's proprietary information.	A proactive Operational Security Assessment was undertaken in January 2014 to assess the PAHO Headquarters network. Access to the network was suspended over a long weekend in order to include both the element of surprise and allow the teams conducting the assessment to perform the work as quickly as possible, while minimizing impact on normal operations. The Organization kept staff informed of the different phases and progress of the Assessment through periodic updates. Two independent external security companies were contracted to work on the Assessment with PAHO. Each company submitted an individual assessment report. These reports include industry best practice-based security remediation recommendations. Based on this information, the Organization prepared a report to the Director on lessons learned. The security remediation recommendations are in the process of implementation. As a result of this Assessment, the Organization is equipped with a more solid and robust security system to access the IT network of the Organization.

Conclusion

I am confident that as a result of the actions taken to address the significant issues noted above, the system of internal control will continue to be strengthened. Therefore, in my opinion, the Organization's system of internal control was effective throughout the financial reporting period 1 January 2013 through 31 December 2013, and remains so on the date I sign this statement.

Carissa F. Etienne

Director

Pan American Health Organization

Opinion of the External Auditor

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The Pan American Health Organization

Independent Auditor's Opinion and Report to the Directing Council

INDEPENDENT AUDITOR'S OPINION AND REPORT TO THE DIRECTING COUNCIL

I have audited the consolidated financial statements of the Pan American Health Organization for the year ended 31 December 2013. These comprise the Consolidated Statement of Financial Position, Consolidated Statement of Financial Performance, Consolidated Statement of Changes in Net Assets, Consolidated Statement of Cash Flow, Statement of Comparison of Budget and Actual Amounts and the related notes. These consolidated financial statements have been prepared under the accounting policies set out within them.

Director's Responsibility for the Consolidated Financial Statements

The Director is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Public Sector Accounting Standards and the requirements of the Financial Regulations as authorized by the Pan American Sanitary Conference or the Directing Council. The Director is also responsible for such internal control as she determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the consolidated financial statements based on my audit in accordance with Article XIV of the Financial Regulations. I conducted my audit in accordance with International Standards on Auditing of the International Federation of Accountants (IFAC), the Audit Standards and Guidelines formulated by the United Nations Board of Auditors and the International Standards of Supreme Audit Institutions (ISSAIs). Those standards require me and my staff to comply with ethical requirements and to plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Pan American Health Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Director, as well as the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the revenue and expenditure reported in the consolidated financial statements have been applied to the purposes intended by the Pan American Sanitary Conference or the Directing Council and the financial transactions are in accordance with the Financial Regulations and legislative authorities that govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion on financial statements

In my opinion:

- the consolidated financial statements present fairly, in all material respects, the financial position of the Pan American Health Organization as at 31 December 2013 and the results for the year then ended;
- the consolidated financial statements have been properly prepared in accordance with International Public Sector Accounting Standards and the Financial Regulations which govern them and the stated accounting policies; and
- the accounting policies have been applied on a basis consistent with that of the preceding financial period.

Opinion on Regularity

In my opinion, in all material respects, the revenue and expenditure have been applied to the purposes intended by the Pan American Sanitary Conference or the Directing Council and the financial transactions conform to the Financial Regulations and legislative authorities that govern them.

Matters on which I report by exception

I have nothing to report in respect of the following:

- proper accounting records have not been kept by the Pan American Health Organization;
- I have not received all of the information and explanations I require for my audit;
- the information given in the Director's Comments for the financial year for which the financial statements are prepared is inconsistent with the financial statements;
- The Statement on Internal Control does not fairly reflect the systems of internal control I reviewed for my audit.

External Auditor's Report

In accordance with Article XIV of the Financial Regulations and the Letter of Engagement, I have also issued an External Auditor's Report on my audit of the Pan American Health Organization's consolidated financial statements.

Madrid, April 11, 2014

Ramón Álvarez de Miranda García

President of the Spanish Court of Audit

Consolidated Statement of Financial Position

(Expressed in thousand US Dollars)

	Reference	31 December 2013	31 December 2012
ASSETS			
Current Assets			
Cash and Cash Equivalents	**Note 3**	165 717	160 917
Short Term Investments	**Note 4.1**	125 152	245 645
Accounts Receivable	**Note 6.1**	222 147	195 250
Inventories	**Note 7**	7 906	8 659
Total Current Assets		**520 922**	**610 471**
Non-Current Assets			
Long Term Investments	**Note 4.2**	266 546	215 543
Accounts Receivable	**Note 6.2**	36 145	47 831
Property, Plant and Equipment	**Note 8.1**	119 784	120 398
Intangible Assets	**Note 9**	2 433	3 218
Total Non-Current Assets		**424 908**	**386 990**
TOTAL ASSETS		**945 830**	**997 461**
LIABILITIES			
Current Liabilities			
Accrued Liabilities	**Note 10**	37 243	18 789
Accounts Payable	**Note 11.1**	5 056	18 168
Employee Benefits	**Note 12**	11 329	10 447
Deferred Revenue	**Note 13.1**	346 787	379 728
Total Current Liabilities		**400 415**	**427 132**
Non-Current Liabilities			
Accounts Payable	**Note 11.2**	15 089	15 089
Employee Benefits	**Note 12**	191 913	177 502
Deferred Revenue	**Note 13.2**	159 931	202 401
Total Non-Current Liabilities		**366 933**	**394 992**
TOTAL LIABILITIES		**767 348**	**822 124**
NET ASSETS / EQUITY			
Fund Balances and Reserves			
Fund Balances	**Note 14**	72 697	78 963
Reserves	**Note 14**	105 785	96 374
NET FUND BALANCES and RESERVES		**178 482**	**175 337**

Consolidated Statement of Financial Performance

(Expressed in thousand US Dollars)

	Reference	31 December 2013	31 December 2012
REVENUE			
Revenue from Non-Exchange Transactions			
Assessed Contributions	**Note 15**	106 245	109 271
Voluntary Contributions	**Note 15**	356 906	216 419
Other Revenue	**Note 15**	68 992	60 632
Revenue from Exchange Transactions			
Procurement of Public Health Supplies	**Note 15**	596 967	562 436
Other Revenue	**Note 15**	11 610	9 702
Miscellaneous Revenue	**Note 15**	(1 264)	20 128
TOTAL REVENUE		**1 139 456**	**978 588**
EXPENSES			
Staff and Other Personnel Costs	**Note 16**	186 293	187 269
Supplies, Commodities, Materials	**Note 16**	600 802	564 588
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization	**Note 16**	2 150	1 142
Contract Services	**Note 16**	100 056	92 931
Travel	**Note 16**	97 838	69 031
Transfers and Grants to Counterparts	**Note 16**	143 879	42 760
General Operating and Other Direct Costs	**Note 16**	11 098	11 992
TOTAL EXPENSES		**1 142 116**	**969 713**
NET SURPLUS / (DEFICIT)		**(2 660)**	**8 875**

Consolidated Statement of Changes in Net Assets

(Expressed in thousand US Dollars)

	Reference	31 December 2013	31 December 2012
Net assets at the beginning of the year		175 337	132 523
Settlement of Employee Benefit Liability	**Note 12.3.10**	11 639	9 511
Gain/(Loss) on Revaluation of Investments	**Note 4.2**	(586)	212
(Recognition) / De-recognition of Liability through Reserves	**Note 24**	2 525	1 585
WHO De-recognition of prior year expenses	**Note 14.1**		(275)
Fixed Assets Revaluation Adjustments	**Note 8.1**	(60)	23 014
Intangible Assets Adjustments	**Note 9**	(80)	(108)
Adjustments for closing of CAREC and CFNI		(7 633)	
Total of items (revenue/expenses) recognized		5 805	33 939
Surplus/(deficit) for the Financial Period		(2 660)	8 875
Total recognized revenue and expense for the year		3 145	42 814
Net assets at the end of the year		**178 482**	**175 337**

Consolidated Cash Flow Statement

(expressed in thousand US dollars)

	31 December 2013	31 December 2012
Cash Flows from Operating Activities:		
Surplus (Deficit) for the period	(2 660)	8 875
Depreciation and Amortization	2 694	2 378
(Increase) / Decrease in Accounts Receivable	(15 211)	131 363
(Increase) / Decrease in Inventories	753	(7 506)
Increase / (Decrease) in Accrued Liabilities	18 455	(14 574)
Increase / (Decrease) in Accounts Payable	(13 112)	(20 077)
Increase / (Decrease) in Employee Benefits	26 931	14 044
Increase / (Decrease) in Other Liabilities	2 525	1 585
Increase / (Decrease) in Deferred Revenue	(75 410)	(85 754)
Transfer of Equity to CARPHA due to closing of CAREC and CFNI	(7 633)	
Net Cash Flows from Operating Activities	**(62 668)**	**30 334**
Cash Flows from Investment and Financing Activities:		
(Increase) / Decrease in Short Term Investments	119 906	25 144
(Increase) / Decrease in Long Term Investments	(51 003)	2 766
(Increase) / Decrease in Property, Plant and Equipment and Intangibles Assets	(1 435)	(1 991)
Net Cash Flows from Investing Activities	**67 468**	**25 919**
Net Increase / (Decrease) in Cash and Cash Equivalents	**4 800**	**56 253**
Cash and Cash Equivalents at the beginning of the Year	**160 917**	**104 664**
Cash and Cash Equivalents at the end of the Year	**165 717**	**160 917**

Comparison of Budget and Actual Amounts

(Expressed in thousand US Dollars)

Reconciliation of Total Amounts on a Cash Basis

Description of Appropriation Sections	Budget			Disbursements			Total as % of Budget Amount
	Original	Transfers	Revised	2012	2013	Total	
Section I - To reduce the health, social and economic burden of communicable diseases	23 139	2 900	26 039	12 238	13 733	25 971	100%
Section II - To combat HIV/AIDS, tuberculosis and malaria	6 479	2 000	8 479	3 730	4 690	8 420	99%
Section III - To prevent and reduce disease, disability and premature death from chronic non-communicable conditions, mental disorders, violence and injuries	11 618	900	12 518	4 888	7 624	12 512	100%
Section IV - To reduce morbidity and mortality and improve health during key stages of life, including pregnancy, childbirth, the neonatal period, childhood and adolescence, and improve sexual and reproductive health and promote active and healthy ageing for all individuals	11 613	520	12 133	5 363	6 769	12 132	100%
Section V - To reduce the health consequences of emergencies, disasters, crises and conflicts, and minimize their social and economic impact	4 469	460	4 929	2 430	2 494	4 924	100%
Section VI - To promote health and development, and prevent or reduce risk factors for health conditions associated with use of tobacco, alcohol, drugs and other psychoactive substances, unhealthy diets, physical inactivity, and unsafe sex, which affect health conditions	7 757	360	8 117	3 148	4 962	8 110	100%

Comparison of Budget and Actual Amounts

(Expressed in thousand US Dollars)

Reconciliation of Total Amounts on a Cash Basis

Description of Appropriation Sections	Budget			Disbursements			Total as % of Budget Amount
	Original	Transfers	Revised	2012	2013	Total	
Section VII - To address the underlying social and economic determinants of health through policies and programs that enhance health equity and integrate pro-poor, gender-responsive, and human rights-based approaches	8 012	370	8 382	4 256	4 124	8 380	100%
Section VIII - To promote a healthier environment, intensify primary prevention and influence public policies in all sectors so as to address the root causes of environmental threats to health	11 717		11 717	5 814	5 136	10 950	93%
Section IX - To improve nutrition, food safety and food security throughout the life-course, and in support of public health and sustainable development	10 750	230	10 980	5 858	5 119	10 977	100%
Section X - To improve the organization, management and delivery of health services	8 253	210	8 463	3 779	4 677	8 456	100%
Section XI - To strengthen leadership, governance and the evidence base of health systems	30 386	(1 450)	28 936	12 888	13 623	26 511	92%
Section XII - To ensure improved access, quality and use of medical products and technologies	7 115		7 115	3 629	3 062	6 691	94%

Comparison of Budget and Actual Amounts

(Expressed in thousand US Dollars)

Reconciliation of Total Amounts on a Cash Basis

Description of Appropriation Sections	Budget			Disbursements			Total as % of Budget Amount
	Original	Transfers	Revised	2012	2013	Total	
Section XIII - To ensure an available, competent, responsive and productive health workforce to improve health outcomes	9 439		9 439	4 157	3 961	8 118	86%
Section XIV - To extend social protection through fair, adequate and sustainable financing	5 171		5 171	1 938	1 843	3 781	73%
Section XV - To provide leadership, strengthen governance and foster partnership and collaboration with Member States, the United Nations system and other stakeholders to fulfill the mandate of PAHO/WHO in advancing the global health agenda, as set out in WHO's Eleven General Programme of Work, and the Health Agenda for the Americas	65 426	(2 500)	62 926	33 394	29 448	62 842	100%
Section XVI - To develop and sustain PAHO/WHO as a flexible, learning organization, enabling it to carry out its mandate more efficiently and effectively	63 756	(4 000)	59 756	25 627	30 032	55 659	93%
Section XVII - Staff Assessment (Transfer to Tax Equalization Fund)							
Effective Working Budget (parts I - XVII) - Subtotal	**285 100**		**285 100**	**133 137**	**141 297**	**274 434**	**96%**
Other Sources	328 300		328 300	82 883	140 832	223 715	68%
Total (Note 16)	**613 400**		**613 400**	**216 020**	**282 129**	**498 149**	**81%**

The 2012-2013 Budget amounts reflect the funding appropriated by the Governing Bodies for the Organization's Strategic Plan during the entire 2012-2013 biennium. The Effective Working Budget is comprised of the Pan American Health Organization's and the World Health Organization's regular budget only. The 2012 and 2013 disbursed amounts reflect the disbursements made in achieving the Organization's Strategic Plan during the biennium.

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Notes to the Financial Statements at 31 December 2013

1. Mission of the Pan American Health Organization

The mission of the Organization is "*To lead strategic collaborative efforts among Member States and other partners to promote equity in health, to combat disease, and to improve the quality of, and lengthen, the lives of the peoples of the Americas.*"

The Pan American Health Organization (the Organization) is an international public health agency with more than 100 years of experience in working to improve health and living standards of the countries of the Americas. It serves as the specialized organization for health of the Inter-American System. It also serves as the Regional Office for the Americas of the World Health Organization and enjoys international recognition as part of the United Nations system.

The Pan American Sanitary Bureau (PASB) is the Secretariat of the Organization. The Bureau is committed to providing technical support and leadership to the Organization's Member States as they pursue their goal of Health for All and the values therein.

The headquarters of the Organization is located in Washington, D.C. In addition, there are Representation Offices throughout the Americas which are in charge of implementing the values, mission and vision of the Organization in the Western Hemisphere.

2. Accounting Policies

2.1 Basis of Preparation

The financial statements of the Pan American Health Organization have been prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards (IPSAS), using the historical cost convention except for land and buildings which are shown at fair value. Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standard (IFRS) has been applied.

The Financial Statements of the Organization were certified and approved for issue by the Director of the Organization under the authority vested in her by the Pan American Sanitary Conference as stated in the Resolution CSP28.R7 in September 2012. This issuance approval is dated 9 April 2014. No other authority has the power to amend the Financial Statements after issuance. (Reference: IPSAS 14, paragraph 26).

The Organization previously prepared its financial statements on the modified cash basis under the United Nations' System Accounting Standards (UNSAS). Based on the decision to change to accrual accounting under IPSAS, amendments to the Financial Regulations and Rules were made and adopted by the Directing Council at its 49th meeting on 28 September 2009 and by the 145th Executive Committee on 2 October 2009, to become effective 1 January 2010. The first time adoption of International Public Sector Accounting Standards effective 1 January 2010 reflected the change from a modified cash basis of accounting to an accrual basis of accounting. The accounting period is 1 January through 31 December. The financial period 1 January through 31 December 2013 represents the second year of the 2012 – 2013 biennium, which is the second biennium when the IPSAS standards were implemented.

These financial statements were prepared on the assumption that the Organization is a going concern and will continue in operation and will meet its mandate for the foreseeable future (IPSAS 1). The Governing Bodies of the Organization have not communicated any intention to terminate the Organization or to cease its operations.

In accordance with IPSAS 1, a complete set of financial statements has been prepared as follows:

a. Consolidated Statement of Financial Position
b. Consolidated Statement of Financial Performance
c. Consolidated Statement of Changes in Net Assets
d. Consolidated Cash Flow Statement
e. Comparison of Budget and Actual Amounts
f. Notes, comprising a summary of significant accounting policies and other relevant information.

In compliance with IPSAS 1, paragraph 28, the Organization has fully adopted IPSAS. The chart below presents where in the financial statements, each standard was implemented. For the standards that were not, or have not yet been implemented, there is either a reason or an explanation provided.

IPSAS		Financial Statement or Note Where the Standard was Implemented	Reason for not being implemented
No.	**Title**		
1	Presentation of Financial Statements	• All financial statements and Notes to the Financial Statements	
2	Cash Flow Statements	• Cash Flow Statement	
3	Accounting Policies, Changes in Accounting Estimates and Errors	• Accounting Policies – Note 2	
4	The Effects of Changes in Foreign Exchange Rates	• Accounting Policy – Note 2.18 • Cash and Cash Equivalents – Note 3	
5	Borrowing Costs		Not applicable – The Organization does not borrow funds.
6	Consolidated and Separate Financial Statements	• Accounting Policy - Note 2.22	Not applicable – The Organization does not have regional centers to consolidate. Effective January 1, 2013.
7	Investments in Associates		Not applicable – The Organization does not have any Associates
8	Interests in Joint Ventures		Not applicable – The Organization does not have Joint Ventures
9	Revenue from Exchange Transactions	• Statement of Financial Performance • Accounting Policy – Note 2.17	
10	Financial Reporting in Hyperinflationary Economies		Not applicable according to the current economic circumstances of the Organization
11	Construction Contracts		Not applicable – The Organization does not implement construction contracts
12	Inventories	• Statement of Financial Position • Accounting Policy - Note 2.7 • Inventories – Note 7	
13	Leases	• Statement of Financial Position • Accounting Policies – 2.9 • Expenses – Note 16	
14	Events After the Reporting Date	• Events After the Reporting Date –Note 22	
15	Financial Instruments: Disclosure and Presentation	• Accounting Policy - Note 2.3 • Financial Instruments – Note 5 (interpreted in conjunction with IAS 39)	
16	Investment Property		Not applicable – The Organization does not have investment property to report

IPSAS		Financial statement or Note where the Standard was Implemented	Reason for not being implemented
No.	**Title**		
17	Property, Plant and Equipment	• Accounting Policy – Note 2.8 • Property Plant and Equipment – Note 8	
18	Segment Reporting	• Accounting Policy – Note 2.19 • Segment Reporting – Note 18	
19	Provisions, Contingent Liabilities and Contingent Assets	• Accounting Policy - Note 2.15 and Note 2.16	
20	Related Party Disclosures	• Related Parties - Note 21	
21	Impairment of Non-Cash Generating Assets	• Accounts Receivable – Note 6 • Inventories – Note 7 • Property, Plant and Equipment – Note 8	
22	Disclosure Information about the General Government Sector		Not applicable – The Organization is an international organization
23	Revenue from Non-Exchange Transactions	• Statement of Financial Performance • Accounting Policy – Note 2.17 • Revenue – Note 15 • Segment Reporting – Note 18	
24	Presentation of Budget Information in Financial Statements	• Comparison of Budget and Actual Amounts • Accounting Policy – Note 2.20	
25	Employee Benefits	• Accounting Policy – Note 2.14 • Employee Benefits – Note 12	
26	Impairment of Cash-Generating Assets		Not applicable – The Organization does not have any cash generating assets
27	Agriculture		Not applicable - The Organization is not currently involved in agricultural activities
28	Financial Instruments: Presentation	• Accounting Policy – Notes 2.3, 2.4 and 2.5 • Cash and Cash Equivalent – Note 3 • Investments – Note 4 • Financial Instruments – Note 5	
29	Financial Instruments: Recognition and Measurement	• Accounting Policy – Notes 2.3, 2.4 and 2.5 • Cash and Cash Equivalent – Note 3 • Investments – Note 4 • Financial Instruments – Note 5	

30	Financial Instruments: Disclosures	• Accounting Policy – Notes 2.3, 2.4 and 2.5 • Cash and Cash Equivalent – Note 3 • Investments – Note 4 • Financial Instruments – Note 5	
31	Intangible Assets	• Statement of Financial Position • Accounting Policy – Note 2.10 • Note 9	
32	Service Concession Arrangements: Guarantor		Not applicable - Effective date for this IPSAS is January 1, 2014.

Transitional Provisions

Number	IPSAS	Adoption
1	Presentation of Financial Statements	The Organization's financial statements and its respective Notes disclose comparative information to the previous financial period (2012).
2	Cash Flow Statements	Not Applicable
3	Accounting Policies, Changes in Accounting Estimates and Errors	Not Applicable
4	The Effects of Changes in Foreign Exchange Rates	Following IPSAS 4, paragraph 67, Transitional Provisions, the financial statements of the Organization do not disclose the cumulative currency exchange translation differences that existed at the date of first adoption of IPSAS. In regards to paragraphs 68 and 69, of the same Transitional Provisions, possible currency exchange translation differences are not considered material due to the fact that the funds of the Organization are mainly retained in US Dollars.
5	Borrowing Costs	Not applicable – The Organization does not borrow funds.
6	Consolidated and Separate Financial Statements	Not applicable – Effective 1 January 2013, the Organization does not have regional centers to consolidate.
7	Investments in Associates	Not applicable – The Organization does not have Associates
8	Interest in Joint Ventures	Not applicable – The Organization does not have Joint Ventures
9	Revenue from Exchange Transactions	Not applicable
10	Financial Reporting in Hyperinflationary Economies	Not applicable
11	Construction Contracts	Not applicable
12	Inventories	Not applicable
13	Leases	Not applicable
14	Events After the Reporting Date	Not Applicable
15	Financial Instruments: Disclosure and Presentation	Not Applicable
16	Investment Property	Not applicable – The Organization does not have any investment property to report.
17	Property, Plant, and Equipment	Transitional provisions have been applied in the initial recognition of property, plant, and equipment (PP&E) which were purchased or donated before 1 January 2010. Except for land and buildings, assets (PP&E) acquired prior to 1 January 2010 were expensed at the date of purchase and have not been recognized as assets in 2010 or 2011. The Organization will revalue its land and buildings in a periodic basis, including leased property. External experts will be utilized to determine updated market value. The Organization recognized the effect of the initial recognition of PP&E as an adjustment to the opening balance of accumulated surpluses or deficits in 2010. In regards to IPSAS 17, paragraph 99, Transitional Provision, the Organization did not recognize the accumulated depreciation of buildings in 2010.

Number	IPSAS	Adoption
18	Segment Reporting	Not Applicable
19	Provisions, Contingent Liabilities and Contingent Assets	In accordance to transitional provisions from IPSAS 19, the Organization recognized the provisions and contingent liabilities as adjustments to opening balances of accumulated surpluses or deficits in 2010.
20	Related Party Disclosure	Not Applicable
21	Impairment of Non-Cash-Generating Assets	Transitional provisions for Impairment of Non-Cash Generating Assets (IPSAS 21) were considered in the preparation of the 2010 financial statements with no disclosure required.
22	Disclosure of Information about the General Government Sector	Not applicable
23	Revenue from Non-Exchange Transactions (Taxes and Transfers)	Transitional provisions from IPSAS 23 (Revenue from Non-Exchange Transactions) do not apply to the Organization's financial statements since those provisions basically deal with a five year grace period allowed prior to the adoption of this standard; the Organization adopted this standard the first day of adopting IPSAS in 2010.
24	Presentation of Budget Information in Financial Statements	Not applicable
25	Employee Benefits	In accordance with provisions for first time adoption of IPSAS 25, the Organization has disclosed the Defined Benefit Obligation (DBO) for current and former staff (active and inactive), less plan assets already recorded in the books of the Organization. In addition, any gain or loss due to the implementation of IPSAS 25 was recognized as opening accumulated surplus or deficit, accordingly, in 2010.
26	Impairment of Cash-Generating Assets	Transitional provisions were not applied in regards to this standard; since, the Organization does not disclose any cash generating assets.
27	Agriculture	Not applicable
28	Financial Instruments: Presentation	Effective 1 January 2013 the Organization implemented this standard.
29	Financial Instruments: Recognition and Measurements	Effective 1 January 2013 the Organization implemented this standard.
30	Financial Instruments: Disclosures	Effective 1 January 2013 the Organization implemented this standard.
31	Intangible Assets	Per IPSAS 31, Paragraph 28, and beginning in 2011, the Organization capitalized Intangible Assets primarily considering the expected future economic benefit and that the cost or fair value of the asset could be measured reliably. Attending Paragraphs 70 and 129 of IPSAS 31, the Organization will not disclose Intangible Assets which cost was expensed before the adoption of IPSAS. The Organization did not apply transitional provisions (IPSAS 31 Paragraphs 128 to 131) to retrospectively recognize its Intangible Assets.
32	Service Concession Arrangements: Guarantor	Not applicable.- Effective date for this IPSAS is January 1, 2014.

The financial statements and supporting Notes are expressed in thousand U.S. dollars.

2.2 Cash and Cash Equivalents

Cash and cash equivalents, which are financial assets, comprise cash on hand, cash at banks, money markets and short-term deposits with original maturities of 90 days or less. For an investment to qualify as a cash equivalent, it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

Short-term deposits are stated at amortized cost using the effective interest method, with interest income recognized on an effective yield basis.

Cash and Cash Equivalents are held for purposes of meeting short-term cash commitments rather than for investment purposes.

2.3 Investments

Investments are financial assets and are recognized when the Organization becomes a party to the contractual provisions of the investment. Investments are classified as either available for sale or held to maturity. Available for sale investments are accounted for on a purchase date basis. Held to maturity investments are recognized on settlement date.

Investments are classified as being available for sale where the Organization has not committed to hold such items to maturity. Available for sale items are stated at fair value (including transaction costs that are directly attributable to the acquisition of the financial asset) with value changes recognized in the Statement of Changes in Net Assets. Available for sale assets are actively traded on the market and the valuation of these assets is determined by price quotes on the open market for identical financial instruments. Impairment losses are recognized when the book value of an asset exceeds the fair market value on an other than temporary basis. PAHO monitors the fair market value of its investments monthly and investigates the underlying cause of a decline in value. The investment policy specifies credit rating limitations. If the impairment is a result of a credit downgrade below investment policy guidelines, the investment must be liquidated.

Impairment charges and interest calculated using the effective interest method are recognized in the surplus or deficit. When an available for sale asset is disposed of, the cumulative gain or loss previously recognized in the Statement of Changes in Net Assets is included in the surplus or deficit for the period.

Held to maturity investments are financial assets with fixed or determinable payments and fixed maturity that the Organization has the intention and ability to hold to maturity. Held to maturity investments are comprised of U.S. agency paper such as Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac). Held to maturity investments are stated at amortized cost using the effective interest method, with interest income recognized on an effective yield basis in the Statement of Financial Performance.

The effective interest method is applied by determining the interest rate that is required to exactly discount all of the future cash flows associated with the bond to arrive at the initial carrying value of the bond (inclusive of any costs necessarily incurred in its acquisition.) Therefore, where a bond is acquired at a discount to its nominal value, that discount will increase the effective interest rate and be recognized over the life of the bond.

2.4 Loans and Receivables

Loans and other receivables that have fixed or determinable payments and are not quoted in an active market are classified as loans and receivables. Loans and other receivables are stated at amortized cost calculated using the effective interest method, less any impairment.

Interest income is recognized on the effective interest basis, other than for short-term receivables where the recognition of interest would be immaterial.

2.5 Risk Management Policies

The Organization holds funds not required for immediate operating needs as investments in order to earn revenue on surplus liquidity which, in accordance with Financial Regulations X and XI, and Financial Rules X and XI of the Pan American Health Organization, funds a portion of the Regular Program Budget. Investments are made subject to the Organization's Investment Policy, which prescribes guidelines intended to protect invested principal, maintain adequate liquidity and realize a return commensurate with investment risk constraints. Policy guidelines define duration, diversity and credit quality, which are consistent with limiting credit, market and interest rate risk exposures. The Organization's credit risk is mitigated by Investment Policies which stipulate limits on the amount of credit exposure to any one counterparty, limiting investments on a single non-government issuer to no more than 25%.

In accordance with the Investment Policy requirements, internally managed investments are restricted to A1/P1 and AAA/Aaa rated financial instruments. Fixed Income Notes consist primarily of U.S. Agency Paper which carries the implicit guarantee of the U.S. Government.

Funds placed with external investment managers are restricted to instruments rated A1/P1 or A- or A3 credit quality or higher in accordance with their mandates. Mechanisms are in place to divest the portfolio of an investment that falls below the minimum requirements. In the event a security's rating falls below the minimum requirements for credit quality, the external manager immediately notifies PAHO and initiates actions to liquidate the security.

Maximum maturity for the short-term investment of operating cash is not to exceed one year. Long-term investment of strategic funds is limited to an effective maturity of no more than five years.

Depository accounts are held at financial institutions with investment grade ratings by primary rating agencies, where such ratings exist. In those instances where no rating is available, the overall financial strength of the institution is evaluated prior to depositing funds within the institution. Non-US dollar accounts are monitored daily to ensure that balances are kept at minimum operating requirements levels.

The PAHO Investment Committee approves financial instruments, as well as partner financial institutions, in accordance with the Investment Policy guidelines noted above in order to mitigate credit risk.

2.6 Accounts Receivable

Accounts receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. Current receivables are for amounts due within twelve months of the reporting date, while non-current receivables are those that are due more than twelve months from the reporting date of the financial statements. Receivables are stated at amortized cost calculated using the effective interest method, less any impairment losses (which are recognized in the Statement of Financial Performance). However, for current receivables there is no material difference between the amortized costs and so these receivables have been recognized at cost (less any impairment losses).

Receivables from exchange transactions are recognized when the Organization is owed assets or services (usually in the form of cash) arising from a transaction that directly gives approximately equal value to another entity in exchange (IPSAS 9).

Receivables from non-exchange transactions are established when the Organization is owed assets or services (usually in the form of cash) that arise from a transaction that does not directly give approximately equal value in exchange; or the Organization has given value to another entity without directly receiving approximately equal value in exchange (IPSAS 23).

The main types of receivables are:

- **Assessed Contributions (non-exchange transactions)**
  These contributions are formal commitments from Member and Participating States and Associate Members for the biennial budget period. Assessed contributions are recognized as receivables when they become due and payable on 1 January of each year. There is no provision in the Financial Regulations to write-off an assessed contribution; therefore no impairment loss has been recognized.

- **Tax Equalization Fund (non-exchange transactions)**
  Receivables under the Tax Equalization Fund are due from Member States that levy income tax on emoluments received from the Organization by their nationals or others liable to such taxes. The credit from the staff assessment plan is charged with the estimated amount to be levied by those Member States.

  Under the Tax Equalization Fund, the assessed contributions of all Members are reduced by the income generated by the staff assessment plan. In determining the reduction of assessed contributions to be applied to the Member States concerned, the Tax Equalization Fund is credited with the revenue from the staff assessment plan, the credits being recorded in the name of individual Members States, in proportion to their assessments for the biennium.

  Those amounts which have been charged are, in turn, used by the Organization to reimburse income tax paid by the staff concerned.

- **Voluntary Contributions (non-exchange transactions)**
  The Organization enters into Voluntary Contribution agreements which are comprised of (1) the Voluntary Contributions Fund, which includes financial resources from governments, international organizations, and private and public sector organizations; (2) the National Voluntary Contributions Fund, which was established on 1 January 2010 and includes financial resources from governments exclusively for internal projects; and (3) the Voluntary Contributions-Emergency Preparedness and Disaster Relief Fund, which includes financial resources from governments, international organizations, and private and public sector organizations. Upon signature by both parties and approval by the Organization's Office of Legal Counsel of the agreements, the full value of the agreement is recognized as a receivable and as deferred revenue (Note 2.13)

  With the implementation of IPSAS, 2010 was the first year that accounts receivable for Voluntary Contributions was recorded. Therefore, historical data for prior years is not available. For future financial periods, the Organization will use an average percent for Voluntary Contribution agreement, based on the three prior years of data, to determine the current portion of accounts receivable for Voluntary Contribution agreements. However, to determine the current portion of the accounts receivable from Voluntary Contributions as of 31 December 2013 , the Organization applied the average percentage of cash received in 2011, 2012 and 2013 compared to the 1 January 2011, 2012 and 2013 accounts receivable for the Voluntary Contributions agreements. The non-current portion of accounts receivable will be the balance of the total accounts receivable amount for Voluntary Contribution agreements, less the current portion.

- **Procurement of Public Health Supplies (exchange transactions)**

  The Procurement of Public Health Supplies is critical to the Organization in order to achieve its mission of supporting Member States through technical cooperation for public health programs, including the procurement of vaccines and syringes, medical supplies, diagnostic kits, medications and equipment.

  The accounts receivable from the Member States in the Procurement of Public Health Supplies is comprised by two funds: Revolving Fund for Vaccine Procurement and Regional Revolving Fund for Strategic Public Health Supplies. Receivables are established for each participating Member State upon notification that goods were delivered by the supplier and payment to the supplier has been approved. This triggers an invoice being raised addressed to the relevant Member State.

- **Inter-Organization Funding Activities**

  The Inter-organization accounts receivable represents the amount due to the Organization from the World Health Organization as the net result of inter-agency transactions.

- **Regular Advances to Staff**

  Advances are made to individuals in accordance with the Financial Regulations and Rules of the Organization for entitlements (i.e., education grants, travel, settlements of income tax, insurance claims, etc.) and are recognized as receivables, until they are charged to expense upon receipt of the required claim or supporting documentation.

The Organization will establish allowances for doubtful accounts based on the evidence that certain receivables are uncollectable. A formal procedure has to be followed, based on the delegation of authority regarding the amounts to be written-off, prior to offsetting the uncollectable receivable against the established allowance.

2.7 Inventories

Medications and medical supplies owned and controlled by the Organization are recorded as inventories with the intention that they are held for distribution in the ordinary course of operations. They are valued at the lower of cost or net realizable value at the end of the financial period. The Organization-owned medications and medical supplies quantities, derived from the Organization’s tracking systems, are validated by physical stock counts. These medications and medical supplies are expensed when distributed directly by the Organization or once they are handed over to government institutions or non-government institutions. Inventories held for distribution without charge are valued at the lower of cost or replacement cost. Inventories are held at the PROMESS warehouse in Haiti, a strategic storage facility. If the Organization receives inventories acquired through non-exchange transactions, they will be valued at fair value of acquisition. The cost formula, due to the specific circumstances in Haiti, is “First to expire First out” for the inventories of pharmaceutical drugs and medications.

The Expanded Textbook and Instructional Materials Program (PALTEX) was established by the Pan American Health Organization (PAHO) in the mid 1960’s as a technical cooperation program aimed at improving the quality of health science educational processes in Latin America. PALTEX is a publishing program that acquires, produces, and distributes quality textbooks and instructional materials in Spanish and Portuguese at affordable prices.

Inventories, procured with Voluntary Contributions on behalf of a project, do not form part of the Organization’s inventory. The Organization is simply the implementing agent and is only responsible for the disposition of the items within the terms of the agreement. If the items are not consumed within the project period, the final disposition would be determined by the donor. At no time does the Organization retain control of these items; therefore, the correct accounting treatment is to expense these items at the time of purchase.

2.8 Property, Plant and Equipment

Property, plant, and equipment assets with a value greater than the $20 000 threshold are recognized as non-current assets in the Statement of Financial Position. They are initially recognized at cost, unless acquired through a non-exchange transaction, in which case they are recognized at fair value as at the date of acquisition. The Organization applies the cost model to its plant and equipment, i.e. the items are carried at cost, less accumulated depreciation and any accumulated impairment losses. The Organization applies the revaluation model to land and permanent buildings only.

The Organization considers all its Property, Plant and Equipment to be non-cash generating assets.

Depreciation is charged on property, plant, and equipment (except for land) to write-down the cost/fair value of the asset, to its residual value, over the estimated useful life using the straight line method with a full year's depreciation charged in the year of acquisition. The estimated useful lives for fixed assets classes are as follows:

Assets Class and Description	Estimated Useful Life (years)
Permanent Buildings	40 years
Computer Equipment	3 years
Office Equipment	3 years
Motor Vehicle's	5 years

Property, plant, or equipment, procured with Voluntary Contributions on behalf of a project, are not the Organization's assets and are meant solely for the use of the project beneficiary. The Organization is the implementing agent and is simply responsible for the disposition of the items within the terms of the agreement. The Organization does not retain ownership of these items; therefore these items are expensed at the time of purchase. If the items are not consumed within the project period, the final disposition would be determined by the donor.

Transitional provisions were applied in the initial recognition of Property, Plant, and Equipment (PP&E) which were purchased or donated before 1 January 2010. Except for land and buildings, assets acquired prior to 1 January 2010 were expensed at the date of purchase and were not recognized as assets. The Organization will revalue its land and buildings on a periodic basis, including leased property. External experts will be utilized to determine updated market value. All improvements, renovations, etc. made to the buildings since the prior appraisal will be expensed in the year they occur and will be included in the future revaluation. Movements on revaluation are reflected in revaluation surplus/deficit shown in Note 14.9 and are included within the PAHO Regular Budget Fund balance.

The Organization recognized the effect of the initial recognition of Property, Plant, and Equipment (PP&E) as an adjustment to the opening balance of accumulated surpluses or deficits. In regards to IPSAS 17, paragraph 99, Transitional Provision, the Organization did not recognize the accumulated depreciation of buildings that were recognized as it was not practical to do so.

Leasehold improvements are recognized as assets and valued at cost, and depreciated over the lesser of the remaining useful life of the improvements or the lease term.

Donated land and buildings are valued at fair market value and recognized as non-current assets.

Impairment reviews are undertaken for all assets at least annually.

2.9 Leases

The Organization is the owner and lessor of the land parcel for the building at 2121 Virginia Avenue, N.W., Washington, D.C.

The Organization is the lessee for the first two floors of the same building mentioned above under an operating lease. The Organization also leases various office premises for the Representation Offices throughout the Americas. These are all cancelable agreements. Total annual lease payments have been disclosed in Note 16 on Expenses as a footnote.

Assets held under finance leases are included within Property, Plant and Equipment and are depreciated on a straight line basis over their estimated useful lives. Assets are recognized at fair value or, if lower, the present value of the minimum lease payments. Where assets are provided to PAHO with no or nominal lease payments the fair value of the asset has been recognized.

A liability is also recognized for the same amount. Rental payments are apportioned between the finance element, which is charged in the statement of financial performance, and the capital element, which reduces the lease liability.

2.10 Intangible Assets

Intangible assets, which are above the pre-established thresholds of $30 000 for intangible assets purchased externally and $100 000 for intangible assets developed in-house, are stated at historical cost less accumulated amortization and any impairment losses. Amortization is determined for intangible assets over their estimated useful life using the straight line method. Amortization is charged on Intangible Assets to write down the cost/fair value of the asset, to its residual value, over the estimated useful life using the straight line method with a full year's amortization charged in the year of acquisition. The estimated useful lives for intangible assets classes are as follows:

Class	Estimated useful life (years)
Software acquired externally	7
Internally developed software	5
Licenses and rights, copyrights and other intangible assets	3

2.11 Accounts Payable

Accounts Payables are financial liabilities in respect of goods or services that have been received by the Organization and are recognized at amortized cost, which for payables is equal to cost. Accounts payable include the following:

- Amounts due to donors, partners, and stakeholders representing the unspent Voluntary Contributions for expired agreements.
- The inter-organization accounts payable represent the amount due from the Organization to the World Health Organization as the net result of inter-agency transactions.
- Invoices received and approved for payment but not yet paid.

2.12 Accrued Liabilities

Accrued liabilities are financial liabilities in respect of goods or services that have been received or provided to the Organization during the reporting period and which have not yet been invoiced or invoices have been received but not approved for payment. They are recognized at amortized cost, which for accruals is equal to cost.

2.13 Deferred Revenue

Deferred revenue derives from legally binding agreements between the Organization and partners, such as governments, international organizations and private and public institutions, where the partners provide funding to the Organization to support technical cooperation initiatives (voluntary contributions).
Deferred revenue is recognized when (1) a contractual agreement is confirmed in writing by both parties-i.e., the Organization and the donors, partners, or stakeholders, and (2) the funds are conditional. Conditionality of voluntary contribution agreements is determined by factors like:

- The agreement has a stated purpose.
- Funds provided under the agreement must be used for activities as required/described in the agreement.
- The agreement has a budget.
- The agreement has an effective date and an end date.
- The agreement requires technical and financial reporting.
- Any unused funds, upon completion, will be returned to the donor, partner or stakeholder.

Revenue is recognized in the Statement of Financial Performance based on the level of funds implemented during the financial period.

Funds received from governments and institutions participating in the Procurement of Public Health Supplies, in advance of the procurement of the goods, are treated as deferred revenue. Once confirmation is received that goods were delivered by the supplier and payment to the supplier has been approved, the revenue is recognized in the Statement of Financial Performance.

To determine the current portion of the Deferred Revenue of Voluntary Contribution, the Organization used a three year average of the percentage of expense for Voluntary Contributions against the opening balance of Deferred Revenue for the Voluntary Contributions. For future financial periods, the Organization will use an average percent based on the three prior years of data to determine the current portion of Deferred Revenue. The non-current portion of the Deferred Revenue will be the balance of the total Deferred Revenue amount less the current portion.

2.14 Employee Benefits

The Organization recognizes expenses and liabilities in respect of the following employee benefits:

1) Employee benefits earned in the current financial period are current liabilities recognized at an undiscounted cost.
2) Post-employment benefits e.g. ASHI, are recognized at present value of the liability.
3) Other separation-related employee benefits are recognized at present value of the liability.

The Organization periodically contracts the actuarial services of external experts to provide confident figures on the liabilities regarding employee benefits. This information is used to calculate different contribution percentages to be applied for staff costs. The Organization also uses this information for investment purposes to ensure the Plan’s investments meet the liquidity requirements of the respective liabilities.

2.15 Provisions and Contingent Liabilities

Provisions are made for future liabilities and expenses where the Organization has a present legal or constructive obligation as a result of past events, and it is probable that the Organization will be required to settle the obligation, and the value can be reliably measured.

Other commitments, which do not meet the recognition criteria for liabilities, are disclosed in the Notes to the financial statements as contingent liabilities when their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the Organization or the value cannot be reliably estimated.

2.16 Contingent Assets

In accordance with IPSAS 19, Contingent Assets will be disclosed when there is enough information that the inflow of economic benefits or service potential is probable.

2.17 Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the Organization during the year, which represents an increase in net assets (IPSAS 23). The Organization recognizes revenue following the established criteria by IPSAS 9, "Revenue from Exchange Transactions," and IPSAS 23, "Revenue from Non-Exchange Transactions."

Exchange transactions are transactions in which the Organization receives assets or services, or has liabilities extinguished, and directly gives approximately equal value primarily in the form of cash, goods, services, or use of assets to another entity in exchange (IPSAS 9).

In a non-exchange transaction, the Organization either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange (IPSAS 9).

The main sources of revenue for the Organization include but are not limited to: Assessed Contributions, Voluntary Contributions, Procurement of Public Health Supplies, Other Revenue, and Miscellaneous Revenue.

- **Revenue from Assessed Contributions (non-exchange transactions)**
  Revenue from assessed contributions is recognized as of 1 January of each year when the Member States' assessed contribution commitment to the Organization is incurred.

- **Revenue from Voluntary Contributions (non-exchange transactions)**
  Voluntary contributions, confirmed in writing by both parties, are recognized as receivables and deferred revenue (liabilities) because these funding agreements are conditional. As the voluntary contribution projects are implemented, the deferred revenue is then recognized as revenue. Voluntary Contributions categories are explained in Note 2.6.

- **Revenue from the Procurement of Public Health Supplies (exchange transactions)**
  Revenue is recognized in respect of the procurement of public health supplies because the Organization bears the risks and rewards of the purchased goods. Revenue on these transactions is recognized upon the notification that goods were delivered by the supplier and payment to the supplier has been approved. The Procurement of Public Health Supplies is comprised by three funds: Revolving Fund for Vaccine Procurement; Reimbursable Procurement; and the Regional Revolving Fund for Strategic Public Health Supplies. (See Note 2.6 Accounts Receivables, in respect of the Revolving Funds, and Note 2.13 Deferred Revenue, in respect of Reimbursable Procurement).

- **Other Revenue (non-exchange transactions)**

  As the Regional Office of the Americas (AMRO) of the World Health Organization, the Organization receives funding allocations from WHO for the implementation of technical cooperation activities.

  Funds received by the Organization from WHO include the following allocations:
  - Allocations of WHO regular budget
  - Allocations of WHO voluntary contributions
  - Allocations of other WHO internal funds

- **Other Revenue (exchange transactions)**

  The Organization, under its different specific mandates, carries out other technical cooperation activities for which revenue is separately disclosed. These activities include the following: Sales of services and program support costs.

  When necessary, as per IPSAS 18, internal transfers will be eliminated to avoid duplication of revenue.

- **Miscellaneous Revenue (exchange transactions)**

  Miscellaneous revenue includes foreign currency revaluations, exchange rate gains and losses, interest earned, realized gains and losses, and gains and losses from the sale of property, plant, and equipment.

- **Special Activities Segment**

  Special Activities are activities approved by the Organization's Governing Bodies for specific objectives and entitlements. (i.e. staff entitlements, terminal entitlements, after-service health insurance.) Therefore, all employee benefits liabilities have been included in this segment.

2.18 Foreign Currency Transactions and Balances

The functional and reporting currency of the Organization is the United States dollar (US$). Transactions in currencies other than US$ are translated into US$ at the prevailing market rate at the time of the transaction. The Organization has determined that the United Nations Operational Rates of Exchange (UNORE) are aligned closely with the prevailing market rates due to the frequent analysis and adjustments and thus function as an approximation of the market rate at the time of the transaction. At the end of each reporting period, the Organization analyzes the performance of the UNORE in comparison with the prevailing market rate in order to determine the alignment and make any required adjustments. Assets and liabilities in currencies other than US$ are translated into US$ at the prevailing market rate at the end of the reporting period. Resulting gains or losses are accounted for in the Statement of Financial Performance within Miscellaneous Revenue.

2.19 Segment Reporting

A segment is a distinguishable activity or group of activities for which financial information is reported separately in order to evaluate an entity's past performance in achieving its objectives and for making decisions about the future allocation of resources. The Organization classifies all projects, operations and fund activities into five segments: 1) Core Activities Segment; 2) Partnership Activities Segment; 3) Enterprise Activities Segment; 4) Special Activities Segment; and 5) Consolidated Sub-regional Centers Activities Segments, and the Inter-Party Transactions. The Organization reports on the transactions and balances of each segment during the financial period.

Every financial period the Organization processes internal transactions, not involving the use of cash (transfers), within any given segment and between different segments. (i.e. Program Support Cost, Provision for Termination and Repatriation Entitlements, After Service Health Insurance, Master Capital Investment Fund, etc.). The effect of these transfers is an over-statement (duplication) of both revenue and expense by the same amount, which are valued at the cost incurred at the time of the original transaction. The Inter-Party Transactions column in the Statement of Financial Performance allows for the elimination of such duplication.

The following segments were identified in order to provide a better understanding of the different activities of the Organization:

Core Activities Segment—Activities critical to the Organization's Strategic Plan which are mandated and appropriated by the Organization's Governing Bodies. (i.e. Activities funded with assessed contributions and other revenue for Regular Budget activities.)

Partnership Activities Segment—Activities aligned with the Organization's Strategic Plan and supported by partners, donors, and stakeholders. (i.e. Activities developed in partnership with external donors who provide the voluntary contributions and to whom the technical and financial reports are provided.)

Enterprise Activities Segment—Activities performed by the Organization to strengthen technical cooperation with the ministries of health and facilitate their access to essential public health supplies. (i.e. Procurement activities funded by the Member States for the access to essential public health supplies.)

Special Activities Segment—Activities approved by the Organization's Governing Bodies for specific objectives and entitlements. (i.e. staff entitlements, terminal entitlements, after-service health insurance.)

Consolidated Sub-Regional Centers Activities Segment – Activities implemented by centers which have their own Member States, budgets, and quotas assessments, such as the Caribbean Epidemiology Center and Caribbean Food and Nutrition Institute.

Intra-Party Transactions – internal transfers. According to IPSAS 18, the Organization eliminates these activities.

2.20 Budget Comparison

The Organization's budget and financial statements are prepared using different accounting bases. The Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets, and Cash Flow Statement are prepared on a full accrual basis, whereas the Comparison of Budget and Actual Amounts is prepared on a cash basis.

As required under IPSAS 24, the actual amounts presented on a comparable basis to the budget shall, where the financial statements and the budget are not prepared on a comparable basis, be reconciled to the actual amounts presented in the financial statements, identifying separately any basis, timing and entity differences. There may also be differences in formats and classification schemes adopted for presentation of financial statements and the budget.

The Organization's Governing Bodies approve the Biennial Program and Budget Plan which includes assessed contributions, projected voluntary funds, and estimated miscellaneous income. The Biennial Program and Budget Plan may subsequently be amended by the Governing Bodies.

The Comparison of Budget and Actual Amounts compares the final budget to actual amounts disbursed, calculated on the same Strategic Objective categories as the corresponding budgetary amounts. Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. There are timing differences for the Organization for purposes of comparison of budget and actual amounts because the budget is prepared on a biennial basis and the financial statements are prepared on an annual basis. Furthermore, other differences result from depreciation and amortization.

Entity differences occur when the budget omits programs or entities that are part of the entity for which the financial statements are prepared. Presentation differences are due to differences in the format and classification schemes adopted for the presentation of the Statement of Financial Performance and the Comparison of Budget and Actual Amounts.

2.21 In-Kind Contributions

In-kind contributions of services that support approved operations and activities, including use of premises, utilities, personnel, transportation services, etc., are identified by categories of services under the respective Member State providing the in-kind contribution during the reporting accounting period. These are not recognized in the financial statements because the fair value of the services or assets cannot be reliably measured.

Donated land and permanent buildings are recognized on the Statement of Financial Position at fair market value.

Donated inventories are capitalized subject to the materiality and conditions of the goods. The Organization will only accept donated goods in alignment with its core activities.

2.22 Sub-Regional Consolidated Entities

Effective 1 January 2013, the Organization no longer has regional centers to consolidate.

3. Cash and Cash Equivalents

	31 December 2013	31 December 2012
Cash on Hand, US$	62 105	62 184
Cash on Hand, Other Currencies	65 661	8 032
Money Market Funds	38 769	100 943
Less: Plan Assets	(818)	(10 242)
Total	**165 717**	**160 917**

4. Investments

4.1 Short-Term Investments

Short-term investments are those with final maturities at purchase between 91-365 days.

	31 December 2013	31 December 2012
Certificates of Deposit	**125 152**	**245 645**

Accrued interest of $ 92 238 (2012: $ 590 155) is included in the balance of short-term investments in the Consolidated Statement of Financial Position

4.2 Long-Term Investments

Long-term fixed income notes within the Organization's general portfolio are held to maturity and stated at amortized cost using the effective interest method. Long-term fixed income notes within the ASHI/TAREP portfolio, comprising the plan assets held in an irrevocable trust, are stated at fair value with value changes recognized in the fund balance.

	31 December 2013	31 December 2012
Net Increase in Long-term Investments		
Increase in Long-term Investments	51 003	(2 766)
Unrealized Net (Gains)/Losses	586	(212)
Net Increase in Long-term Investments	51 589	(2 978)
Cash Flows from Long-term Investments		
Interest Revenue	2 026	2 042
Realized Net Gains	(37)	322
Total	**1 989**	**2 364**

Valuation of Long-term Investments	31 December 2013		31 December 2012	
	Cost	Market	Cost	Market
Fixed Income Notes	51 348	47 040	43 933	44 123
Managed Portfolios	265 771	266 122	209 226	210 163
Total	**317 119**	**313 162**	**253 159**	**254 286**

Reconciliation of Long-term Investments	31 December 2013	31 December 2012
Fixed Income Notes (Cost)		5 019
Fixed Income Notes (Market)	47 358	39 437
Less: Plan Assets (see note 12.3.5)	(47 358)	(39 437)
Managed Portfolio (Market)	266 546	210 524
Total for Long-term Investments	**266 546**	**215 543**

Long-term fixed income instruments held in the two portfolios are issued by U.S. Government agencies and backed by the full faith and credit of the U.S. Government. Although the credit rating of the U.S. Government was downgraded from its historical AAA rating by one credit rating agency in 2012, there is no evidence to suggest that the borrower will default on these obligations. Accrued interest of $317 137 has been included in the balance of long-term investments and recognized on the Statement of Financial Performance as Miscellaneous Revenue

Managed Portfolios are classified as available for sale and stated at fair value with value changes recognized in the fund balance. The market value above includes accrued interest of $424 734 (2012: $360 582) and recognized on the Statement of Financial Performance as Miscellaneous Revenue.

Total gains (losses) on managed portfolios are comprised of the cumulative gain or loss previously recognized in the Statement of Changes in Net Assets and the incremental change in value at the point of sale or maturity. Total gains (losses) are recognized in the surplus or deficit for the period. In accordance with IPSAS accounting principles, a cumulative gain of $384 167 previously recognized in the Statement of Changes in Net Assets was recognized during 2013.

5. Financial Instruments

5.1 Nature of Financial Instruments

Details of the significant accounting policies and methods adopted, including the criteria for recognition and de-recognition, the basis of measurement, and the basis on which gains and losses are recognized in respect of each class of financial asset and financial liability, are set out in Note 2.3.

Financial Instruments and Method of Valuation

	2013 Amortized Cost	2013 Fair Market Value	2012 Amortized Cost	2012 Fair Market Value
Cash and Cash Equivalents	166 535		171 159	
Short-term Investments				
Certificates of Deposit (held to maturity)	125 152		245 645	
Long-term Investments				
Fixed Income Notes (held to maturity)			5 019	
Fixed Income Notes (Plan Assets)		47 358		39 437
Managed Portfolios (available for sale)		266 546		210 524
Total	**291 687**	**313 904**	**421 823**	**249 961**

5.2 Interest Rate Risk

The Organization is exposed to interest rate risk through both short-term and long-term investments. Principal amounts are stated at amortized cost for investments held to maturity and at fair value for investments available for sale.

	Effective Maturity	Effective Interest Rate	Fixed Interest	Floating Interest	Non-Interest Bearing
Total Cash and Cash Equivalents	<90 days	0.05%		51 217	115 318
Short-term Investment					
Certificates of Deposit	48 days	0.31%	125 152		
Long-term Investments					
Plan Assets	9.11 years	2.41%	47 358		
Managed Portfolios	1.64 years	0.42%	266 546		
Total			**439 056**	**51 217**	**115 318**

The Organization holds certain fixed income notes that the issuer has a right to redeem prior to its maturity date.

Callable Instruments

Issuer	Principal	Rate	Maturity	Call Dates
Federal Home Loan Bank	5 000 000	2.50%	5-Jul-22	Next call date 21 Jan 2014
Federal Home Loan Mortgage Corporation	5 000 000	2.10%	23-Aug-22	Next call date 23 Feb 2014
Federal Home Loan Bank	4 200 000	2.14%	5-Dec-22	Next call date 1 Jan 2014
Federal Farm Credit Bank	10 800 000	2.39%	6-Mar-23	Next call date 6 Mar 2014
Federal National Mortgage Associaton	10 000 000	2.50%	27-Mar-23	Next call date 27 Mar 2014
Federal Home Loan Mortgage Corporation	6 340 000	2.50%	17-Apr-23	Next call date 17 Apr 2014
Federal Farm Credit Bank	5 200 000	2.33%	1-May-23	Next call date 1 May 2014
Federal Home Loan Corporation	5 200 000	2.63%	13-Jun-23	Next call date 13 Mar 2014
Total	51 740 000			

Changes in market interest rate impact the fair value and future cash flows of investment instruments. This impact is irrelevant for held to maturity investments, but would affect the Statement of Financial Position for available for sale fixed rate investments and the Statement of Financial Performance for floating rate available for sale investments. The portion of PAHO's available for sale portfolio comprised of floating rate instruments is insignificant and rate fluctuations would not have a material effect. However, a market rate shift for fixed rate available for sale investments could materially impact the Statement of Financial Position.

A fluctuation of market interest rates of 100 basis points would have the following impact on the fair market value of fixed rate available for sale investments:

Fair Market Value of fixed rate investments at 12-31-13	Increase of 100 basis points	Change in Fair Market Value	Decrease of 100 basis points	Change in Fair Market Value
266 546	**262 262**	**(4 284)**	**268 599**	**2 053**

5.3 Credit Risk

The maximum credit risk represents the carrying amount of loans and receivables. PAHO's investment guidelines stipulate limits on the amount of credit exposure to any one counterparty. However, there may be some counterparty risk associated with the concentration of financial instruments and cash deposits in the banking sector. These significant concentrations in the banking sector equal 48% of the total cash, short-term and long-term investments.

The minimum credit quality requirements for all investments, as defined by the Investment Policy, falls within the investment grade range. Although the credit rating of the U.S. Government was downgraded from its historical AAA rating by one credit rating agency in 2012, there is no evidence to suggest that the borrower will default on these obligations.

PAHO's long-term investments and managed portfolios are held as follows:

Investment Type	2013	2012
Money Market Funds	3 280	2 544
Government & US Agency Issues	253 308	197 237
Mortgage- and Asset-backed Securities	6 497	12 858
Corporate Notes	47 899	39 647
Municipal Government Bonds	2 248	2 388
Total Long Term Investments	**313 231**	**254 674**

5.4 Exchange Rate Risk

The Statement of Financial Position does not reflect significant exposure to exchange rate risk as foreign currency deposits at any given time are either immaterial or are designated for foreign currency expenditures. During the course of the year, a considerable portion of expenditures (30%) is disbursed in currencies other than the United States dollar. These disbursements are not hedged, but are met by local currency receipts and the purchase of local currency as needed in the market at the time of disbursement.

Contributions may be received in foreign currency, provided the amount can be absorbed by country offices within a thirty day window. The majority of funds held in Brazilian accounts are committed to specific programs that stipulate disbursements in local currency within six months. An exception to the Cash Management Guidelines, which limit the balance of local currency maintained locally, has been approved by the Investment Committee for the Brazilian program to eliminate the need to enter the market to buy or sell local currency. It is, therefore, not anticipated that Brazilian deposits would be subject to exchange rate risk.

6. Accounts Receivable

6.1 Accounts Receivable - Current

	31 December 2013	31 December 2012
Assessed Contributions	38 712	32 845
Voluntary Contributions	114 913	126 243
Procurement Funds	50 447	18 814
Balance due from the World Health Organization due to inter-office transactions	1 473	
Balance due from Pan American Health and Education Fund	530	351
Expanded Textbook and Instructional Materials	48	57
Regular Advances to Staff	5 069	4 414
Prepaid Expenses	8 824	10 726
Miscellaneous Receivables	2 131	1 800
Total	**222 147**	**195 250**

6.1.1 Accounts Receivable from Assessed Contributions

Statement of Assessed Contributions as of 31 December 2013

(Expressed in thousand US Dollars)

	Arrears	2013	Total 2013	Total 2012
PAHO				
Antigua and Barbuda				
Argentina				
Aruba		16	16	
Brazil		1 447	1 447	3 105
Costa Rica				
Curacao		17	17	
Dominica				
El Salvador		110	110	110
France		2	2	1
Grenada	42	21	63	41
Guatemala		1	1	
Guyana		3	3	5
Haiti				
Mexico		7 966	7 966	
Panama		137	137	
Peru		662	662	
Puerto Rico		81	81	81
Saint Lucia				
Saint Vincent and The Grenadines	21	21	42	21
United Kingdom		3	3	109
United States		23 956	23 956	22 456
Uruguay				
Venezuela	2 103	2 103	4 206	2 103
Total - PAHO				**28 032**
CAREC Member States				3 349
CFNI Member States				1 464
TOTAL	**2 166**	**36 546**	**38 712**	**32 845**

6.1.2 Accounts Receivable from Voluntary Contributions

	31 December 2013	31 December 2012
Voluntary Contributions		
Voluntary Contributions - Emergency Preparedness and Disaster Relief	979	793
Voluntary Contributions	14 290	29 804
Voluntary Contributions - National Voluntary Contributions	99 644	95 643
Trust Funds CFNI		3
Total	**114 913**	**126 243**

6.1.3 Accounts Receivable from the Procurement of Public Health Supplies

The Accounts Receivable from Member States in the Procurement of Public Health Supplies is comprised by two funds: Revolving Fund for Vaccine Procurement and Regional Revolving Fund for Strategic Public Health Supplies.

Receivables under the category of Procurement of Public Health Supplies are considered to be current assets as follows:

a. Revolving Fund for Vaccine Procurement

The establishment of the Revolving Fund for Vaccine Procurement was authorized by Resolution CD25 R27 of the 25th Directing Council (1977). The Revolving Fund finances the procurement of vaccines for participating Member States/Institutions unable to deposit funds with the Organization in U.S. currency in advance of procurement.

b. Regional Revolving Fund for Strategic Public Health Supplies

The Regional Revolving Fund for Strategic Public Health Supplies was established in 1999 by the Director under the authority vested in him by Financial Regulation 9.3 (originally 6.7), following the request of the Organization’s Member States. The objectives of the Fund include reducing the cost of strategic public health supplies, making these supplies continuously available to the participating Member States, assisting the Member States in improving their planning capabilities to use these supplies, and broadening the scope of the Member States' public health programs. Specific details on the governments and institutions are not disclosed in these financial statements although such information can be found in the additional annexes.

Receivables from the Procurement of Public Health Supplies are as follows:

	31 December 2013	31 December 2012
Procurement of Public Health Supplies		
Revolving Fund for Vaccine Procurement	47 740	18 514
Regional Revolving Fund for Strategic Public Health Supplies	2 707	300
Total	**50 447**	**18 814**

6.2 Accounts Receivable Non-Current

	31 December 2013	31 December 2012
Voluntary Contributions	28 679	41 816
Termination and Repatriation Entitlements (see Note 12.3.2)	7 466	6 015
Total	**36 145**	**47 831**

6.2.1 Accounts Receivable from Voluntary Contributions Non-Current

	31 December 2013	31 December 2012
Voluntary Contributions		
Voluntary Contributions	5 021	9 935
National Voluntary Contributions	23 658	31 881
Total	**28 679**	**41 816**

7. Inventories

	31 December 2013	31 December 2012
PROMESS	1 116	1 164
Expanded Textbook and Instructional Materials Program	6 790	7 495
Ending Balance of inventory	**7 906**	**8 659**

7.1 Inventories PROMESS

The following table shows the movement of the PAHO inventory for medications and medical supplies at the PROMESS warehouse in Port-au-Prince, Haiti, during the financial period. The table shows the reconciliation of the inventory which reflects the pending balance and additions during the period reduced by the value of the goods distributed during the year.

	31 December 2013	31 December 2012
PROMESS		
Beginning inventory	1 164	1 153
Additions	1 045	1 149
Distributions	(1 093)	(1 138)
Ending Balance of inventory	**1 116**	**1 164**

In addition to the PAHO inventory, the PROMESS warehouse provides warehousing services for essential public health medications and medical supplies to international agencies and non-government organization (NGOs) who are providing assistance to the Haitian government. Furthermore, PROMESS also warehouses the medications and medical supplies provided by donors, partners and stakeholders through the Organization to the Haitian government.

7.2 Inventories Expanded Textbook and Instructional Materials Program

	31 December 2013	31 December 2012
PALTEX		
Beginning inventory	7 495	
Operational Gain		7 632
Additions	3 347	3 446
Distributions	(4 162)	(2 261)
Write-Offs	(14)	
Allowance for Obsolete/Damage Inventory	124	(1 322)
Ending Balance of inventory	**6 791**	**7 495**

8. Property, Plant and Equipment

8.1 General Information

The category of property, plant and equipment consists of permanent and temporary buildings, computer, office and audio visual equipment, motor vehicles, leasehold improvements, and office fixture and fittings as well as land. Net acquisitions (after disposals) for the year totaled $522 722 (2012: $381 334).

Additions or reductions in fixed assets are reported in the Statement of Financial Position, while the depreciation expenses for the period are reported in the Statement of Financial Performance.

Buildings, computer, office and audio visual equipment, motor vehicles, leasehold improvements, and office fixture and fittings are capitalized if their cost is greater or equal to the threshold limit set at $20 000. They are depreciated over the asset's estimated useful life using the straight line method. The threshold level is reviewed periodically. Assets are reviewed annually to determine if there is any impairment in their value.

During 2013 the Organization did not request professional appraisals for all lands and buildings. In accordance with the accounting policy, the replacement of elevators in the headquarters building at a cost of $931 610 will be included in the future revaluation.

	Land	Permanent Buildings	Computer Equipment	Office Equipment	Motor Vehicles	Audio Visual Equipment	Leasehold Improvements	Office Fixture and Fittings	Total
Cost as of 1 January	62 563	61 693	213	32	956	227	266		125 950
Additions (*)		850	167		306			79	1 402
Impairments									
Adjustments (**)					(51)				(51)
Net Revaluations									
Cost as of 31 December	**62 563**	**62 543**	**380**	**32**	**1 211**	**227**	**266**	**79**	**127 301**
Depreciation as of 1 January		4 627	165	22	396	76	266		5 552
Charged in current period		1 542	103	10	242	76		16	1 989
Adjustments (**)					(24)				(24)
Net Revaluations									
Depreciation as of 31 December		6 169	268	32	614	152	266	16	7 517
Net book value as of 31 December 2013	**62 563**	**56 374**	**112**		**597**	**75**		**63**	**119 784**
Net book value as of 31 December 2012	62 563	57 066	48	10	560	151			120 398

(*) Includes a work in process for the Haiti building at 85% complete as of 31 December 2013.

(**) This amount is made of a net cost adjustment in the amount of $ 51 336 which includes ($ 32 932) that does not have any impact in the Consolidated Statement of Changes in Net Assets. In Addition, there are adjustments to depreciation in the amount of ($ 24 175). Therefore the total amount impacting the Consolidated Statement of Changes in Net Assets is $60 093.

8.2 Transferred Assets with Conditions

In accordance with the donation document filed in Public Record, the Government of Brazil, Development Company for the New Capital of Brazil, Successors and Assigns granted PAHO the ownership of the land upon which the PAHO/WHO Representative Office buildings in Brazil are located. The document further stipulates that PAHO may not transfer, rent or lend the donated land under penalty of revocation of the donation. In the event that the land is sold for the same purpose (i.e., establishment of a headquarters facility), PAHO must obtain the written consent of the Government and pay the Government the present value of the land. This does not include the buildings and other immovable property thereon. Because of the restriction on the sale of the land and the requirement to pay the Government of Brazil the present value of the land, the Organization recognized such property in the Statement of Financial Position, as both an asset and as a liability. (Note 11.2)

9. Intangible Assets

The Organization separately discloses Intangible Assets that are: (a) Available for use and subject to amortization; and, (b) Under development and that have not been completed.

	31 December 2013	31 December 2012
Intangible Assets Available for use		
Cost as of 1 January	2 160	875
Additions	1 529	1 312
Adjustments		(27)
Cost as of 31 December	3 689	2 160
Amortization as of 1 January	551	157
Charged in current period	705	399
Adjustments		(5)
Amortization as of 31 December	1 256	551
Net book value as of 31 December for Intangible Assets Available for use	**2 433**	1 609
Intangible Assets under Development *		1 609
Total Intangible Assets	**2 433**	3 218

* During this reporting period the Organization put in service three (3) intangible assets with a book value of $80 086. These items were previously reported as Intangible Assets under Development but none of them reached the capitalization threshold to be considered actual intangible assets. The decrease for the amount indicated is being disclosed in the Consolidated Statement of Changes in Net Assets.

10. Accrued Liabilities

	31 December 2013	31 December 2012
Accrued Liabilities-Regular Budget Fund	2 544	1 664
Accrued Liabilities-Other Sources - PAHO	30 651	14 302
Accrued Liabilities-Other Sources - WHO	4 048	2 823
Total	**37 243**	**18 789**

11. Accounts Payable

11.1 Accounts Payable Current

	31 December 2013	31 December 2012
Assessed Contributions Received in Advance	1	1 667
Voluntary Contributions Expired Agreements	818	500
Balance due to the World Health Organization due to inter-office transactions		10 599
Pan American Health and Education Fund		
Miscellaneous	4 237	5 402
Total	**5 056**	**18 168**

11.2 Accounts Payable-Non Current

	31 December 2013	31 December 2012
Liability Restricted Assets-Land in Brasilia, Brazil (Note 8.2)	15 089	15 089
Total	**15 089**	**15 089**

12. Employee Benefits

Under the Staff Rules of the Pan American Health Organization, the Organization provides employee benefits which can be categorized as short-term liabilities and others which can be categorized as long-term liabilities. The employee benefits which are categorized as short-term liabilities are education grant, education grant travel, and assignment grant. The employee benefits which can be categorized as long-term liabilities include certain terminal payments, such as payment for annual leave, repatriation grant, repatriation travel, or other separation indemnities, as appropriate.

In order to accrue the funds required for these short-term liabilities and long-term liabilities, the Organization has established three funds. The Staff Entitlements Fund, established in January 2008, funds the short-term liabilities of education grant, education grant travel, and assignment grants. The After-Service Health Insurance Fund, established in 2010, reflects the financing and liability of the Organization for the current and prior staff members' health insurance for future years. The Termination and Repatriation Entitlements Fund, established in April 1972, reflects the financing and liability of the Organization for terminal entitlements, including annual leave, repatriation grant, repatriation travel, and household removal.

As of 31 December 2013, the status of the current and non-current employee benefits liabilities is as follows:

	After-Service Health Insurance Fund	Termination and Repatriation Entitlements Fund	Total 2013	Total 2012
Current liability	9 119	2 210	11 329	10 447
Non-current Liability	191 913		191 913	177 502
Non-current (Asset) (Note 6.2)		(7 466)	(7 466)	(6 015)
Total	**201 032**	**(5 256)**	**195 776**	**181 934**

- The gains and losses (unexpected changes in surplus or deficit) are recognized over time via the Corridor Method.
- The expected rate of return on assets was set based on the e-tool of Aon Hewitt Corporation previously known as Aon Hewitt Associates LLC, (30-year time horizon for ASHI only) and the current portfolio.
- There is no reimbursement right.
- The expected Organization's contributions during 2014 are estimated at $10 919 195 for After-Service Health Insurance and $2 209 552 for Termination and Repatriation Entitlements.

12.1 Actuarial Valuations of Post-Employment and Other Separation-Related Benefits

Post-employment benefits and Other Separation-Related Benefits are defined benefit plans of After-Service Health Insurance and Termination and Repatriation Entitlements. During 2013, the rate of contribution of these two long-term liability funds were 4% of net salaries plus post adjustment being credited to the Termination and Repatriation Fund and 4% of the net salaries credited to the After-Service Health Insurance.

The WHO/PAHO Staff Health Insurance Plan (SHI) allows eligible retirees, beneficiaries, and their eligible family members to participate in the Plan. The Termination and Repatriation Entitlements Fund finances the end-of-service payments for the Organization's staff members upon separation. These benefits which include accrued annual leave, household removal, repatriation grant, repatriation travel, and termination indemnities are payable when staff members leave the Organization's employment.

The assets shown for the After-Service Health Insurance Plan do not include any part of the assets held in the aggregate World Health Organization (WHO) Staff Health Insurance Fund (SHI) managed by the WHO. The staff members of the WHO and its administered entities, including the Organization, contribute to this SHI Fund. However, the Fund's assets have not been irrevocably allocated between WHO, the Organization (i.e. PAHO) and the rest of the WHO and its administered entities. Therefore, under IPSAS 25, no portion of the Fund qualifies as a plan asset for the Organization's After-Service Health Insurance Fund.

The Defined Benefit Obligation as of 31 December 2013, as calculated by Aon Hewitt Corporation, decreased to $11 095 853 for terminal entitlements and $275 398 465 for after-service health insurance. The Termination and Repatriation Fund had assets of $9 681 544; therefore the net liability was $1 414 309 as of 31 December 2013. As the Organization's After-Service Health Insurance Fund had assets of $38 494 501, the net liability for the After-Service Health Insurance decreased to $236 903 964 as of 31 December 2013.

One of the significant contributory factors in the decreases in these two obligations was the increase in the discount rate utilized to calculate the present value of the future commitments. The discount rate increased from four and two-tenths per cent (4.2%) for the 31 December 2012 actuarial valuation to five and one-tenths per cent (5.1%) for the 31 December 2013 actuarial valuation due to the change in the global economic climate by the end of 2013. The liabilities include the costs for 2013, less benefit payments made during the year.

12.2 Other Long-Term Employee Benefits

Other long-term employee benefits consist of home leave travel which is accrued on a monthly basis. Employees entitled to this benefit are meant to earn it and take it every two years.

12.3 Actuarial Assumptions and Methods

Each year the Organization identifies and selects assumptions and methods that will be used by the actuaries in the year-end valuation to determine the expense and contribution requirements for the Organization's after-service benefit plans (post-employment benefits and other terminal entitlement benefits). Actuarial assumptions are required to be disclosed in the financial statements in accordance with IPSAS 25. In addition, each actuarial assumption is required to be disclosed in absolute terms.

12.3.1 Actuarial Assumptions

The following assumptions and methods have been used to determine the value of post-employment and other separation-related employee liabilities for the Organization at 31 December 2013.

Assumption	After Service Health Insurance Fund	Termination and Repatriation Entitlements Fund
Accounting Standard	International Public Sector Accounting Standard 25; first adopted by the Organization at 1 January 2010	
Measurement Date	31 December 2013	
Discount Rate	5.1 %	3.6 %
Expected Rate of Return on Assets	4.2 %	4.2 %
General Inflation	2.5 %	2.5 %
Medical Costs Increases	7.5% in 2014 and 7.2% in 2015, decreasing to 6.9% in 2016, decreasing by 0.3% each year until 4.5% in 2024 and subsequent years.	Not Applicable
Future Contribution Rate Changes	Rates are assumed to increase by 4% per year in 2014 through 2041, and by 1% per year thereafter, compounded geometrically.	Not Applicable
Average Retirement Age -	Average remaining years of service: 9.27	Average remaining years of service: 8.08
Life Expectancy	Based on the mortality tables of the UN Joint Staff Pension Fund.	Not Applicable
Average Medical Costs	$8 780 per person per year in 2013per year in 2013	Not Applicable

The following tables provide additional information and analysis on employee benefits liabilities calculated by actuaries.

12.3.2 Reconciliation of Funded Status

	After-Service Health Insurance Fund	Termination and Repatriation Entitlements Fund	Total 2013	Total 2012
Defined Benefit Obligation (DBO)				
Inactive	173 134		173 134	177 982
Active	102 265	11 095	113 360	140 525
Defined Benefit Obligation including actuarial loss	275 399	11 095	286 494	318 507
Less: Plan Assets	(38 495)	(9 681)	(48 176)	(49 679)
Net Defined Benefit Obligation including actuarial loss	**236 904**	**1 414**	**238 318**	**268 828**
Less: Unrecognized Actuarial Gain/(Loss)	(41 042)	(6 670)	(47 712)	(92 854)
Unrecognized Prior Service Credit/(Cost)	5 170		5 170	5 960
Net Liability/(Asset) Recognized in the Statement of Financial Position	**201 032**	**(5 256)**	**195 776**	**181 934**
Split between:				
Current Liability	9 119	2 210	11 329	10 447
Non-Current Liability / (Asset)	191 913	(7 466)	184 447	171 487
Net Liability/(Asset) Recognized in the Statement of Financial Position	**201 032**	**(5 256)**	**195 776**	**181 934**

12.3.3 Annual Expense for Calendar Year 2013

	After-Service Health Insurance Fund	Termination and Repatriation Entitlements Fund	Total 2013	Total 2012
Current Service Cost	8 603	1 326	9 929	8 739
Interest Cost	12 661	321	12 982	13 494
Expected Return on Assets	(1 208)	(311)	(1 519)	(1 280)
Amortization of (Gain)/Loss	6 066	629	6 695	5 944
Recognition of Prior Service Cost	(789)		(789)	(789)
Total Expense Recognized in the Statement of Financial Performance	**25 333**	**1 965**	**27 298**	**26 108**

12.3.4 Reconciliation of Defined Benefit Obligation

	After-Service Health Insurance Fund	Termination and Repatriation Entitlements Fund	Total 2013	Total 2012
Defined Benefit Obligation as of 1 January	**305 490**	**13 017**	**318 507**	**292 341**
Service Cost	8 603	1 326	9 929	8 739
Interest cost	12 661	321	12 982	437
Less: Benefits Paid	(9 491)	(3 491)	(12 982)	11 012
Add: Contributions by Plan Participants	(215)		(215)	(8 915)
Less: Plan Amendments	1 557		1 557	1 449
Add: Actuarial (Gain) / Loss	(43 206)	(77)	(43 283)	13 444
Defined Benefit Obligation including Actuarial Loss as of 31 December	**275 399**	**11 096**	**286 495**	**318 507**
Less: Plan Assets	**(38 495)**	**(9 681)**	**(48 176)**	**(49 679)**
Net Defined Benefit Obligation including Actuarial Loss as of 31 December	**236 904**	**1 415**	**238 319**	**268 828**
Less: Unrecognized Gain/(Loss)				
Unrecognized Net (Loss) at End of Prior Year	(86 477)	(6 377)	(92 854)	(85 039)
(Loss) Arising during Current Year				
Actuarial (Loss) on Defined Benefit Obligation	43 206	77	43 283	(13 444)
Actuarial (Loss) on Plan Assets	(3 837)	(1 000)	(4 837)	(314)
Gain Recognized during Current Year	6 066	629	6 695	5 943
Unrecognized Actuarial (Loss) at End of Year	**(41 042)**	**(6 671)**	**(47 713)**	**(92 854)**
Unrecognized Prior Service Credit	**5 170**		**5 170**	**5 960**
Net Liability Recognized in the Statement of Financial Position as of 31 December	**201 032**	**(5 256)**	**195 776**	**181 934**

12.3.5 Reconciliation of Plan Assets

	After-Service Health Insurance Fund	Termination and Repatriation Entitlements Fund	Total 2013	Total 2012
Plan Assets as of 1 January	39 308	10 371	49 679	36 844
Benefits Paid	(9 706)	(3 491)	(13 197)	(10 960)
Contributions by Plan Participants	1 557		1 557	1 449
Contributions by the Employer	5 145	3 490	8 635	17 257
PAHO/WHO SHI Fund Contribution	4 820		4 820	4 123
Expected Return on Assets	1 208	311	1 519	1 280
Actuarial Gain / (Loss) - on Plan assets	(3 837)	(1 000)	(4 837)	(314)
Plan Assets as of 31 December	**38 495**	**9 681**	**48 176**	**49 679**
Made up of:				
Long Term Investments - Fixed Income Notes (Note 4.2)	37 841	9 517	47 358	39 437
Cash and Cash Equivalents (Note 3)	654	164	818	10 242
	38 495	**9 681**	**48 176**	**49 679**

12.3.6 Sources of Change in Past Service Liability Since Prior Valuation

	After-Service Health Insurance Fund	Termination and Repatriation Entitlements Fund	Total 2013	Total 2012
Value as of 31 December Previous Year	305 490	13 017	318 507	292 341
Value as of 31 December Current Year	275 399	11 096	286 495	318 507
Change	30 091	1 921	32 012	26 166
Sources of Change:				
Expected Change	13 115	(1 844)	11 271	13 130
Benefit Payments Different Than Expected during Current Year	14		14	605
Change in Separation Assumption for Short-Term Staff				
Miscellaneous Demographic Experience	124	(21)	103	23
Rehires/Transfers in during Year	243	363	606	(233)
Loss on Termination Idemnity and NAPs Payments		243	243	
Agreement by WHO to pay AMRO Administrative Expenses				(3 199)
Claims and Administrative Expense Experience	132		132	(7 555)
Plan Change-Increase in Participant Contribution Rates				
Movement in Exchange Rate	1 247	(64)	1 183	
Change in Medical Trend	(3 476)			
Changes in Salary, Terminantion and Retirement Plans				(821)
Changes in Dependent Coverage Assumptions				(1 282)
*Changes in Discount Rates (Prior year over current year)	(41 490)	(598)	(42 088)	25 627
Removal of 1% inflation for Household removal Lump Sum				(83)
Total Change in Valuation	(30 091)	(1 921)	(32 012)	26 212

*Decrease in discount rate from 4.7% to 4.2% for After Service Health Insurance and 4.7% to 2.7% for Termination and Repatriation

12.3.7 After-Service Medical Plan - Sensitivity Analysis

Three of the principal assumptions in the valuation of the After-Service Medical Plan are: 1) the rate at which medical costs are expected to increase in the future; 2) the return on the assets; and 3) the discount rate used to determine the present value of benefits that will be paid from the plan in the future. Because the medical inflation rate and the discount rate have a very significant impact on the determination of the Organization's long-term valuation, it is helpful to conduct sensitivity analysis on them. The sensitivity analysis identifies the impact which the medical inflation rate and the discount rate variables will have on the total valuation. The Aon Hewitt Corporation determined the impact of increasing or decreasing assumptions on the valuation.

12.3.8 Medical Sensitivity Analysis - After - Service Health Insurance *

	Current Medical Inflation Assumption Minus 1%	Current Medical Inflation Assumption	Current Medical Inflation Assumption Plus 1%
2013 Service Cost plus Interest Cost	17 358	21 263	26 411
Defined Benefit Obligation as of 31 December 2013	239 454	275 398	319 977

12.3.9 Discount Rate Sensitivity Analysis – After - Service Health Insurance *

	Current Discount Rate Assumption Minus 1%: 4.1%	Current Discount Rate Assumption: 5.1%	Current Discount Rate Assumption Plus 1%: 6.1%
Defined Benefit Obligation as of 31 December 2013	322 170	275 398	238 404

*The Sensitivity Analyses above do not address the Termination and Repatriation Entitlements Fund because the benefits from this Fund are distributed upon retirement or shortly thereafter.

12.3.10 Settlement of Employee Benefit Liability

Termination and Repatriation Entitlements Plan	31 December 2013		31 December 2012	
Settlement of Benefits		3 490		2 045
After- Service Health Insurance				
Administrative Expenses paid by the Organization	215		446	
SHI Fund Contribution	4 820		4 124	
Contribution to PAHO's ASHI Fund paid by the Organization	3 114	8 149	2 897	7 466
Total		11 639		9 511

12.4 United Nations Joint Staff Pension Fund

The Organization is a member organization participating in the United Nations Joint Staff Pension Fund (UNJSPF), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded multi-employer defined benefit plan. As specified by Article 3 (b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

During 2013, contributions paid to UNJSPF amounted to $17 323 250 (2012: $17 581 728) by the Organization and $8 664 067 (2012: $8 818 877) by the participants, including $2 442 (2012: $23 013) in pension restoration payments.

The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations, with the result that there is no consistent and reliable basis for allocating the obligation, or plan assets to participating organizations in the plan. The Organization, as well as other participating organizations, is not in a position to identify its share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes, and hence has accounted for this plan as if it were a defined contribution plan in line with IPSAS 25, Employee Benefits.

The actuarial method adopted for the UNJSPF is the Open Group Aggregate method to determine whether the present and estimated future assets of the Fund will be sufficient to meet its present and estimated future liabilities, using various sets of assumptions as to future economic and demographic developments. The actuarial study is carried out at least once every three years. A review of the 2011 annual report of the UNJSPF reveals that an actuarial valuation has been carried out every two years from as early as 1997

The Organization's financial obligation to the UNJSPF consists of its mandated contribution at the rate established by the United Nations General Assembly, currently at 7.9 per cent for the participants and 15.8 per cent for member organizations, respectively, of the applicable pensionable remuneration, together with its share of any actuarial deficiency payments under Article 26 of the Regulations of the Pension Fund. Such deficiency payments are payable only if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date. At the time of this report, the United Nations General Assembly had not invoked this provision.

The Consulting Actuary performs an actuarial valuation of the Fund every two years, the most recent valuation being completed as of 31 December 2011.

The Consulting Actuary of the United Nations Joint Staff Pension Fund, Buck Consultants, stated in it's "Statement of the actuarial sufficiency as of 31 December 2011 of the United Nations Joint Staff Pension Fund to meet the liabilities under Article 26 of the Regulations" the following:

> "… the actuarial value of assets exceeds the actuarial value of all accrued benefit entitlements under the Fund, based on the Regulations of the Fund in effect on the valuation date. **Accordingly, there is no requirement, as of 31 December 2011, for deficiency payments under Article 26 of the Regulations of the Fund**."

The market value of assets as of 31 December 2011 is $40 815 million. Therefore, the market value of assets also exceeds the actuarial value of all accrued benefit entitlements as of the valuation date."

Furthermore, in Annex IV, "Statement of actuarial position of the United Nations Joint Staff Pension Fund as of 31 December 2011," the Committee of Actuaries stated:

> "At its meetings in June 2012, the Committee of Actuaries reviewed the results of the actuarial valuation as of 31 December 2011, which was carried out by the Consulting Actuary. Based on the results of the Regular Valuation, and after consideration of further relevant indicators and calculations, the Committee of Actuaries and the Consulting Actuary were of the opinion that the present contribution rate of 23.7 per cent of pensionable remuneration is sufficient to meet the benefit requirements under the Plan" and would be reviewed at the time of the next valuation as of 31 December 2013.

The UNJSPF publishes quarterly reports on its investments and these can be viewed by visiting the UNJSPF at www.unjspf.org.

The United Nations Board of Auditors carries out an annual audit of the UNJSPF and reports to the United Nations Joint Staff Pension Board on the audit every two years.

13. Deferred Revenue

13.1 Deferred Revenue – Current

	31 December 2013	31 December 2012
Voluntary Contributions		
Voluntary Contributions - Emergency Preparedness and Disaster Relief	1 546	727
Voluntary Contributions	20 464	39 535
National Voluntary Contributions	174 925	126 066
Trust Funds CFNI		
Procurement of Public Health Supplies		
Revolving Fund for Vaccine Procurement	97 997	172 983
Regional Revolving Fund for Strategic Public Health Supplies	45 754	25 323
Reimbursable Procurement	6 101	15 094
Total	**346 787**	**379 728**

13.2 Deferred Revenue – Non-Current

	31 December 2013	31 December 2012
Voluntary Contributions		
Voluntary Contributions	26 046	48 320
National Voluntary Contributions	133 885	154 081
Total	**159 931**	**202 401**

14. Fund Balances and Reserves

Fund balances represent the unexpended portion of contributions that are intended to be utilized in future operational requirements of the programs or projects.

Reserves are established by the Governing Bodies as facilities for funding and/or financing the Organization’s programs and projects. They currently are:

- Working Capital Fund
- Holding Account
- Tax Equalization Fund
- Master Capital Investment Fund
- Special Fund for Program Support Costs
- Voluntary Contributions – Emergency Preparedness and Disaster Relief
- Governing Bodies Authorized Fund
- Special Fund for Health Promotion
- Epidemic Emergency Fund
- Food Safety Five – Years Plan Fund
- PMIS Funding PAHO IPSAS Surplus Fund
- IPSAS Surplus Fund

Summary of Fund Balances and Reserves

	Balance as of 31 December 2013		Balance as of 31 December 2012	
Fund Balances:				
Strategic Public Health Supplies-Capitalization	5 926		5 287	
PAHO After-Service Health Insurance	(201 032)		(185 665)	
Voluntary Contributions	48		48	
Income from Services	3 727		4 084	
Provision for Staff Entitlements	555		174	
Revolving Fund for Vaccine Procurement	126 028		110 727	
PAHO Regular Budget	113 265		113 484	
Provision for Termination and Repatriation Entitlements	1 662		(221)	
PAHO Post Occupancy Charge	7 464		7 635	
Expanded Textbook and Instructional Materials Program	15 054		15 476	
CAREC Provident Fund			12	
CAREC Income from Services			13	
CAREC Capital Equipment Fund			31	
CAREC Regular Budget			5 952	
CAREC Building Fund			51	
CAREC Trust Fund			3	
CFNI		**72 697**	1 872	**78 963**
Reserves:				
Working Capital Fund	15 864		17 189	
Holding Account	9 142		9 142	
Tax Equalization Fund	(968)		(4 002)	
Master Capital Investment Fund	9 483		11 074	
Special Fund for Program Support	48 853		38 291	
Voluntary Contributions - Emergency Preparedness and Disaster Relief	2 684		2 666	
Governing Bodies Authorized Fund	4 601		5 601	
Special Fund for Health Promotion	1 340		1 532	
Epidemic Emergency Fund	1 000		1 000	
Food Safety Five-Years Plan Fund	405		500	
PMIS Funding PAHO IPSAS Surplus Fund	9 000		9 000	
IPSAS Surplus Fund	4 381	**105 785**	4 381	**96 374**
Total		**178 482**		**175 337**

14.1 Working Capital Fund

The Working Capital Fund was established for the primary purpose of providing funds as required to finance the Regular Budget pending receipt of contributions from Member and Participating States and Associate Members.

The 37th Directing Council (1993), noting that since 1978-1979 the budget of the Organization had grown from $64 849 990 to $159 457 717 in 1994-1995, authorized the Director to increase gradually the level of the Working Capital Fund from $11 000 000 to an authorized level not to exceed $15 000 000. The 44th Directing Council (2003) increased the authorized level of the Working Capital Fund from $15 000 000 to $20 000 000.

In February 1979 the Director, under the authority vested in him by Resolution CE81.R1 of the 81st Session of the Executive Committee, signed a contract with the Inter-American Development Bank (IDB) to guarantee a new loan of $5 000 000 to Pan American Health and Education Foundation (PAHEF) for the Textbook and Instructional Materials Program. Under this Organization/IDB contract, the Organization agreed that during the 30-year period of the amortization of the loan, its Working Capital Fund would be maintained at a level not less than the balance owed on the loan plus interest. PAHEF commenced repayment of the loan in August 1989.

The Directing Council, noting that the Working Capital Fund served as a guarantee for the loan from the IDB, approved the allocation from the Working Capital Fund of a reserve amount equal to the outstanding loan balance, which would be reduced as the loan is paid. The unencumbered level of the Working Capital Fund would increase accordingly. This loan has been fully paid in 2012.

In accordance with Financial Regulation 4.5, any deficit of revenue over expenses of the Regular Budget appropriation at the end of the current budgetary period shall be funded first by the Working Capital Fund to the extent possible, and then by borrowing or by other authorized means. Non-budgetary items such as depreciation, amortization and contributions in-kind do not constitute part of the Regular Budget and, therefore, are excluded from revenue and expense for the purposes of calculating the Regular Budget Appropriation surplus or deficit.

	Total as of 31 December 2013	**Total as of 31 December 2012**	**Total as of 31 December Biennium 2012-2013**	**Total as of 31 December Biennium 2010-2011**
Balance as of 1 January - Biennium			15 360	20 000
Surplus / (Deficit)	(3 652)	1 562	(2 090)	(5 169)
Non Budgetary Items	2 025 *	906 *	2 931	529
Regular Budget Appropriation Surplus/(Deficit)			841	(4 640)
Prior year Adjustments		(364)	(364)	
WHO De-recognition of prior year Expenses		(275)	(275)	
Transfers of Fund Balances from CEC and CFNI	300		300	
Transfers of Fund Balances from Income from Services Subfunds	2		2	
Balance as of 31 December - Biennium			**15 864**	**15 360**

* Non-Budgetary Items are comprised, of but not limited to, depreciation, amortization and contributions in-kind.

14.2 Holding Account

In accordance with Financial Regulations 4.4 and 4.6, any balance of the Regular Budget appropriation not committed by the end of the budgetary period shall be used to replenish the Working Capital Fund to its authorized level. Any excess shall be considered a Revenue Surplus and shall be available for use in subsequent periods to cover the unfunded portion of the Strategic Plan, as determined by the Director and with the concurrence of the Subcommittee on Program, Budget, and Administration.

14.3 Tax Equalization Fund

The Tax Equalization Fund, as established by Resolution CD18.R7 of the 18th Directing Council (1968), is credited with the revenue derived from the staff assessment plan. The credits to the Fund are recorded in the name of each Member State in proportion to its assessment for the financial period concerned, and reduced by the amount needed to reimburse income taxes levied by the Member State on the Organization staff. Adjustments are made in the next financial period to take account of the actual charges in respect of amounts reimbursed to staff members who are subject to national taxes.

As stated in the accounting policy provided previously, Member States participating in the Tax Equalization Fund had the following balances at the end of the reporting period.

Member States	Balance 1 January 2013	Credits from the Tax Equalization Fund	Apportionment to Member States	Available to Cover Tax Reimbursements to Staff	Taxes Reimbursed to Staff	Balance 31 December 2013
Canada	(16)	1 529	1 484	45	40	(11)
Colombia	17	134	134			17
United States	(3 999)	7 591	(2 409)	10 000	6 953	(952)
Venezuela	(4)	279	279		18	(22)
Other		3 237	3 237			
Total	**(4 002)**	**12 770**	**2 725**	**10 045**	**7 011**	**(968)**

There are no outstanding accounts receivable for the Tax Equalization Fund because the liabilities for the reimbursement of income taxes are included in the accounts receivable for assessed contributions due from the relevant Member States.

14.4 Master Capital Investment Fund

The Organization's Master Capital Investment Fund (MCIF) was established by Resolution CSP27. R19 of the 27th Pan American Sanitary Conference, 59th Session of the Regional Committee, in October 2007. This fund initially was created with two sub-funds, Real Estate and Equipment, and Information Technology, in lieu of the Organization's Building Fund and the Capital Equipment Fund, effective 1 January 2008. The purpose of the Fund is financing the repairs of the Organization's office buildings and the systematic replacement of computer and telecommunications equipment software and systems to support the information technology infrastructure of the Organization.

In 2012, according to Resolution CSP28.R17 of the 28th Pan American Sanitary Conference, 64th Session of the Regional Committee of WHO for the Americas, three additional sub-funds were authorized to be established: Real State Maintenance and Improvement, Revolving Strategic Real State, and Vehicle Replacement.

14.5 Special Fund for Program Support Costs

The Special Fund for Program Support Costs was established in 1976 by the Director under the authority of Financial Regulation 9.3 (originally 6.7) and subsequently reaffirmed by Resolution CSP20.R32 of the 20th Pan American Sanitary Conference (1978).

Trust Fund projects are charged a program support cost on a percentage of the direct project cost incurred, and this income is credited to the Fund. Other activities include sales of publications, support to fellowships and others. The Fund is used to provide support for indirect costs associated with non-regular budget activities or projects. Reimbursable Procurement is charged a service charge based on the value of procurement, and this income is also credited to this Fund.

14.6 Special Fund for Natural Disaster Relief

In accordance with Resolution CD24.R10 of the 24th Directing Council (1976), the Special Fund for Natural Disaster Relief was created to provide funds which can be used promptly by the Organization's Emergency Preparedness and Disaster Relief team.

14.7 Governing Bodies Authorized Fund

The 48th Directing Council, noting the revised document on proposed uses of program budget income exceeding the authorized effective working Regular Budget for the financial period 2006-2007 (Document CD48/22), resolved to establish the Governing Bodies Authorized Fund to fund proposed initiatives that will strengthen the Organization, that minimize added re-current costs, and are sustainable within normal operations and for which other funding resources are scarce or unavailable.

14.8 Special Fund for Health Promotion

The Directing Council at its 13th Meeting in 1961 established the Special Fund for Health Promotion with the objective of strengthening the health program of the Americas.

14.9 Epidemic Emergency Fund

The Epidemic Emergency Fund was established by Resolution CSP28.R16 of the 28th Pan American Sanitary Conference, 64th Session of the Regional Committee. This fund is used as a revolving fund to advance monies to affected countries in the advent of an epidemic outbreak or public health emergency. Advanced funds would be recovered from appeals and other forms of voluntary contributions received in response to the emergency.

14.10 Food Safety Five-Year Plan Fund

The Food Safety Five-Year Plan Fund was established by Resolution CSP28.R16 of the 28th Pan American Sanitary Conference, 64th Session of the Regional Committee. This fund supports food safety initiatives.

14.11 Pan American Sanitary Bureau Management Information System (PMIS) Fund

The Pan American Sanitary Bureau Management Information System (PMIS) Fund was established by Resolution CSP28.R16 of the 28th Pan American Sanitary Conference, 64th Session of the Regional Committee. The PMIS fund was established for the implementation of an enterprise resource planning (ERP) software for the Organization.

14.12 IPSAS Surplus Fund

The IPSAS Surplus Fund was established by Resolution CSP28.R16 of the 28th Pan American Sanitary Conference, 64th Session of the Regional Committee. This fund will be used to meet future unforeseen strategic and/or administrative initiatives. Future proposals for the use of this reserve may also include increases of any other existing funds.

14.13 Revaluation Surplus

	31 December 2013			31 December 2012		
	Land	Buildings	Total	Land	Buildings	Total
Initial balance (1 January)	63 587	55 742	119 329	48 587	53 948	102 535
Annual depreciation					(2 237)	(2 237)
Adjustments/Revaluations				15 000	4 031	19 031
Impairments						
Disposals						
Closing Balance	**63 587**	**55 742**	**119 329**	**63 587**	**55 742**	**119 329**

There was no requirement for appraisals of land and buildings in 2013.

15. Revenue

	Gross Revenue	Elimi-nations	2013 Net Revenue	2012 Net Revenue
Revenue from Non-Exchange Transactions				
Assessed Contributions				
PAHO Regular Budget	96 200			
Caribbean Epidemiology Center				
Caribbean Food and Nutrition Institute				
Tax Equalization Fund	10 045			
Subtotal	**106 245**		**106 245**	**109 271**
Voluntary Contributions				
Voluntary Contributions	69 136			
Voluntary Contributions - National Voluntary Contributions	286 594			
Voluntary Contributions - Emergency Preparedness and Disaster Relief	2 039			
Special Fund for Program Support	20 295			
Subtotal	**378 064**	**(21 158)**	**356 906**	**216 419**
Other Revenue				
AMRO Regular Budget	42 464			
AMRO Voluntary Funds for Health Promotion	21 649			
Sasakawa Health Trust Fund	334			
AMRO Special Account for Servicing Costs	4 279			
AMRO Contribution for Renovation of Assets	850			
Staff Development and Learning Fund	266			
AMRO Post Occupancy Charges	2 052			
Subtotal	**71 894**	**(2 902)**	**68 992**	**60 632**
Revenue from Exchange Transactions				
Procurement of Public Health Supplies				
Revolving Fund for Vaccine Procurement	550 648			
Reimbursable Procurement on Behalf of Member States	22 903			
Regional Revolving Fund for Strategic Public Health Supplies	23 416			
Special Fund for Program Support	3 376			
Subtotal	**600 343**	**(3 376)**	**596 967**	**562 436**
Other Revenue				
PAHO Regular Budget	(20)			
Income for Services	3 353			
Special Fund for Program Support	74			
Expanded Textbook and Instructional Materials Program	6 506			
Health Promotion	7			
Provision for Termination and Repatriation Entitlements	3 848			
Provisons for Staff Entitlements	4 388			
PAHO Post Occupancy Charge	4 413			
After Service Health Insurance	1 816			
Master Capital Investment Fund	2 277			
AMRO Terminal Payments Account	573			
AMRO Non-Payroll Statutory Entitlements	1 417			
Subtotal	**28 652**	**(17 042)**	**11 610**	**9 702**
Miscellaneous Revenue				
PAHO Regular Budget				
Interest Earned	2 792			
Saving on or cancellation of prior periods' obligations				
Valuation Gains and Losses	(594)			
Investment Management Fees	(431)			
Other Miscellaneous	131			
Special Fund for Program Support	(3 162)			
Subtotal	**(1 264)**		**(1 264)**	**20 128**
TOTAL REVENUE	**1 183 934**	**(44 478)**	**1 139 456**	**978 588**

16. Expenses

		2013 Gross Expenses	Eliminations	2013 Net Expenses	2012 Net Expenses
Staff and Other Personnel Costs					
International and National Staff		181 471			
Consultants		16 011			
Temporary Staff		5 266			
	Subtotal	**202 748**	**(16 455)**	**186 293**	187 269
Supplies, Commodities, Materials					
Vaccines / Syringes / Cold Chain		562 836			
Medications and Medical Supplies		18 900			
Other Goods and Supplies		23 535			
	Subtotal	**605 271**	**(4 469)**	**600 802**	564 588
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization					
Equipment, Vehicles, Furniture [2]		(459)			
Intangible Assets [2]					
Depreciation / Amortization		2 695			
	Subtotal	**2 236**	**(86)**	**2 150**	1 142
Contract Services					
Contracts		102 098			
	Subtotal	**102 098**	**(2 042)**	**100 056**	92 931
Travel					
Duty Travel		7 382			
Courses and Seminars		90 659			
	Subtotal	**98 041**	**(203)**	**97 838**	69 031
Transfers and Grants to Counterparts					
Letters of Agreements		143 879			
	Subtotal	**143 879**		**143 879**	42 760
General Operating and Other Direct Costs/[1]					
Maintenance, Security and Insurance		12 027			
	Subtotal	**12 027**	**(929)**	**11 098**	11 992
Indirect Support Costs					
Program Support Costs		20 294			
	Subtotal	**20 294**	**(20 294)**		
Total Expenses		**1 186 594**	**(44 478)**	**1 142 116**	969 713

Note/[1] General Operating Expense and Other Direct Costs Include Lease Payments for $2 114 260. (2012: $2 122 451).

Note/[2] The balance includes the capitalization of assets in the Statement of Financial Position.

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17. Comparison of Budget and Actual Amounts

Reconciliation between the actual amounts on a comparable basis in the Comparison of Budget and Actual Amounts and the actual amounts in the Cash Flow Statement for the year ended 31 December 2013 is presented below:

(Expressed in thousand US Dollars)

	31 December 2013			31 December 2012		
	Operating	Investing and Financing	Total	Operating	Investing and Financing	Total
Actual Amount on Comparable Basis	(498 149)		(498 149)	(216 020)		(216 020)
Basis Differences						
Timing Differences						
Presentation Differences	1 120 365	68 318	1 188 683	1 056 472	25 919	1 082 391
Entity Differences	(685 734)		(685 734)	(810 118)		(810 118)
Actual amount in the Statement of Cash Flow	**(63 518)**	**68 318**	**4 800**	**30 334**	**25 919**	**56 253**

The budget and financial statements are prepared using a different accounting basis. The financial statements are prepared on an accrual basis and the Comparison of Budget and Actual Amounts is prepared on a cash basis. The chart above illustrates the actual amount of cash disbursements based on the budget, reconciled to the actual cash change in the Statement of Cash Flow.

Basis differences occur when comparing two different bases. There are no basis differences for the reconciliation of a cash budget position to a cash flow position. The Comparison of Budget and Actual Amounts reflects disbursements in comparison with the budget and does not include cash receipts, therefore, the cash receipts are reflected as a presentation difference. Entity differences are activities included in the financial statements and omitted from the budget.

18. Segment Reporting

18.1 Statement of Financial Position by Segments

	Total Core Activities Segment	Total Partnership Activities Segment	Total Enterprise Activities Segment	Total Special Activities Segment
ASSETS				
Current Assets				
Cash and Cash Equivalents	165 717			
Short Term Investments	125 152			
Owed From Other Segments *		232 955	327 525	73 093
Accounts Receivable	111 986	114 913	41 407	(46 159)
Inventories	1 116		6 790	
Total Current Assets	403 971	347 868	375 722	26 934
Non-Current Assets				
LongTerm Investments	266 546			
Accounts Receivable		28 679		7 466
Net Fixed Assets	119 636			148
Intangible Assets	2 041		257	135
Total Non-Current Assets	388 223	28 679	257	7 749
TOTAL ASSETS	792 194	376 547	375 979	34 683
LIABILITIES				
Current Liabilities				
Accrued Liabilities	2 614	15 138	16 076	3 415
Owed To Other Segments *	633 573			
Accounts Payable	(6 335)	810	10 463	118
Employee Benefits				11 329
Deferred Revenue		196 935	149 852	
Total Current Liabilities	629 852	212 883	176 391	14 862
Non-Current Liabilities				
Accounts Payable	15 089			
Employee Benefits				191 913
Deferred Revenue		159 931		
Total Non-Current Liabilities	15 089	159 931		191 913
TOTAL LIABILITIES	644 941	372 814	176 391	206 775
NET ASSETS / EQUITY				
Fund Balances and Reserves				
Fund Balances	113 265	48	150 735	(191 351)
Reserves	33 988	3 685	48 853	19 259
NET FUND BALANCES and RESERVES	147 253	3 733	199 588	(172 092)

* Owed to/from Other Segments is due to PAHO holding pooled cash on behalf of other segments.This cannot be allocated directly to a cash segment. These are eliminated on consolidation.

Statement of Financial Position by Segments

Total Consolidated Sub-Regional Centers Activity Segment	Intra-Party Segment	Total 2013	Total 2012
		165 717	160 917
		125 152	245 645
	(633 573)		
		222 147	195 250
		7 906	8 659
	(633 573)	520 922	610 471
		266 546	215 543
		36 145	47 831
		119 784	120 398
		2 433	3 218
		424 908	386 990
	(633 573)	945 830	997 461
		37 243	18 789
	(633 573)		
		5 056	18 168
		11 329	10 447
		346 787	379 728
	(633 573)	400 415	427 132
		15 089	15 089
		191 913	177 502
		159 931	202 401
		366 933	394 992
	(633 573)	767 348	822 124
		72 697	78 963
		105 785	96 374
		178 482	175 337

18.2 Statement of Financial Performance by Segments

	Total Core Activities Segment	Total Partnership Activities Segment	Total Enterprise Activities Segment
REVENUE			
Revenue from Non-Exchange Transactions			
Assessed Contributions	96 200		
Voluntary Contributions		357 769	20 295
Other Revenue	42 464	21 983	4 279
Revenue from Exchange Transactions			
Procurement of Public Health Supplies			600 343
Other Revenue	(20)		9 933
Miscellaneous Revenue	1 898		(3 162)
TOTAL REVENUE	**140 542**	**379 752**	**631 688**
EXPENSES			
Staff and Other Personnel Costs	114 297	32 766	11 643
Supplies, Commodities, Materials	4 568	11 658	586 894
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization	2 169		86
Contract Services	9 973	81 953	4 361
Travel	7 750	89 059	673
Transfers and Grants to Counterparts	2 057	141 767	
General Operating and Other Direct Costs	4 381	2 236	2 306
Indirect Support Costs		20 294	
TOTAL EXPENSES	**145 195**	**379 733**	**605 963**
NET SURPLUS/ (DEFICIT)	**(4 653)**	**19**	**25 725**

Statement of Financial Performance by Segments

Total Special Activities Segment	**Total Consolidated Sub-Regional Centers Activity Segment**	**Intra-Party Segment**	**Total 2013**	Total 2012
10 045			106 245	109 271
		(21 158)	356 906	216 419
3 168		(2 902)	68 992	60 632
		(3 376)	596 967	562 436
18 739		(17 042)	11 610	9 702
			(1 264)	20 128
31 952		**(44 478)**	**1 139 456**	**978 588**
44 042		(16 455)	186 293	187 269
2 151		(4 469)	600 802	564 588
(19)		(86)	2 150	1 142
5 811		(2 042)	100 056	92 931
559		(203)	97 838	69 031
55			143 879	42 760
3 104		(929)	11 098	11 992
		(20 294)		
55 703		**(44 478)**	**1 142 116**	**969 713**
(23 751)			**(2 660)**	**8 875**

19. Losses, Ex-Gratia Payments and Write-Offs

As of 31 December 2013, a total of $8 974 was recorded as administrative waivers reflecting seminars and courses given by the governments. (2012: $228 711)

There were no write-offs or Ex-Gratia Payments to be reported. (2012: None)

20. Cases of Fraud and Presumptive Fraud

In 2013, a total of 34 cases of theft and loss of property were reported. The PALTEX program had 15 cases totaling $78 918 of which $66 512 was recovered leaving a net loss to the Organization of $12 406. There were 12 cases of property loss and one case of fraud between the country offices and headquarters totaling $8 761 of which $5 126 was recovered leaving a net loss to the Organization of $3 635. In addition, there were 6 cases involving the misuse of PAHO purchasing or travel credit cards committed by people outside the Organization. In the six credit card cases, the fraudulent charges, amounting to $1 959 of which all was recovered.

21. Related Party and Other Senior Management Disclosure

Key management personnel are the Director, Deputy Director, Assistant Director, and Director of Administration as they have the authority and responsibility for planning, directing and controlling the activities of the Organization.

The aggregate remuneration paid to key management personnel, as established by the United Nations International Civil Service Commission (ICSC), includes: gross salaries, post adjustment, entitlements such as representation allowance and other allowances, assignment and other grants, rental subsidy, personal effects shipment costs, income tax reimbursement, and employer pension and current health insurance contributions. These remunerations are provided in conformity with the standards established by the ICSC and are applicable to all United Nations personnel.

Key management personnel are also qualified for post-employment benefits at the same level as other employees. These benefits cannot be reliably quantified.

Key management personnel are ordinary members of the United Nations Joint Staff Pension Fund (UNJSPF).

21.1 Key Management Personnel

Key Management Personnel	**2013**	2012
Number of Positions	4	4
Compensation and Post Adjustment	708	762
Entitlements	421	52
Pension and Health Plans	116	244
Total Remuneration	**1 245**	**1 058**
Outstanding Advances against Entitlements	**120**	**24**

22. Events after Reporting Date

The Organization's reporting date is 31 December of each year. On the date of signing of these accounts by the External Auditor, there have been no material events, favorable or unfavorable, incurred between the date of the Statement of Financial Position and the date when the financial statements have been authorized for issue that would have impacted these statements.

23. Provisions

As at 31 December 2013, the Organization had not recognized any provisions.

24. (Recognition)/De-recognition of Liability through Reserves

The de-recognition of the Staff Health Insurance (SHI) liability to Reserves was the result of a 10% increase in first-tier rates of contribution to the SHI Fund, resulting in a reduction in the regional deficit for active staff. The regional deficit is covered by second-tier contributions from active staff, in accordance with paragraph 395 of the WHO Staff Health Insurance Rules. The excess of second-tier contributions over the amount required to fund the regional deficit reflects in the increase of the SHI reserve balance. The total de-recognition for 2013 was $2 525 546, reflected in the Consolidated Statement of Changes in Net Assets.

25. In-Kind Contributions

Host governments and cooperating partners at the country level provide different in-kind contributions which are utilized by the Organization's Country Offices for their general and daily operations. These contributions are not recognized in the Organization's financial statements due to the complexity of standardizing a fair value throughout all the Organization's Country Offices. In-kind contributions received by the Organization include personnel, office premises, office services, use of office equipment and vehicles.

Country Office or Center	Services Received In-Kind				
	Personnel	Office Premises	Office Services	Office Equipment	Vehicles
Argentina	X				
Bahamas	X	X	X		
Barbados	X	X	X		
Belize	X		X		
Bolivia	X	X			
Brazil					
Chile	X	X			
Colombia					
Costa Rica	X	X	X		
Cuba	X	X	X		
Dominica					
Dominican Republic	X	X			
Ecuador	X				
El Salvador	X				
Guatemala	X				
Guyana	X	X	X		
Haiti	X				
Honduras	X				
Jamaica	X				
Mexico					
Nicaragua	X	X	X		
Panama	X	X	X		
Paraguay	X				
Peru					
Suriname	X	X	X		
Trinidad and Tobago	X	X	X		
Uruguay	X		X		
Venezuela					
PANAFTOSA	X	X	X	X	
BIREME	X	X	X		
CEPIS					
CLAP	X	X	X		
El Paso					

Report of the External Auditor

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TRIBUNAL DE CUENTAS
DE ESPAÑA

The Pan American Health Organization

Long Form Report on the 2013 Financial Statements audit

The aim of the audit is to collaborate with the audited organization in order to reach its objectives, while supporting compliance with principles of transparency, legality and sound financial management.

The Spanish Court of Audit (SCA), headed by its President, provides external audit services to international organizations, working independently of its role as the Supreme Audit Institution of Spain. The President and the SCA are independent of the Spanish Government and ensure the proper and efficient spending of public funds and accountability to the Spanish Parliament. The SCA audits the accounts of all public sector bodies as well as political parties, collaborates in works related to its role as an active member of INTOSAI and EUROSAI and takes part in audit works within European Union projects and beyond.

Contents

1. Executive Summary

1.1. Introduction

1 We have provided an unqualified audit opinion on the 2013 consolidated financial statements of the Panamerican Health Organization (hereinafter PAHO) which present fairly, in all material respects, the financial position and the results of operations and cash flows for the financial period ended 31 December 2013; and we confirm that this audit revealed no weaknesses or errors which we considered to be material to the accuracy, completeness and validity of the consolidated financial statements.

2 The 2013 consolidated financial statements of PAHO represent the fourth year in which the International Public Sector Accounting Standards (IPSAS) have been used. This unqualified opinion means that IPSAS are embedded within the Organization accounting management.

3 However, like the previous year, we noted that the computer system which supports accounting is outdated; it was not designed for an accounting system based on accrual criteria and requires manual adjustments at the end of the period. We encourage PAHO to implement the Enterprise Resource Planning Project (ERP), which will improve the economic and financial management in the Organization and the recording of transactions, reporting and preparation of Consolidated Financial Statements.

1.2. Overall Results of the Audit

4 We have audited the consolidated financial statements of PAHO in accordance with the International Standards on Auditing of the International Federation of Accountants (IFAC), the Audit Standards and Guidelines formulated by the United Nations Board of Auditors and the International Standards of Supreme Audit Institutions (ISSAIs).

5 The audit opinion confirms that these financial statements: present fairly, in all material respects, the financial position as at 31 December 2013 and the results for

the year then ended; have been properly prepared in accordance with IPSAS and the stated accounting policies; and, in all material respects, the transactions underlying the financial statements have been made in accordance with the Financial Regulations and applied to the purposes intended either by the Pan American Sanitary Conference or the Directing Council.

6 Our audit procedures are designed primarily for the purpose of forming an audit opinion. They included a review of the internal controls and accounting systems and procedures, only to the extent considered necessary for the effective performance of the audit. The audit work did not involve a detailed review of all aspects of PAHO's budgetary and financial information systems. Our findings therefore should not be regarded as representing a comprehensive statement of all the weaknesses which exist, or all improvements which could be made to the systems and procedures operated.

7 The main observations and recommendations from our audit are set out below. Our recommendations are summarized in Annex A. Follow up of actions taken by management in response to the recommendations included in the 2012 Long Form Report are set out in Annex B.

8 The 2013 financial statements correspond to the second year of the Spanish Court of Audit's appointment as the external auditor of PAHO.

9 We would like to thank PAHO for their professional and constructive approach to the external audit relationship. We trust PAHO's management keep consistently engaged with the audit process and seek to improve processes and procedures in response to our audit recommendations.

1.3. Summary of Main Findings

10 In this report we have commented upon the Organization's financial position, our findings with respect to Country Offices and governance matters.

11 Regarding Country Offices, we have noted that the internal control environment is adequate but we have drawn attention to the importance of achieving a full compliance with the IPSAS concepts, in particular, in some Country Offices.

Therefore, we recommend continuing reinforcing the training on IPSAS concepts and keeping a close oversight of those units with a higher risk.

12 In the Brazilian Country Office we have specifically analyzed the *Mais Médicos* Project. PAHO has set an appropriate internal control framework on this project but it is necessary to ensure compliance with its critical internal control points.

13 Nevertheless, we noted that there are two lawsuits against this project, and we consider prudent that PAHO set a contingency plan to face possible negative statements of both lawsuits.

14 The situation of the PMIS Project has greatly improved in 2013 and in the beginning of 2014. The Project has the full support of the executive level, the pre-implementation phase was completed and the phase 1 is being developed according to the estimated timetable. Phase 2 will begin in July 2014 and will finish in December 2015. In this scenario, the Project would be fully implemented on 1 January 2016. However, some critical software applications have not been purchased yet.

15 Since PMIS is a critical project for the organization, we encourage PAHO to keep institutional efforts to ensure the PMIS Project timetable implementation.

16 The Enterprise Risk Management (ERM) Project should be considered as an institutional procedure integrated into the organizational processes. However, resources devoted to the development of the ERM system may not be sufficient to implement it and to integrate it into PAHO´s culture. Therefore, we encourage PAHO to make this system fully operational.

17 Letters of Agreement (LOAs) are a very useful tool to implement technical cooperation. Regarding LOAs management, we noticed that there are a significant number of very old LOAs, some of them even from 2004, that have not been closed yet. Therefore, we recommend that PAHO review all LOAs which are still open, close the LOAs fully implemented and request beneficiaries the final reports or the outstanding amounts to be returned to PAHO, when necessary.

18 Finally, we found a significant increase in the level of disbursement during the last month of the year 2013. We consider that the implementation of a relevant portion of the activities at the very end of the period involves a risk of non-compliance with sound financial management principles. In order to reduce a high

increase in the expenditure at the end of the biennium, we suggest setting an incentive to the allottees or improving the monitoring and management of the projects.

2. Financial review

19 The Director's Comments on the Financial Statements provide a comprehensive analysis of the financial performance of the Organization for 2013. We review the financial analysis provided for consistency with the information contained in the Consolidated Financial Statements and offer some further analysis to enhance the understanding of the users.

20 From our audit of the Consolidated Financial Statements we have identified several matters that we consider worth highlighting in this report:

- In the financial year 2013, the second year of the biennium, PAHO had a deficit of 2.660 USD million. It is the first time this occurred since the implementation of IPSAS in year 2010. In addition, according to the Decision of the Direction Council CD.52.R3, the total Program Budget for the Biennium 2014-2015 is expected to decrease an 8% (54 USD million[1]), with no increase in the assessed contributions of the Member States for the biennium. The Secretariat of PAHO should take the necessary steps to ensure the continuity of its activities and projects improving the efficiency of the management and the degree of success in mobilizing of resources.

- During 2013, the total revenue from the Procurement of Public Health Supplies increased 6%, to 596.9 USD million as compared to 562.4 USD million in 2012. Through extensive international bidding, PAHO is able to purchase vaccines, public health supplies and equipment on behalf of Member States and international institutions at affordable prices. These revenues are the main relevant accounting line item which represents the 52% of the overall balance of revenues. The relative importance of these accounting line items did not present significant changes between 2012 and 2013.

- Revenues generated by Voluntary Contributions increased by 65% from the prior year, reaching 356.9 USD million in 2013. One of the primary sources of

[1] 563.1 USD million of Total Program and Budget in the Biennium 2013-2014, 613.4 USD million in the biennium 2014-2015

this increase was caused by the implementation of *Mais Médicos* Project, which contributed 159,871 USD million as revenue in 2013.

- Revenues also experienced an important decrease in the balance of Miscellaneous Revenue as at 31 December 2013 compared to 2012, from 20.1 USD million to negative 1.2 USD million at the end of 2013. The transfer of the PALTEX Program to PAHO resulted in the recognition of miscellaneous income in 2012 of 17.877 USD million. This recognition no longer impacts 2013 financial operations in the Organization.

- As stated in footnote 2.17 Miscellaneous Revenue includes foreign currency revaluations, exchange rate gains and losses, interest earned, realized gains and losses, and gains and losses from the sale of property, plant and equipment. Miscellaneous Revenue did not contribute significantly to the Organization this year, providing approximately 0.19% of the revenues of PAHO in 2013.

- Total revenue increased from 978.5 USD million in 2012 to 1,139.4 USD million, which is a variation of 16.4%.

- PAHO's expenses increased by 17.7% from 969.7 USD million in 2012 to 1,142.1 million as at 31 December 2013.

- Staff and other personnel costs have decreased by 0.5%, from 187 USD million in 2012 to 186 USD million in 2013.

- Procurement expenses (supplies, materials and commodities) have increased 6%, less than the percentage of total increase in expenditure. For instance, courses and seminars and travel costs have increased 41.7%, from 69 USD million in 2012 to 97.8 USD million in 2013 and contract services from 93 USD million in 2012 to 100 USD million in 2013 (7.5%). Despite the increase in this category, the 2013 duty travel expenditure was lower than in 2012.

- The disbursements in grants and transfers to counterparts have increased by 234.8%, from 43 USD million in 2012 to 144 USD million in 2013, due to the implementation of the *Mais Médicos* Project in Brazil.

- PAHO´s total current assets have decreased by 88.7 USD million, from 610.4 USD million to 521.7 USD million.

- PAHO’s cash balances rose by 2.9% from 160.9 in 2012 to 165.7 million in 2013. This partially offset a decrease in investments in short term (120.5 million), and an increase in the balance of Accounts Receivables - Current (27.7 million) explained by an increase in the Procurement Fund (168%). There has been a reduction of the Voluntary Contribution Funds, with the current voluntary contributions diminishing in an 8.9% and the non-current decreasing in a 31%. The reduction of Account Receivables- non Current (11.7) is explained by this decrease in the Voluntary Contributions funds.

  While PAHO has sufficient resources to meet its current financial obligations (178.5 USD million in Fund Balances and Reserves, 1.79% over the figures of 2012), financial stability of the entity requires a continuous monitoring of the decrease of those assets.

- The Long Term Investments balance stands at 266.5 USD million, which should be adequate to meet PAHO needs disclosed as long term liabilities. However, total investments (long-term and short-term) decreased in 69.5 USD million from year 2012 to 2013. The decrease in the value of the investments is partially explained by the use of donor resources that were held by the Organization at the end of 2012, as some projects funded by contributions were not completely implemented at the end of 2012.

- There has been a small decrease in the value of the Inventories (8.7%). For its part, in Property, Plant and Equipment have decreased a net figure of 1.5 USD million between financial years 2012 and 2013 (1.2%).

- Employee benefits current and non-current liabilities have increased in 8%. Thus, the 187.9 USD million shown in 2012 has grown to a 203.2 USD million liability. As per IPSAS 25, this increase is consistent with the decrease of the defined benefit obligation in 9.8% (305 USD million to 275 USD million). This decrease in the actuarial valuation of the defined benefit obligation is caused by the increase in the discount rate considered in the calculation, due to the rise of interest rates in the United States.

  The rise in liabilities is mostly explained by the increase in medical costs and expectations of a low return on investments due to the global economic situation. Furthermore, the value of Plan decreased (39 USD million in 2012 to 38 USD million in 2013).

In a short-term perspective PAHO has enough resources to fund the employee benefits of the staff. However, facing the future funding of this liability is a financial challenge for PAHO. For that reason we encourage going into the steps to address this challenge, over the next 3-5 years.

3. Country Offices

3.1. Introduction

21 PAHO is present in more than 30 countries throughout the Region of the Americas. PAHO operations and project implementation at a country level is managed by its network of Country Offices and Centers and it funds its operations using regular budget allocations as well as project funds. The cumulative disbursements by these Offices in 2013 were of about 351.7 USD million (2012: 214.4 USD million), which is a significant component of PAHO's reported activity and we, thus, carry out field visits to obtain assurance on controls over locally managed funds and expenditure.

22 Our selection of Country Offices is determined by a risk assessment which takes into consideration the level of expenditure, the length of time since our previous visit and discussions with Headquarters staff. We also take into consideration the recommendations of the Audit Committee and the controls performed by the Office of Internal Oversight and Evaluation Services.

23 During 2013 we visited the Panama, Mexico and Brazil Country Offices and the Panaftosa Center. At the end of each visit, we provided our findings and recommendations to the PWR (PAHO-WHO representative) of the Country Offices. Management has been encouraged to respond and set out a clear action plan to implement or follow up the points that we have raised. It was the fourth consecutive year that external auditors have visited the Brazil Country Office because this Office, excluding Headquarters (hereinafter HQ), is responsible for the largest proportion of PAHO's expenditure.

24 In addition, in the course of the fieldwork of the audit developed in HQ we have reviewed documentation regarding the activity of all Country Offices.

3.2. Mais Médicos Project

25 The participation of PAHO in the *Mais Médicos* Project derives from the *Termo de Cooperaçao 80,* which was signed in April 2013 between PAHO and the Brazilian Department of Health. The aim of this project is to expand the Brazilian population's access to primary health care. In order to implement that agreement PAHO and the Cuban Government agreed the participation of Cuban doctors in the Project. The funding of the project raised 176,459,697 USD in December 2013.

26 We have analyzed the legal framework, the internal control procedure, the financial and the budgetary management of the *Mais Médicos* Project. In addition, we have reviewed the programming and the implementation of different transactions. We have verified the monitoring process on this project and we are aware of the changes introduced in the Brazilian Country Office's staff and in the internal control framework to reinforce them.

27 In our opinion, all these control measures set an appropriate internal control framework on this project. Moreover, as per the *Termo de Acordo 4*, the internal control on this project will be reinforced through a data base managed by the Brazilian PWR, which will be supported with information provided by all parties on Cuban doctors' performance. It is also expected that the Cuban Government add to this data base its own information about the Cuban doctors.

28 Nevertheless, it is necessary that PAHO checks the compliance of critical points of this control framework, in particular, the detailed planning of all activities linked to the project, its continuous monitoring together with representatives of the Brazilian Department of Health, the previous agreement with Brazilian Department of Health on any expense related to the project, the monthly reports from PAHO's officials on Cuban doctors activity and the new data base management.

29 We also noted that there are two lawsuits against this project. The first one is a lawsuit raised at the Brazilian Federal Supreme Court, which questions the constitutionality of the legal framework of the project. Currently, this lawsuit is in a preliminary stage and the Court has still not decided about the admittance of this litigation. The second one is a demand raised by a Cuban doctor to the Brazilian Labor Court for the recognition of the same labor rights than others doctors involved in the *Mais Médicos* Project.

Recommendation 1: We recommend that PAHO design a contingency plan for the *Mais Médicos* Project to face possible negative statements of both the Brazilian Federal Supreme Court, on the constitutionality of the project, and the Brazilian Labor Court, on the recognition of labor rights in Brazil for Cuban doctors. This contingency plan should include provisions to cope with the risks deriving from such negative statements (doctors' transportation, extraordinary expenses funding, liabilities, etc.).

Recommendation 2: We recommend that PAHO regularly check the compliance of the critical points of internal control framework of *Mais Médicos* Project.

3.3. IPSAS compliance

30 Under IPSAS, entities are required to recognize expenditure in the Financial Statements on an accrual basis. Although we recognize the improvement of the accrual concepts understanding and the effort made by PAHO in IPSAS training, there remains a certain level of error in its application. Thus, we have noticed some errors in the accrual expense recognition in the Mexico and Haiti Country Offices and some expenses not capitalized in the Bolivia and Haiti Country Offices.

31 The figures are not material and the percentage over the sample analyzed is low. Nevertheless, these errors justify maintaining the training of the staff on IPSAS concepts.

Recommendation 3: We recommend that PAHO continue reinforcing the training on IPSAS concepts and keep a close oversight of those units with a higher risk.

4.Governance Matters

32 There are mechanisms on which the Governing Bodies of every international organization rely to supervise the effectiveness of its activity. We have analyzed these mechanisms as part of our audit.

4.1. Pan American Sanitary Bureau (PASB) Management Information System (PMIS)

4.1.1. Background

33 The key dates in the process for modernizing the Pan American Sanitary Bureau (PASB) Corporate Management System have been the following:

- In 2008, the 48th Directing Council authorized performing an analysis for modernizing the Pan American Sanitary Bureau (PASB) named Management Information System (PMIS) Modernization Project.
- In 2010, the 50th Directing Council approved an Enterprise Resource Planning (ERP) System. The estimated budget for this project was 20.3 USD million.
- On 8th June 2011, the Director formally announced the launching of the PASB Management Information System (PMIS). The implementation schedule envisaged had two phases: Pre-implementation Phase (June 2011 – mid 2012) and Implementation Phase (mid 2012 – mid 2014).

Despite the considerable effort made by PAHO, which resulted in a number of important outputs being produced, some key elements of the pre-implementation phase were not delivered as planned and the project schedule was not achieved.

4.1.2. Status of the Enterprise Resource Planning (ERP) System

34 Throughout the year 2013, significant progress has been made in the PMIS Project: the approval and development of the Business Case; the development of a risk

assessment; the selection of the main software platform, the planning and budgeting module and the Procurement module; the selection of a company to integrate the systems and a company to support the change in management process; and the development of a communication plan and the definition of a timeline.

In addition, a new structure and a new project team were designed. The Director of Administration was appointed Executive Sponsor of the project, an External Project Manager was hired, an Internal Project Manager was assigned and the Organization established a PMIS Core Team with representatives from Technical Areas and Country Offices.

35 The estimated Project schedule is the following:

- Phase 1 (March – December 2014): Development of planning, architecture, configuration and prototype, testing and deployment of the Human Resources and Payroll areas.
- Phase 2 (July 2014 – December 2015): Development of planning, architecture, configuration and prototype, and testing and deployment of the Finance, Procurement, Planning and Budgeting areas will be developed.

Throughout this period, system integration, change management, communication plan and staff training on the PMIS system will be performed.

In this scenario, the Project is set to be ready by January 1st, 2016.

4.1.3. Source of Funding

36 The PMIS Project budget is 20.3 USD million. This amount was presented to the 2010 Directing Council: 9.2 USD million come from the Holding Account, which contained surplus funds from the 2006-2007 biennium; 9.2 USD million come from a combination of a charge against occupied posts and funds resulting from the implementation of International Public Standard Accounts (IPSAS) in 2010-2011; and 2.1 USD million come from Post Occupancy Change PMIS Funding in 2010-2011.

Of this amount, the expense already incurred has been 2.7 USD million; vendor selection process (0.6 USD million), Business Case (0.7 USD million); software application subscriptions, implementation services and change orders, external advisor, backfill (hiring one staff in order to replace every core member team) and other expenses (1.4 USD million).

37 PAHO is trying to keep the project cost under the approved amount by the 2010 Directing Council (20.3 USD million). The current project cost forecast reaches 22.4 USD million, which means a difference of 2.2 USD million. The main items, among others, that are increasing the estimated budget are: ERP implementation (1.9 USD million) and backfill (assuming one staff per functional area) (1.5 USD million). On the other hand, the items of change management (0.4 USD million) and change orders and contingencies (0.5 USD million) are decreasing their estimated budget.

4.1.4. Audit Review

38 The situation of the PMIS Project has greatly improved in 2013 and in the beginning of 2014. The Project has the full support of the executive level, the pre-implementation phase was completed and the phase 1 is being developed according to the estimated timetable.

39 Nevertheless, the Treasury module has not yet been chosen. PAHO is studying different software alternatives in order to choose the best option for its treasury management, taking into account the needs to integrate the Treasury software in the software platform.

40 Besides, there are two software modules that PAHO wants to integrate in the software platform to support specific core functions: Procurement Tendering and the E-Learning Management System.

41 In our opinion, PAHO should shortly determine which software application will be selected, in order to integrate its implementation in the established schedule.

42 PAHO has established a PMIS Core Team which is composed of experts from each PMIS module. These core members are key staff in their respective areas. In order to mitigate the negatives effects that could arise in the regular activity of these areas, the PMIS Project budget includes an amount for hiring staff to replace every core member.

43 From our point of view, and taking into account the whole PMIS Project timing, it is necessary to start the backfill process and to hire staff in order to avoid that the functioning of the different areas is affected.

44 We consider that compliance with the PMIS Project implementation schedule is a critical issue for the Organization. As we described in our last report, some of the current software applications used by the Organization are outdated and unable to support the information and financial statements based on IPSAS, since they do not have the capabilities to duly obtain reports and information in an efficient manner. This results in a complex and difficult process for preparing the financial statements, which needs manual operations and off system adjustments (depreciation of assets, accruals, capitalization of tangible and intangible assets, etc.).

45 To this respect, we noticed several errors in these off-system works and calculations and in some accounting entries, which do not however affect the representativeness of the Financial Statements. As a consequence, these outdated systems are still a risk for the Organization. Therefore, it would be very desirable for the PMIS system to be installed and operational in the 2016-2017 biennium.

46 Furthermore, the delay in the PMIS system implementation will increase the budget, which is already exceeded.

Recommendation 4: We recommend deciding the software modules that need to be purchased and their integration in the PMIS Project timeline.

Recommendation 5: We recommend beginning the backfill process and hiring staff in the areas which have temporarily lent their key staff to the PMIS Project.

Recommendation 6: We recommend that PAHO focus its efforts in order to comply with the estimated deadline.

4.2. Enterprise Risk Management

4.2.1. Background

47 The key milestones in the process for creating a risk management framework have been the following:

- In 2011, a framework based upon ISO3100, a standard that provides principles and guidelines on risk management, was adopted.

- In November 2011, the Senior Risk Management Committee was established and its first meeting took place in November 2012.
- In 2012, the Enterprise Risk Management Policy was approved, communicated and included in the PAHO/WHO E-Manual.

4.2.2. Status of the Enterprise Risk Management

48 According to the Strategic Plan 2014-2016, PAHO will apply its Enterprise Risk Management (ERM) framework to identify the risks and to implement mitigation measures that increase the likelihood of achieving the expected results. The Risk Management methodology was included in the Biennium Work Plan 2014-2015 Operation Planning Guidelines.

49 Throughout the year 2013, PAHO only performed four risk assessments in Country Offices and two training workshops on this matter.

50 Despite the aforementioned background, the implementation of the system continues relying upon the efforts of only one key staff member. Besides, this staff member is close to his retirement age, in August 2014.

51 ERM has been funded with extra budgetary funds that were provided to PAHO for this purpose. This funding will expire in July 2014.

4.2.3. Audit Review

52 In our opinion, the following issues should be addressed shortly:

- The resources devoted to the development of the ERM system may not be sufficient to achieve, among others, the next goals: to complete the risk register and risk profile in the whole Organization; to update the entity risk maps in order to prioritize key risks for each area or country office; and to implement a plan to improve the risk management capabilities. Funding of ERM should be sufficient in order to reach its aims and to be integrated into PAHO´s culture.
- The approval of the document PAHO Top Corporate Risk.

- The replacement of the staff member in charge of the ERM. His relevant duties and experience imply the need to prepare an adequate handover between him and his/her substitute. Otherwise, a loss of information will occur and this may, subsequently, cause disruption in ERM development.

Recommendation 7: In order to ensure success when the system to be fully operational, we recommend that PAHO create a Risk Management Unit to develop the management risk functions and to review the resources devoted to the fully development and maintenance of the Enterprise Risk Management.

4.3. Letters of Agreement

53 Letters of Agreement (LOAs) are a very useful tool to implement technical cooperation. Therefore, since a big part of PAHO's activity is channelled through LOAs, a continuous monitoring is necessary. PAHO carries out this monitoring but we noticed some deficiencies in this control.

54 First of all, we observed that there is a significant number of very old LOAs with end dates even from 2004 that have not been closed yet. For instance, from 1.1.2008 to 12.31.2011 there are more than two hundred LOAs which should be closed but remain open. Moreover, there is no information on AMPES/OMIS about the reason why those LOAs have still not been closed. Therefore, PAHO HQ does not know the specific reasons for this situation, which entails a weakness in the control of these LOAs.

55 In addition, the current policy on LOAs sets the deadline for the beneficiary to submit the final report to PAHO (sixty days after the final date of the agreement), but this policy does not set a deadline for closing the LOAs.

56 Moreover, we noticed that in several LOAs the beneficiaries have still not returned the unexpended funds to PAHO which entails a risk of financial loss.

57 Even though PAHO has made an extraordinary effort to review the LOAs policy, there is a risk that LOAs could be used instead of service contracts or for other purposes than those for which they were created if this new policy is not approved.

58 The improper use of LOAs remains a risk, specifically when LOAs are used instead of service contracts, because it might be a way of avoiding competitive bidding.

Recommendation 8: We recommend that PAHO review all LOAs still open with ending dates older than a year. After this review PAHO should determine the status of each LOA and should close LOAs totally implemented and request from the beneficiaries the final reports or the outstanding amounts to be returned to PAHO, when necessary.

Recommendation 9: We recommend that PAHO set deadlines for closing LOAs after their ending date.

Recommendation 10: We recommend that the E-Manual and the new policy to be approved define the exclusions for the use of LOAs in a clearer way in order to avoid the misuse and the misunderstanding of this valuable cooperation instrument. We suggest the limits and differences between service contracts and LOAs be clarified.

4.4. Increase of expenses at the end of the budgetary period

59 PAHO Regular Budget includes the Member States' Assessed Contributions, Miscellaneous Revenue and the PAHO implemented resources from the WHO Regular Budget Allocation in order to implement the international health programs established by the World Health Assembly for the Region of the Americas.

60 As a result of analysis from a time perspective of the disbursements funded by Regular Budget[2] (both PAHO Regular and WHO funds), we found a significant increase of the level of disbursement in the last month of the year 2013.

61 Thus, eliminating the effect of expenses directly linked to Human Resources (payroll and some expenses of the Staff Health Insurance), we found that the disbursements of December (6.3 USD million) were a 194% higher than the

[2] Regular Budget Funds, as they are defined in the accounting records, excluding expenses funded by other sources such as Revolving Funds or Voluntary contributions among other sources of funding.

average level of the expenditure of the first eleven months of the year (2.14 USD million), under homogenous criteria.

62 It has to be admitted that, from an economic point of view, all the budget-basis organizations tend to increase their expenditure at the end of the budgetary period. PAHO is not an exception and, consequently, we noticed that the closure of the biennium pushes the Areas Directors and the PWRs to consume their resources in order to meet their aims.

63 However, we do not considered that the implementation of a relevant portion of the activities at the very end of the period to be a good practice to reach the programmatic objectives of the biennium in an efficient manner. Therefore, we consider that there could be a risk of not obtaining the best value for money.

64 Therefore, taking into account that the total amount of the biennium 2014-2015 budget is lower than the 2012-2013 one, as well as the commitment of the Secretariat to be more efficient in its management, it is necessary to take all the necessary steps to encourage every single manager to improve the efficiency in their planning and management.

65 Currently, the budget policy allocates all the unexpended regular budget resources to replenish the Working Capital Fund. Any excess of the authorized level of the Working Capital Fund is considered a revenue surplus and is used to cover subsequent needs of resources, once the Director, advised by the Subcommittee of Planning and Budget, appreciates those needs. The reach of the programmatic objectives and the financial execution of the budget is monitored on a semester basis.

Recommendation 11: We recommend setting an incentive to the allottees who reach their programmatic aims with the highest level of efficiency, allowing them to reuse a portion of the saved funds in the following biennium.

Recommendation 12: We recommend improving the monitoring and the planning of the projects funded with regular budget in both financial and programmatic side to avoid the accumulation of expenses at the end of the biennium.

5. Follow up of prior year recommendations

66 In our report for 2012, we made a number of recommendations about PAHO's management. As part of our work we have followed up the progress that PAHO has made in implementing these. The detailed follow up, including both the response from PAHO and our comments thereon, is set out in Annex B.

67 Overall, we are of the opinion that PAHO has responded appropriately to our previous recommendations and is taking steps to address the issues raised. We conclude that PAHO has responded very positively to our recommendations, since most of them have been closed or in progress. We took note of the implementation of our recommendations on PMIS since this project is critical to the Organization. However our recommendations on ERM are not completely implemented.

Acknowledgement

68 We wish to record our appreciation for the co-operation and assistance provided by the Director and the staff of the Organization during the course of our audit.

Madrid, April 11, 2014

Ramón Álvarez de Miranda García

President of the Spanish Court of Audit

Annex A - Summary of Audit Recommendations

Recommendation 1: We recommend that PAHO design a contingency plan for the Mais Médicos Project to face possible negative statements of both the Brazilian Federal Supreme Court, on the constitutionality of the project, and the Brazilian Labor Court, on the recognition of labor rights in Brazil for Cuban doctors. This contingency plan should include provisions to cope with the risks deriving from such negative statements (doctors' transportation, extraordinary expenses funding, liabilities, etc.).

Recommendation 2: We recommend that PAHO regularly check the compliance of the critical points of internal control framework of *Mais Médicos* Project.

Recommendation 3: We recommend that PAHO continue reinforcing the training on IPSAS concepts and keep a close oversight of those units with a higher risk.

Recommendation 4: We recommend deciding the software modules that need to be purchased and their integration in the PMIS Project timeline.

Recommendation 5: We recommend beginning the backfill process and hiring staff in the areas which have temporarily lent their key staff to the PMIS Project.

Recommendation 6: We recommend that PAHO focus its efforts in order to comply with the estimated deadline.

Recommendation 7: In order to ensure success when the system to be fully operational, we recommend that PAHO create a Risk Management Unit to develop the management risk functions and to review the resources devoted to the fully development and maintenance of the Enterprise Risk Management.

Recommendation 8: We recommend that PAHO review all LOAs still open with ending dates older than a year. After this review PAHO should determine the status of each LOA and should close LOAs totally implemented and request from the beneficiaries the final reports or the outstanding amounts to be returned to PAHO, when necessary.

Recommendation 9: We recommend that PAHO set deadlines for closing LOAs after their ending date.

Recommendation 10: We recommend that the E-Manual and the new policy to be approved define the exclusions for the use of LOAs in a clearer way in order to avoid the misuse and the misunderstanding of this valuable cooperation instrument. We suggest the limits and differences between service contracts and LOAs be clarified.

Recommendation 11: We recommend setting an incentive to the allottees who reach their programmatic aims with the highest level of efficiency, allowing them to reuse a portion of the saved funds in the following biennium.

Recommendation 12: We recommend improving the monitoring and the planning of the projects funded with regular budget in both financial and programmatic side to avoid the accumulation of expenses at the end of the biennium.

Annex B - Implementation of Prior Year Recommendations

We reviewed management's implementation of recommendations made in our prior year long form report. We have summarized the response and provided our evaluation, based on the audit work we have undertaken in respect of internal controls.

RECOMMENDATION	MANAGEMENT RESPONSE	SCA COMMENT
Recommendation 1 Consequentially, and given the important monetary amount of those operations, we recommend that PAHO consider the possibility of hedging the exchange rate risk. PAHO, as advised by the Investment Committee, might consider, among others, the following options to address the exchange rate risk: ▪ The use of financial derivatives (forwards, collars, cap, floor) to hedge exchange rate risk. ▪ Investing locally in case the investments comply with the conservative investing policies of the organization. We encourage keeping a prudent investment policy. ▪ Increasing temporarily the local currency balances, in order to minimize the currency exchange risk.	The Investment Committee reviews the policies concerning the management of foreign currency and continues to monitor the risks associated with the various country office operations. Various proposals have been submitted to Executive Management over the past five years, including investing locally to limit the need to enter into the foreign exchange markets, and hedging opportunities. Executive Management has reviewed the feasibility of hedging large scale foreign currency requirements. However, it was determined that, except for purchases that require payment in foreign currencies not held, there is no economic benefit to hedging foreign currency requirements at this time. The Committee is revisiting the proposal to invest locally so that projects that receive funds in local currency that will eventually be disbursed in local currency are not impacted by market transactions. The Committee met with Citibank to explore the investment options that are within the Investment Guidelines.	IN PROGRESS
Recommendation 2 We recommend that the E-Manual define exclusions for the use of letters of agreement in a clearer way in order to avoid the misuse and the misunderstanding of this valuable cooperation instrument. We suggest to specify what services should be excluded from the use of letters of agreement and to establish control mechanisms to make sure this is observed.	A review of the Letter of Agreements (LOA) Policy is underway. This review has been done in coordination with the Office of Legal Council (LEG) and the Department of Financial Resources Management (FRM). The revised policy is currently proceeding through the mandatory review of the E-Manual Standing Committee. Among other things, the new proposed policy clarifies the section related to exemptions from the use of LOA to avoid misunderstandings. Once the new LOA policy is approved, FRM and LEG will assess how to improve the existing controls.	IN PROGRESS

RECOMMENDATION	MANAGEMENT RESPONSE	SCA COMMENT
Recommendation 3 In order to have a better understanding and control of the category of "Courses and seminars", they should be channeled through Letters of Agreements if they are carried out by external entities or through service contracts if they are carried out by PAHO and for PAHO staff. Therefore, we recommend PAHO to reconsider the current concept and regulation of this important category.	FRM Country Accounting Services Team put **in** place some controls on Courses and Seminars to standardize the process in the country offices which includes standard form for institutions to request PAHO contributions, budgets, evaluation of the activities performed. Furthermore, the Department of Information Technology Services (ITS) developed a workflow that will separate the Courses and Seminars activities in accordance with the recommendation raised by the External Auditor. Either, funds are transferred to counterpart institution (similar treatment to the LOA process) or activities where PAHO organizes and maintains control of the funds, the coordination of activities, contracts and purchases and disbursement of funds are performed in-house. This initiative will be implemented in PWR-BRA as a pilot program. FRM and the Office of Internal Oversight and Evaluation Services (IES) participated in several workflow discussions with ITS (March 2013) and provided information on controls required within the workflow to ensure accountability. This recommendation should be closed.	CLOSED
Recommendation 4 We recommend using a more open selection process with, at least three offers, as it is established in the PAHO procurement process. In those cases in which there is only one candidate because of the high specialization required, this should be clearly justified.	The title Contractual Service Agreement (CSA) was eliminated in 2011. Regarding the Sole Source contracts in the Organization, the E-manual states the following: 30 The Director of Administration or his/her authorized representative, in accordance with PAHO/WHO E-Manual Chapter VI.5.3, may determine exceptions to the competition rule in the following circumstances: ▪ When there is no competitive marketplace for the goods and services, such as where a monopoly exists, where prices are fixed by legislation or government regulation or arrangement, or where the requirement involves a proprietary product or service; ▪ When the equipment and supplies must be compatible with other standardized equipment and supplies; ▪ When PAHO can benefit from an existing agreement entered into by another agency of the UN system and the contractor has agreed to offer the goods or services to PAHO on the same terms; ▪ When, at PAHO Headquarters, the goods or services are available through a method of supply developed by United	CLOSED

RECOMMENDATION	MANAGEMENT RESPONSE	SCA COMMENT
	States of America Federal Agencies and Departments; ▪ When offers for identical goods and services have been obtained competitively within a reasonable period, usually not greater than 12 months, and the prices and conditions offered remain competitive; ▪ When, within a reasonable prior period, a formal solicitation has not produced satisfactory results; ▪ When the goods and services are for a PAHO declared emergency, in accordance PAHO/WHO E-Manual Chapters VII.3.4; ▪ When the value of the procurement is below the established monetary thresholds, as indicated in the Practitioner's Handbook; ▪ When it is determined by PRO that there is one source of supply for a good or service, as described in the Practitioner's Handbook; ▪ Other compelling and exceptional reasons, where competitive bidding will not be in the best interest of PAHO. ▪ The report mentioned in paragraph 37 shows 236 purchases of which 93 are purchases for less than US$5,000 (no competition needed as per PAHO Regulations and Rules); 12 purchases are based on Long Term Agreements (LTAs), which are based on competitive processes; 4 purchases are related to the General Service Administration (GSA) vendors, already competed by GSA; 7 purchases are UN (already competed by UN agencies); 4 purchases are copyright; 2 purchases are monopolies; and, 2 purchases are repeated orders. That represents a total of 124 purchases which did not need bidding process in accordance with PAHO Regulations. The majority of the other 112 purchases represent contracts with individuals and companies with unique characteristics. Each file has an adjudication report. Furthermore, the Department of Procurement and Supply Management (PRO) always requests that the Purchase Authorization (PA) includes a justification in case sole source is requested. This recommendation should be closed	
Recommendation 5 We recommend that PAHO continue reinforcing the training on IPSAS concepts and keep a close	FRM will continue to reinforce the understanding on IPSAS concepts through Elluminate sessions with country offices	IN PROGRESS

RECOMMENDATION	MANAGEMENT RESPONSE	SCA COMMENT
oversight of those units with a higher risk.	during the fourth quarter of 2013. A document detailing lessons learned from the 2012 financial closure exercise will be provided to the country offices during the second quarter of 2013.	
Recommendation 6 We recommend that PAHO focuses its efforts in order to comply with the estimated deadline in the pre-implementation phase as a priority issue. That phase is the most important as it defines the comprehensive change management and the structure of the whole ERP project.	PAHO is presently carrying out the pre-implementation phase and agrees that this is an important phase of the ERP. Priority has been given to maintain the scheduled timeline for the ERP implementation.	CLOSED
Recommendation 7 We recommend that PAHO increase its communication and information actions through all levels of the Organization. It is necessary for the staff to be informed about the project progress, its advantages, benefits and cost, and the training to be planned well in advance.	PAHO will issue an RFP to engage a vendor specialized in ERP communications and change management. Due to the importance, impact and sensitivity of the project, it is imperative to adopt the most appropriate communication channels for this project and to use the support of an experienced partner.	CLOSED
Recommendation 8 We recommend beginning the necessary analysis to determine the steps to take in the coming first and second phases. PAHO should define indicators or targets in order to enable monitoring the progress in ERP´s implementation.	This will be laid out in the PMIS Project Plan, which will be reflected in the 2014-15 BWP of ITS and AM/SI.	CLOSED
Recommendation 9 We recommend that the PAHO´s Director should define the Risk Management as an institutional process, thus demonstrating the commitment, the support as well as the importance of this project within the whole Organization.	This is stated in the ERM Policy that has just been published in the PAHO/WHO E-manual Chapter I.6.5b on 17 May 2013. This recommendation should be closed.	CLOSED
Recommendation 10 We recommend that the Draft Risk Management Policy be adopted as soon as possible.	This is stated in the ERM Policy that has just been published in the PAHO/WHO E-manual Chapter I.6.5b on 17 May 2013. This recommendation should be closed.	CLOSED
Recommendation 11 We recommend that PAHO create a Risk Management Unit to develop the management risk functions and review the resources devoted to the implementation and maintenance of the system to ensure success when the system will be fully operational.	AM has an Enterprise Risk Management professional now, who is training and facilitating the creation of Risk registers and Risk mitigation plans in countries and HQ. The requirement for additional Human Resources to form a unit will be weighed against the response of the Countries and HQ entities to the ERM training.	NOT IMPLEMENTED YET
Recommendation 12 PAHO needs a comprehensive E-Manual to provide guidance and assistance to all staff in the implementation of the PAHO values of equity, excellence, solidarity, respect and integrity. We recommend that PAHO proceed to update the E-Manual with all policies and procedures involve in PAHO's management	The PAHO/WHO E-Manual adopts the WHO E-Manual table of contents in its entirety, except where PAHO has a policy variance from the WHO. For both types of policy (variances, making up about 40% of all policies and non-variance, making up about 60%) the PAHO/WHO E-Manual, has been completed since 18 June 2012 (GIB:HQ/FO-12-49). Effective from 18 June 2012, the	IN PROGRESS

RECOMMENDATION	MANAGEMENT RESPONSE	SCA COMMENT
	PAHO/WHO E-Manual has been and remains the only repository of PAHO policies. Therefore, a comprehensive electronic PAHO/WHO E-manual is available via the PAHO Intranet for all personnel and managers. Further, the PAHO/WHO Standing Committee usually meets monthly to review draft policies. Since June 2012, the Standing Committee has cleared about 1-2 policies a month for publication in order to improve policies and keep the manual current. With respect to procedures, a modality and work plan for improved handling and updates to procedures, when required, is being developed to coincide with the PAHO Management Information System's (PMIS) implementation. Doing so avoids duplication of work and achieves economies as many of the standard operating procedures now handled manually will be automated and/or impacted by the workflows of PMIS.	
Recommendation 13 Due to different valuation of the PALTEX Program inventory and the concern that it would contain obsolete, damaged or lost books, we recommend PAHO to carry out a physical inventory control by an independent party.	PAHO is preparing the RFP requesting bids from accounting firms to conduct an independent physical control of PALTEX inventory. Mr. Eduardo Castro will be the project officer for this initiative and with the support of FRM, will ensure completion of this task by the fourth quarter of 2013.	IN PROGRESS
Recommendation 14 We consider that PAHO should strengthen the control over the books inventory. Currently, all the operations are registered manually by the PALTEX staff by means of software program. We recommend the use of electronic control systems, using bar code reader that provides accurate information about the inventory.	The module needed an electronic bar coding reader which was bought in April 2013. Additional programming is needed in order to support this module. We expect to test the module in the third quarter of 2013. If everything is working appropriately, it will be implemented in some distribution Centres in 2014.	IN PROGRESS
Recommendation 15 We suggest that PAHO perform a study on the technical and economic future viability of PALTEX Program. In addition to analyzing whether the revenues obtained cover expenses for operation, the Organization should analyze the increasing consumption of digital media versus traditional publishing.	A study on the Technical and economic viability will be performed the first quarter of 2014. PAHO will also analyze the use of eBooks and digital data versus hard copies.	IN PROGRESS

Unaudited Informational Annex

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Segmented Information on the Statement of Financial Performance

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Core Activities Segment

	PAHO Regular Budget	AMRO Regular Budget	PAHO Governing Bodies Projects	**Total 2013**	Total 2012
REVENUE					
Revenue from Non-Exchange Transactions					
Assessed Contributions	96 200 000			96 200 000	96 200 000
Voluntary Contributions					
Other Revenue		42 464 261		42 464 261	37 792 522
Revenue from Exchange Transactions					
Procurement of Public Health Supplies					
Other Revenue	(19 784)			(19 784)	337 380
Miscellaneous Revenue	1 897 984			1 897 984	3 263 871
TOTAL REVENUE	**98 078 200**	**42 464 261**		**140 542 461**	137 593 773
EXPENSES					
Staff and Other Personnel Costs	78 866 922	35 131 153	298 661	114 296 736	109 446 248
Supplies, Commodities, Materials	3 354 841	1 074 480	138 700	4 568 021	2 699 551
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization	2 005 096		163 762	2 168 858	1 019 502
Contract Services	7 320 743	2 387 696	265 003	9 973 442	13 732 949
Travel	5 935 725	1 696 279	118 104	7 750 108	6 840 342
Transfers and Grants to Counterparts	1 316 875	727 809	12 196	2 056 880	1 552 935
General Operating and Other Direct Costs	2 930 391	1 446 844	4 070	4 381 305	4 645 778
Indirect Support Costs					
TOTAL EXPENSES	**101 730 593**	**42 464 261**	**1 000 496**	**145 195 350**	139 937 305
NET SURPLUS / (DEFICIT)	**(3 652 393)**		**(1 000 496)**	**(4 652 889)**	(2 343 532)

* See Note 14.1 Working Capital Fund

Partnership Activities Segment

	PAHO Voluntary Contributions	PAHO National Voluntary Contributions	AMRO Voluntary Funds for Health Promotion
REVENUE			
Revenue from Non-Exchange Transactions			
Assessed Contributions			
Voluntary Contributions	69 135 711	286 594 514	
Other Revenue			21 649 097
Revenue from Exchange Transactions			
Procurement of Public Health Supplies			
Other Revenue	218		
Miscellaneous Revenue			
TOTAL REVENUE	69 135 929	286 594 514	21 649 097
EXPENSES			
Staff and Other Personnel Costs	18 129 015	5 294 372	8 776 531
Supplies, Commodities, Materials	7 666 689	1 012 210	2 496 404
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization			
Contract Services	13 675 545	63 654 062	4 017 370
Travel	10 804 671	72 963 275	4 744 899
Transfers and Grants to Counterparts	10 923 848	129 492 828	1 352 236
General Operating and Other Direct Costs	1 438 236	509 144	261 657
Indirect Support Cost	6 497 707	13 668 623	
TOTAL EXPENSES	69 135 711	286 594 514	21 649 097
NET SURPLUS / (DEFICIT)	218		

Partnership Activities Segment

AMRO Sasakawa Health Trust Fund	PAHO Emergency Preparedness & Disaster Relief	**Total 2013**	Total 2012
	2 039 186	357 769 411	216 285 050
333 505		21 982 602	19 341 247
		218	279
333 505	**2 039 186**	**379 752 231**	**235 626 576**
43 241	523 757	32 766 916	32 767 588
522	482 047	11 657 872	11 911 924
22 728	582 498	81 952 203	71 611 540
267 014	278 918	89 058 777	60 850 991
	(1 213)	141 767 699	41 094 657
	26 643	2 235 680	3 254 682
	128 157	20 294 487	14 132 089
333 505	**2 020 807**	**379 733 634**	**235 623 471**
	18 379	**18 597**	**3 105**

Enterprise Activities Segment

	Revolving Fund for Vaccine Procurement	Reimbursable Procurement on Behalf of Member States	Regional Revolving Fund for Strategic Public Health Supplies	Income From Services
REVENUE				
Revenue from Non-Exchange Transactions				
Assessed Contributions				
Voluntary Contributions				
Other Revenue				
Revenue from Exchange Transactions				
Procurement of Public Health Supplies	550 647 838	22 903 490	23 416 102	
Other Revenue				3 353 179
Miscellaneous Revenue				
TOTAL REVENUE	**550 647 838**	**22 903 490**	**23 416 102**	3 353 179
EXPENSES				
Staff and Other Personnel Costs				305 810
Supplies, Commodities, Materials	535 346 057	22 903 490	22 777 716	1 421 846
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization				
Contract Services				1 390 728
Travel				234 248
Transfers and Grants to Counterparts				
General Operating and Other Direct Costs				355 700
Indirect Support Costs				
TOTAL EXPENSES	**535 346 057**	**22 903 490**	**22 777 716**	3 708 332
NET SURPLUS / (DEFICIT)	**15 301 781**		**638 386**	(355 153)

Enterprise Activities Segment

Special Fund for Program Support	Expanded Textbook and Instructional Materials Program	AMRO Special Account for Servicing Costs	**Total 2013**	Total 2012
20 294 877			20 294 877	14 146 068
		4 279 433	4 279 433	3 344 397
3 375 748			600 343 178	565 818 926
73 678	6 505 844		9 932 701	8 275 315
(3 161 996)			(3 161 996)	16 851 893
20 582 307	**6 505 844**	**4 279 433**	**631 688 193**	608 436 599
8 978 132	1 085 121	1 273 748	11 642 811	16 330 636
64 131	4 179 837	201 222	586 894 299	552 583 855
	85 714		85 714	85 714
712 300	708 973	1 548 866	4 360 867	3 217 320
78 922	81 136	278 902	673 208	963 724
186 481	787 151	976 695	2 306 027	2 724 273
10 019 966	**6 927 932**	**4 279 433**	**605 962 926**	575 905 522
10 562 341	**(422 088)**		**25 725 267**	32 531 077

Special Activities Segment

	PAHO Health Promotion	PAHO Food Safety Five-year Plan	PAHO Provision for Termination & Repatriation Entitlements	PAHO Provision for Staff Entitlements	PAHO Post Occupancy Charge	PAHO After Service Health Insurance
REVENUE						
Revenue from Non-Exchange Transactions						
Assessed Contributions						
Voluntary Contributions						
Other Revenue						
Revenue from Exchange Transactions						
Procurement of Public Health Supplies						
Other Revenue	7 134		3 848 326	4 387 608	4 413 459	1 816 300
Miscellaneous Revenue						
TOTAL REVENUE	**7 134**		**3 848 326**	**4 387 608**	**4 413 459**	**1 816 300**
EXPENSES						
Staff and Other Personnel Costs	5 613	40 201	5 455 084	4 006 748	186 114	25 332 480
Supplies, Commodities, Materials	34 619	4 573			295 237	
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization						
Contract Services	65 372	2 152			2 685 835	
Travel	87 454	48 146			284 436	
Transfers and Grants to Counterparts						
General Operating and Other Direct Costs	5 700	391			1 133 025	
Indirect Support Costs						
TOTAL EXPENSES	**198 758**	**95 463**	**5 455 084**	**4 006 748**	**4 584 647**	**25 332 480**
NET SURPLUS / (DEFICIT)	**(191 624)**	**(95 463)**	**(1 606 758)**	**380 860**	**(171 188)**	**(23 516 180)**

Special Activities Segment

PAHO Tax Equaliza-tion Fund	PAHO Master Capital Investment Fund	AMRO Contribu-tion for Renovation of Assets	AMRO Terminal Payments Account	AMRO Non- Payroll Statutory Entitle-ments	AMRO Staff Development and Learning Fund	AMRO Post Occupancy Charges Fund	Total 2013	Total 2012
10 045 000							10 045 000	10 045 000
		850 000			265 791	2 052 051	3 167 842	1 131 181
	2 277 038		572 450	1 416 549			18 738 864	16 658 596
10 045 000	**2 277 038**	**850 000**	**572 450**	**1 416 549**	**265 791**	**2 052 051**	**31 951 706**	27 834 777
7 010 950			572 450	1 416 549	15 471		44 041 660	41 898 979
	966 253	850 000			(295)		2 150 387	578 993
	(18 597)						(18 597)	37 386
	1 845 702				129 424	1 082 801	5 811 286	3 001 995
					99 019	39 814	558 869	193 056
	54 800						54 800	112 000
	1 013 173				22 172	929 436	3 103 897	1 725 031
7 010 950	**3 861 331**	**850 000**	**572 450**	**1 416 549**	**265 791**	**2 052 051**	**55 702 302**	47 547 440
3 034 050	**(1 584 293)**						**(23 750 596)**	(19 712 663)

Sub-Regional Consolidated Centers Activities Segment/Intra-party Segment

	Carib-bean Epidemi-ology Center	Carib-bean Food and Nutrition Institute	Total Sub-Regional Consolidated Centers Activity Segment	Intra-Party Segment	Total 2013	Total 2012
REVENUE						
Revenue from Non-Exchange Transactions						
Assessed Contributions					106 245 000	109 271 124
Voluntary Contributions				(21 158 007)	356 906 281	216 418 821
Other Revenue				(2 902 051)	68 992 087	60 632 382
Revenue from Exchange Transactions						
Procurement of Public Health Supplies				(3 375 748)	596 967 430	562 436 367
Other Revenue				(17 041 866)	11 610 133	9 702 639
Miscellaneous Revenue					(1 264 012)	20 127 570
TOTAL REVENUE				**(44 477 672)**	**1 139 456 919**	978 588 903
EXPENSES						
Staff and Other Personnel Costs				(16 454 696)	186 293 427	187 269 044
Supplies, Commodities, Materials				(4 468 906)	600 801 673	564 587 956
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization				(85 583)	2 150 392	1 142 602
Contract Services				(2 041 802)	100 055 996	92 930 219
Travel				(202 762)	97 838 200	69 031 215
Transfers and Grants to Counterparts					143 879 379	42 759 592
General Operating and Other Direct Costs				(929 436)	11 097 473	11 993 028
Indirect Support Costs				(20 294 487)		
TOTAL EXPENSES				**(44 477 672)**	**1 142 116 540**	969 713 656
NET SURPLUS / (DEFICIT)					**(2 659 621)**	8 875 247

Assessed Contributions

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Pan American Health Organization *Annex*
Assessed Contributions and Payments Received

(expressed in US dollars)

Member State	Beginning Balance 1 January 2013	Assessed Contributions	Payments Received	Ending Balance 31 December 2013
Antigua and Barbuda		21 164	21 164	
Argentina		2 316 496	2 316 496	
Aruba [1\]		16 354		16 354
Bahamas		59 644	59 644	
Barbados		43 290	43 290	
Belize		21 164	21 164	
Bolivia		47 138	47 138	
Brazil	3 104 795	9 563 242	11 220 916	1 447 121
Canada		11 562 064	11 562 064	
Chile		1 143 818	1 143 818	
Colombia		1 009 138	1 009 138	
Costa Rica		212 602	212 602	
Cuba		176 046	176 046	
Curacao [1\]		16 354		16 354
Dominica		21 164	21 164	
Dominican Republic		247 234	247 234	
Ecuador		248 196	248 196	
El Salvador	109 668	109 668	109 668	109 668
France	1 515	210 678	210 085	2 108
Grenada	41 668	21 164		62 832
Guatemala		161 616	161 069	547
Guyana	5 024	21 164	23 160	3 028
Haiti		32 708	32 708	
Honduras		49 062	49 062	
Jamaica		89 466	89 466	
Mexico		7 966 322		7 966 322
Netherlands		16 354	16 354	
Nicaragua		32 708	32 708	
Panama		151 996	14 650	137 346
Paraguay		89 466	89 466	
Peru		661 856		661 856
Puerto Rico	80 808	80 808	80 808	80 808
Saint Kitts and Nevis		21 164	21 164	
Saint Lucia		21 164	21 164	
Saint Vincent and the Grenadines	21 164	21 164		42 328
Sint Maarten [1\]		16 354	16 354	
Suriname		32 708	32 708	
Trinidad and Tobago		173 160	173 160	
United Kingdom	109 196	44 252	149 962	3 486
United States	22 455 653	67 186 090	65 686 090	23 955 653
Uruguay		205 868	205 868	
Venezuela	2 102 932	2 102 932		4 205 864
TOTAL - PAHO	**28 032 423**	**106 245 000**	**95 565 748**	**38 711 675**

[1\] In accordance with Resolution CSP28.R1, dated 17 September 2012, Aruba, Curacao and Sint Maarten were admitted as Associate Members of PAHO. Their assessments, along with the Netherlands, have been established at 0.017% of the approved budget for 2012-2013.

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Procurement Funds

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Statement of Reimbursable Procurement on Behalf of Member States

Annex

(expressed in US dollars)

This Statement of Reimbursable Procurement on Behalf of Member States, formerly known as Advances from Government and Institutions for Procurement, represents funds deposited with the Organization by governments and institutions/agencies under the jurisdiction of the minister of health for the purchase, on behalf of the ministry, of supplies, equipment, and literature which otherwise would be either unobtainable or subject to procurement difficulties in the countries concerned in 2013. A 3.5% service charge was applied to the net cost of the items purchased. In accordance with Resolution CD 50.R1 of the 50th Directing Council an increase of 0.5% to the previously established 3% was approved. In 2013 the service charges amounted to $676 333, in accordance with Resolution CD28.R36 of the 28th Directing Council, this amount was included in the Special Account for Program Support Costs and has been used to defray part of the staff costs related to these procurement functions.

Source of Funds	Accounts Receivable	Deferred Revenue	Revenue/ Expense[1/]
Argentina	-	396 060	
Bahamas	-		16 154
Barbados	-	368	
Belize	-	60 901	
Bolivia	-	89 021	42 347
Brazil	-	3 619 423	10 777 861
Chile	-	7 134	20 096
Colombia	-		419 284
Costa Rica	-	992	12 068
Cuba	-	240 150	2 537 103
Dominican Republic	-	3 816	
Ecuador	-	164 937	43 754
El Salvador	-	9 144	32 206
Grenada	-	583	
Guatemala	-	186 517	6 862 955
Guyana	-	108 608	18 130
Haiti	-	13 091	
Honduras	-	17 275	143 157
Jamaica	-	10	
Nicaragua		14 649	237 602
Panama	-	124 044	279 656
Paraguay	-	1 918	
Peru	-	7 558	
Trinidad and Tobago	-	14 511	24 792
Uruguay	-	36 818	
Venezuela	-	1 148 024	1 273 035
Sub-Total Reimbursable Procurement on Behalf of Member States	-	**6 265 552**	**22 740 200**
Accrued Liability	-	**(164 808)**	**163 290**
Total Reimbursable Procurement on Behalf of Member States	-	**6 100 744**	**22 903 490**

[1/] In accordance with IPSAS, beginning 1 January 2010, PAHO has recognized as Deferred Revenue the contributions for procurement activities committed during the Financial Period. Revenue and Expense for the Financial Period are recognized based on the cost of the goods and services being delivered or performed during the Financial Period. Furthermore, an accrued liability of $164 808 has been recognized for goods delivered at the end of 2013 and paid in 2014.

Annex

Status of the Revolving Fund for Vaccine Procurement

(expressed in US dollars)

The establishment of the Revolving Fund for Vaccine Procurement, formerly known as the Revolving Fund for the Expanded Program on Immunization, was authorized by Resolution CD25.R27 of the 25th Directing Council (1977). The Revolving Fund finances the procurement of vaccines and syringes for Member States/Institutions unable to deposit funds with the Organization in U.S. currency in advance of procurement.

In accordance with the provisions of the Revolving Fund, the Director is authorized to transfer funds over and above a minimun Reserve Account Balance of $100 000 to the Revolving Fund as additional capital for the Capitalization Account. In 2013, the Capitalization and Reserve Account reached $126 028 413, including the 3% service charge earned $15 187 712, the accrual of $338 285, a $89 169 charge for valuation losses, a $135 047 charge for pricing variance, the $100 000 Reserve Balance, and the $10 000 000 transfered from PAHO in previous biernnia. In accordance with Resolution CD 50.R1 of the 50th Directing Council an increase of 0.5% to a previously established 3% was approved. In 2013 the 0.5% amounted $2 531 285 and was included in the Special Account for Program Support Costs.

	Revenue	Expense	Net
Country Summary Totals	538 842 902	523 655 190	15 187 712
Adjustment for Accrued Liability	11 894 105	11 894 105	
Adjustment for Accrued Capitalization		(338 285)	338 285
Pricing Variance		135 047	(135 047)
Valuation Gain And Losses	(89 169)		(89 169)
Total	**550 647 838**	**535 346 057**	**15 301 781**

	Balance 31 December 2012	Activity	Balance 31 December 2013
Reserve Account Balance	100 000		100 000
Accounts Receivable	(17 965 175)	(19 245 933)	(37 211 108)
Accrued Accounts Receivable	(524 928)	(9 960 699)	(10 485 627)
Deferred Revenue	175 335 284	(72 714 069) [1/]	102 621 215
Accrued Deferred Revenue	(2 352 584)	(2 271 690)	(4 624 274)
Capitalization of the Revolving Fund	100 626 632	15 301 781	115 928 413
Transfer from PAHO	10 000 000		10 000 000
Closing Fund Balance	**265 219 229**	**(88 890 610)**	**176 328 619**
<u>Funds Available for Future Revolving Fund Purchases</u>			
Revolving Fund Balance as of 31 December 2013 (per above)			**176 328 619**
Plus: Amount due to Fund from Member States/Institutions (Gross)		**47 696 735**	
Less: Funds received in Advance from Member States/Institutions (Gross)		**(97 996 941)**	**(50 300 206)**
Balance of Capitalization Account			**126 028 413**

[1/] The initial Deferred Revenue amount of $76 240 193 minus the refunds to Governments of $3 526 124 results in a Net Deferred Revenue figure of $72 714 069.

Annex

Statement of the Revolving Fund for Vaccine Procurement

(expressed in US dollars)

Source of Funds	Accounts Receivable	Deferred Revenue	Revenue[1/]	Expense[1/]
Anguilla	5 123		24 065	23 732
Antigua and Barbuda	31 402		33 200	32 405
Argentina		8 040 239	79 709 864	77 466 477
Aruba	44 916		240 396	234 001
Bahamas	73 926		802 773	780 493
Barbados	112 202		351 851	342 234
Belize		363 342	252 467	246 011
Bermuda	77 838		155 150	151 100
Bolivia		7 907 912	10 044 333	9 781 350
Brazil		8 114 840	44 179 442	42 938 053
British Virgin Islands	17 261		39 726	38 953
Cayman Islands	4 173		138 955	135 338
Chile	99 524		1 080 319	1 050 520
Colombia		56 298 704	146 456 562	142 287 852
Costa Rica		9	10 921 589	10 620 476
Dominica	14 654		25 393	24 853
Dominican Republic	1 854 110	485	8 099 601	7 872 683
Ecuador		7 856 779	45 992 611	44 685 487
El Salvador	4 312 813		11 442 219	11 119 155
Grenada	63 387		39 426	38 599
Guatemala	7 531 343	10	25 727 285	25 011 498
Guyana	334 339	362 520	621 184	604 860
Haiti	8	469 729	1 221 091	1 189 156
Honduras		2 039 388	8 518 311	8 285 076
Jamaica	4 251		1 220 481	1 187 531
Montserrat	1 618		5 474	5 406
Netherlands Antilles		32 066	118 535	115 429
Nicaragua	1 016 068	1 033 728	6 002 738	5 840 552
Panama	3 642 049		16 212 375	15 751 530
Paraguay	5 017 927		24 305 089	23 621 717
Peru		10 098 160	60 650 602	58 925 956
Saint Kitts and Nevis	3 186		25 129	24 593
Saint Lucia	8 461		98 943	96 590
Saint Vincent and The Grenadines	29 453		61 024	59 825
Saint Maarten			108 683	105 634
Suriname	760 902		955 676	928 954
Trinidad and Tobago	513 810		2 206 732	2 144 200
Turks and Caicos Islands	10 715		38 111	37 547
Uruguay	716 976		8 665 239	8 421 548
Venezuela	10 908 673	3 304	22 050 258	21 427 816
Total Revolving Fund for Vaccine Procurement	**37 211 108**	**102 621 215**	**538 842 902**	**523 655 190**

[1/] In accordance with IPSAS, beginning 1 January 2010, PAHO has recognized as Deferred Revenue the contributions for procurement activities performed during the Financial Period. Revenue and Expense for the Financial Period is recognized based on the cost of the goods being delivered or performed during the Financial Period. Furthermore, an accrued liability of $14 696 801 has been recognized for goods delivered at the end of 2013 and paid in 2014.

Annex

Statement of the Regional Revolving Fund for Strategic Public Health Supplies

The Fund was established in 1999 by the Director under the authority vested in him by Financial Regulation 9.3 (originally 6.7), following the request of the PAHO Member States. The objectives of the Fund include reducing the cost of strategic public health supplies, making these supplies continuously available to the Member States, assisting the Member States in improving their planning capabilities to use these supplies, and broadening the scope of the Member States' public health programs. The Director approved the use of the 3% administrative service charge for the capitalization of the Fund effective 1 August 2005. This capitalization amounted to $638 386 during the 2013 financial reporting period and reached a total amount of $5 925 586 at the end of 2013. In accordance with Resolution CD 50.R1 of the 50th Directing Council an increase of 0.5% to the previously established 3% was appoved. In 2013 the 0.5% amounted $117 905 and was included in the Special Account for Program Support Costs. As of 31 December 2013, twenty-four Member States had indicated their commitment to participate in the Fund through an exchange of letters.

Source of Funds	Accounts Receivable	Deferred Revenue	Revenue[1/]	Expense[1/]
Argentina	-	408 683	3 872	3 778
Belize	-	33 453	14 885	14 489
Bolivia	-	1 999 252	1 559 707	1 517 591
Brazil	965 179	14 321 671	6 832 137	6 646 333
Chile	-	5 500	22 709	22 083
Colombia	-	8 622 095	3 796 507	3 692 615
Costa Rica		17 356	18 995	18 485
Dominican Republic	521,473	384 123	833 014	811 363
Ecuador	-	5 530 841	1 374 921	1 337 277
El Salvador	302,233	996 368	960 481	934 644
Guatemala	817 931	861 696	4 906 077	4 767 931
Honduras	88 611	25 886	166 288	162 373
Nicaragua		207 513	44 036	43 134
Panama		8 446	26 246	25 711
Paraguay	-	426 622	876 745	853 657
Peru	-	305 572	144 758	140 962
Suriname	-	98		
Trinidad and Tobago	-	377	7 620	7 445
Uruguay		7 930	3 346	3 285
Venezuela		12 042 710	4 296 383	4 178 143
Sub-Total Regional Revolving Fund for Strategic Public Health Supplies	**2 695 427**	**46 206 192**	**25 888 727**	**25 181 299**
Accrued Liability	**11 315**	**(452 468)**	**(2 472 625)**	**(2 403 583)**
Total Regional Revolving Fund for Strategic Public Health Supplies	**2 706 742**	**45 753 724**	**23 416 102**	**22 777 716**

[1/] In accordance with IPSAS, beginning 1 January 2010, PAHO has recognized as Deferred Revenue the contributions for procurement activities received during the Financial Period. Revenue and Expense for the Financial Period is recognized based on the cost of the goods and services being delivered or performed during the Financial Period. The Fund's "Expense" of the $638 386 in administrative service charge, was excluded from the $22 777 716. Furthermore, an accrued liability of $452 468 has been recognized for goods delivered at the end of 2013 and paid in 2014.

Voluntary Contributions

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Annex

Summary of Voluntary Contributions

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
I. Government Financing					
Brazil					
Contribution of the Government to PANAFTOSA	063001			1 636 390	2 693 120
Contribution of the Government to BIREME	063004			2 070	1 685 144
SCIELO Books \ E-Publication Books of Academic Presses	063197	15 793		15 795	
Implementation Portal BUS/CEFOR - SMS	063203				33 657
Improvement of Cooperation South-South in Humanitarian Operations in Health	063223			45 200	
Development of Methodology System E-Publication Books of Academic Presses	165001	171 697		171 697	
Subtotal		187 490		1 871 152	4 411 921
Canada					
Free Obstetric Care for Poor Pregnant Women	026128				25 177
Support to a Vaccination Expansion Program in Haiti (PAPEV) PAHO/UNICEF	026129			1 031 563	1 226 493
Disaster Risk Reduction in the Health Sector of CARICOM Member States	026136				192 596
Support to PAHO Regional Routine Immunization Program	026144				458 882
PAHO Programme for Emergency Preparedness and Disaster Relief	026147				(1 783)
Increased Access to Health Services through Performance-Based Contracting for Women, Children and those Displaced by the January12, 2010 Earthquake Living in Camps	026148			486 543	10 110 892
Improved Health and Increased Protection from Communicable Diseases (IHIPCD) for Women, Children and Excluded Populations in Situations of Vulnerability in Latin America and the Caribbean	026149			2 878 748	6 289 064
Public Health Innovation and Equity in Latin America and the Caribbean	109036	56 232		185 608	155 402
Ecohealth and Communicable Diseases in Latin America: Improving Technical Writing Skills of Young Researchers	109037	5 717		26 051	57 716

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Population - Wide Dietary Salt Reducction Evidence from the Americas	109038		4 077		46 012
Evaluation Alcohol Control Policies in Peru and St. Kitts and Nevis	109039	155 951		235 446	16 641
Improvement of Reproductive Health in Haiti	278008		22 720	498 584	2 610 629
Report of the One Health Workshop for the Caribbean From Ideas to Action	435007				21 365
Counter - Terrorism Capacity Building Program	452003			1 056	8 607
A More Resilient Health Sector in the Americas	452004	468 603		935 196	
Caribbean One Health Workshop to be held in Port of Spain	462003				9 935
Subtotal		686 503	26 797	6 278 795	21 227 628
Dominican Republic					
Support for the National Tuberculosis Program	068007				112 967
Subtotal					112 967
Honduras					
Initiative for Strengthening Health Services in the Framework of the Alliance GAVI (FSS/GAVI)	074013			165 740	107 203
Strengthening the Tuberculosis (TAES) Strategy in Honduras	074014			388 867	190 812
Subtotal				554 607	298 015
France					
Technical Training Officers, Ministry of Health - Bolivia	062042		863		17 636
Subtotal			863		17 636

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Guyana					
Survey of Iron, Iodine and Vitamin A Status and Antibody Levels in Guyana	330010	22 241			59 921
Subtotal		22 241			59 921
Italy					
Support to National Health System (PROSEPU II)	261028		216 997		
Subtotal			216 997		
Luxemburg					
Joint Program to Contribute in the Achievement of the Development Objectives of the Milleneum in the Departments of New Segovia, Chontales, Autonomous Region of the South Atlantic in Nicaragua	191110	584 530		2 057 146	308 804
Subtotal		584 530		2 057 146	308 804
Mexico					
Health Promotion and Disease - Risk Prevention in North Mexican Border	076019				2 842
Annex I to the Understanding Memorandum between the Secretary of Health of The United Mexican States and PAHO	076027	569 695		572 835	571 254
Subtotal		569 695		572 835	574 096
Norway					
HIV Prevention in Young People using a Human Rights Framework in Central America and the Caribbean	251035	1 217 106		1 908 800	640 990
Subtotal		1 217 106		1 908 800	640 990

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Panama					
Strengthen the National and Regional Mechanisms of Tobacco Product Control	079013	500 000		567 412	238 648
Subtotal		500 000		567 412	238 648
Peru					
Pan American Center for Sanitary Engineering and Environmental Sciences (CEPIS)	081001			7 298	280 579
Regional Task Force on Water and Sanitation based in Peru - ETRAS	081040			209 019	200 835
Subtotal				216 317	481 414
South Korea					
Strengthening the Response Capacity, Access and Quality for the Korea Health Network (KHN) in El Alto, La Paz, Bolivia	456001	460 903		1 000 000	
Subtotal		460 903		1 000 000	
Spain (Including Provincial Governments)					
Spain Holding Account	230001			5 761 200	
Mobil Health Care Assistance - Bolivia	230099			459 972	
"Spanish Fund Development 2007" Primary Health Care in Bolivia	230105			204 162	6 722
Regional Program Dengue	230135				(132)
Institutional Strengthening - Public Health Systems	230142				(7 627)
Finance Experts	230146				(457)
Evaluation of the Cooperation of Spain	230147				42 960
Provision for Remaining Funds of Joint Activities of the Spanish Fund	230151			533	
Initiative for Safe Motherhood	230153				(3 712)
World Health Day Devoted to Older Adults	230154			12 000	798 166

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Vaccination Week of the Americas 2012, Programmed for the week of 21 to 28 April	230155			12 455	1 236 159
Expert Promotion Services Health Integrated Forms	230156			3 762	40 089
Support in the Knowledge Management and Research	230157			2 762	124 647
Guarantee the Access to the Reproductive Health Services and Promote the Reproductive Sexual Rights with Special Emphasis on the most Vulnerable Populations	230158			15 198	663 624
Promote Child Health through `Integrated Management of Childhood Illness`	230159			3 278	597 924
Expert International Health Regulations	230160			1 077	14 006
Meeting of the Andean Sub regions and the Southern Cone on HIV Testing to take place in Colombia	230161			12 702	469 411
Health Program Quality	230163			10 517	168 242
Management of the Fund, Coordination and Monitoring of the Program External Relations	230164			3 426	13 692
Expert Management and Coordination of the Fund	230165			14 458	203 544
Project of Reconstruction of the Hospital "Heroes of Baire" in Cuba	230166			96 454	1 095 249
Reprogramming Resources	230167				4 881
Strengthen the Coordination of Response of the Health Sector to Disasters in Latin America and the Caribbean	230168			122 931	20 937
Joint Program for the Support of Human Security in Honduras	191058		482		(482)
Access to Safe Drinking Water and Sanitation (MDGF - 1920)	191076				285 933
Strengthening the Ability to Define and Apply Drinking Water and Sanitation Policies	191081				24 644
National Capacity Building: Economic, Water and Sanitation	191082				485 215
Strengthening Peace in Guatemala through Violence Prevention and Management of Conflict	191083		2 696		116 301
Improving Nutrition and Food Security for the Peruvian Child: A Capacity Building Approach	191087				95 514

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Program Governance of the Water and Sanitation Sector in Ecuador within the Framework of the Millennium Development Goals	191090				3 804
The Indigenous Communities and Afro-Colombians of CHOCO Promote Nutrition and Food Security	191091				171 694
Building Social Capital to Reduce Violence in El Salvador	191093				155 161
Local Response Capacity: Inter-Sectorial Implementation PMD-C	191094				94 939
Supporting the Fight Against Anemia Vulnerable Groups - Cuba	191096				441 596
Strengthening Banana Value Chain/Growth Inclusive Markets - Dominican Republic	191097				2 190
Childhood Nutrition and Food Safety	191099				57 807
Strengthening Knowledge Management in Programmes and Projects to Fight Malnutrition in Latin America	191106				201 327
Supply and Distribution Health Products to 4 Health Institutions	191118			2 482 091	
Subtotal			3 264	9 218 978	8 882 279
Sweden					
Health Development Programmes in Central America 2005-2007 Gender and Ethnic Inequities	163124				(58)
Implementation of Strategic Territorial Health Plans in Alta Verapaz, Huehuetenango, Ixil, Ixcan and Quiche	163141		275 679		892 977
Reduction of Vulnerabilities to Contribute to Rural Development in Five Municipalities of the Basins of the Coatan and High Suchiate Rivers in the Department of San Marcos in Guatemala	191103			261 532	752 102
Subtotal			275 679	261 532	1 645 021

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
United Kingdom					
Communicable Disease Control Project	140033				(120)
Smart Health Care Facilities in the Caribbean	140065			189 308	1 008 435
Leadership and Health Workforce Development	218001				356
Subtotal				189 308	1 008 671
United States of America					
Expansion of Directly Observed Treatment Short-course Strategy for Tuberculosis	002116				110 355
A Secure and Disaster Resilient Health Sector in the Americas	002131	20 000		1 290	1 666 741
Violence and Injury Prevention	002134				387 392
HIV Health Systems Strengthening Project	002138				(9 011)
Health System Strengthening Program with PAHO (Fortalecimiento en Salud)	002139				363 290
Improved Health Outcomes/Tuberculosis, Maternal, Neonatal Health in Latin America	002140	878 697		764 618	3 501 376
Amazon Malaria Initiative (AMI) and South American Infectious Diseases Initiatives (SAIDI) Components of the South America Regional Infectious Diseases Program (SARI)	002141	1 106 000		1 056 827	1 651 512
Strengthening Disaster Risk Reduction in Central and South America Through Improved Administration and Management of Disaster Preparedness and Response Information	002142	51 305		56 766	54 539
Building Capacity and Networks to Address Emerging Infectious Diseases in the Americas - Year 5	028081	80 899			1 259 506
Strengthening Immunization Programs in the Americas - Year 3	028087				(2 637)
Strengthening Immunization Programs in The Americas - Year 4	028088	2 669			3 363 504
Protecting the Advances in Polio, Rubella and Measles Elimination: Strengthening Immunization Programs in the Americas	028089	4 374 818		4 266 677	2 572 425
Non-Communicable Disease Prevention and Health Promotion in the Region - Year 3	028092				176 810

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Non-Communicable Disease Prevention and Health Promotion in the Region - Year 4	028093	414 986		418 660	26 326
Surveillance and Response to Seasonal and Pandemic Influenza in Region of the Americas - Year 1	028095				(406)
Surveillance and Response to Seasonal and Pandemic Influenza in Region of the Americas - Year 2	028096	7 168			1 041 087
Surveillance and Response to Seasonal and Pandemic Influenza in Region of the America -Year 3	028097	1 040 000		1 014 823	185 177
Caribbean Regional Epidemiology and Laboratory Training Program (RELTP)	028100				479 905
Building Capacity and Networks to Address Emerging Infectious Diseases in the Americas	028101	589 471		589 471	
Reduction of Health Disparities in HIV Prevention and Care in Central America and the Caribbean	040037	768 000		787 128	1 340 832
Strengthening National Immunization Project Latin America and the Caribbean	040038				(18 040)
Cooperative Agreement with the Pan American Health Organization (PAHO)	240003	23 410			921 651
Cooperative Agreement with Pan American Health Organization (PAHO)	240004	934 000		924 716	179 284
Improved Access to Health Services for Refugees in Panama	374013		59		83 270
Subtotal		10 291 423	59	9 880 976	19 334 888
Total - Government Financing		14 519 891	523 659	34 577 858	59 242 899
II. International Organizations					
European Community					
Strengthening the Integration of the British & Dutch OCTs in the Regional Response within the PANCAP Framework	049068	268 588		1 132 221	1 040 235

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Building Resilient Communities by Making Health Networks Safe from Disasters in South America ("The Action")	049087		549		(549)
Creating Safer Communities in the Caribbean by Strengthening the Health Network, Dominican Republic, Dominica, Saint Vincent and the Grenadines, Saint Kitts and Nevis ("The Action")	049089				78 120
Implementation of the program: Strong Families with Adolescent Children of 10 to 14 years: Love and Limits (the "Action")	049091				38 892
Improve Access to Healthcare for Displaced and Confined Communities in Colombia During Emergencies	049092	131 880			553 724
Alert and Response Operations for Cholera and other Health Hazards in the Dominican Republic	049093	118 569			555 141
Improve the Capacity of the Haitian Health Sector to efficiently Manage Health Risks and Respond to Medical Emergencies at Local Level, HAITI	049099	137 930		458 658	183 742
Strengthening of Critical Maternal and Neonatal Services in Belize (the "Action")	049101	425 915		2 126 302	
Preparation for the Response and Early Recovery in Selected Coastal Areas	191105	29 122			
Preparation, Response, and Early Recovery before Scenarios Multirisks in Development Planning	191113	105 405		124 957	23 593
Subtotal		1 217 409	549	3 842 138	2 472 898
Food and Agriculture Organization (FAO)					
PAHO - FAO Antigua & Barbuda: Zero Hunger Challenge.	051017			129 166	65 834
Subtotal				129 166	65 834

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
IDB					
Prevention and Control of AH1N1 and Other Infectious Diseases in Latin America and the Caribbean	091028		5 668		(5 668)
Subtotal			5 668		(5 668)
International Bank for Reconstruction and Development (World Bank)					
Support to Health Sector Response to Earthquake Affected Population	199030		1 210		(520)
Reducing Disaster Risk in Haiti's Health Infrastructure	199031				60 632
Subtotal			1 210		60 112
Joint United Nations Program on AIDS (UNAIDS)					
Regional 3-day Meeting on Promises Renewed in Addressing Inequalities in Sexual Reproductive Maternal and Child Health - A Call to Action (The "Activities")	332083		272		9 728
Subtotal			272		9 728
United Nations Children's Fund (UNICEF)					
Health and Nutrition within the Life Course Approach	187092				10 903
Design of the Strategy for the Elimination of the Maternal to Child Transmission of HIV and of Congenital Syphilis and Prevention of HIV in Adolescents in Nicaragua	187093				15 710
Joint Programme to Assert the Rights of Indigenous Adolescent Girls in Guatemala	187095			208	77 770

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Process for the Promotion of Child Feeding (ProPan): Updating and Capacity-Building to Improve Infant and Young Child Nutrition Programming (The "Project")	187096				26 981
A Promise Renewed for the Americas: Reducing Inequities in Reproductive and Maternal Child Health	187097			2 494	88 790
Provision of Saline Solution and Catheters to Respond to Dengue Epidemics in Honduras	187098				19 980
Inmunization Coverage Survey	187099			20 000	
Subtotal				22 702	240 134
United Nations Development Fund for Women (UNIFEM)					
Alliance for a Life Without Violence in Panama	191101				(29)
Subtotal					(29)
Unites Nations Development Program (UNDP)					
Technical Cooperation for the Care of Survivors and Relatives of Victims of the Fire at the Penal Farm of Comayagua, Republic of Honduras	191107				193
Support for the Process of Legislative Development and Implementation from the Right to the Consultation and Participation of the Indigenous Populations	191112	18 534		18 981	21 019
Provision of Hospital and Laboratory Supplies to Respond to the Dengue Outbreak in Honduras	191115				109 999
Coordination of Health Services for Cholera-Affected Population	191116		21		149 979
Contribuition from United Nations Development Program UNDP to Facilitate the Conduct of the UNSCR 1540 High Level Meeting, 2nd - 3rd October, 2013, Grand Lucaya Hotel, Freeport, Grand Bahama	191117			1 000	17 154
Subtotal		18 534	21	19 981	298 344

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
United Nations Environment Programme (UNEP)					
Strengthening National Capacity for Chemicals Management in the Bahamas through a National Coordination Mechanism, Comprehensive Situation Analysis and Development of National Integrated Plan for Chemical Safety	195003			123 411	25 427
Subtotal				123 411	25 427
United Nations International Strategy for Disaster Reduction (ISDR)					
Global Facility for Disaster Reduction and Recovery	368005			13 190	84 322
Subtotal				13 190	84 322
United Nations Office for the Coordination of Humanitarian Affairs (OCHA)					
Rapid Response for Emergency Health Care and Safe Water in Flood-Affected Communities in the Municipalities for Novita and San Jose del Palmar, Colombia	401006			99 429	150 571
Subtotal				99 429	150 571
United Nations Population Fund (UNFPA)					
Strengthening of Adolescent Friendly Health Services in Honduras	278012			66 000	
Subtotal				66 000	

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
United Nations Trust Fund for Human Security (UNTFHS)					
Improvement of Human Security Conditions for Vulnerable Groups in Soacha, Colombia through the Development of Participatory, Integrated and Sustainable Social Protection Solutions	399004		17 175		14 174
Subtotal			17 175		14 174
Total - International Organizations		1 235 943	24 895	4 316 017	3 415 847
III. Private and Public Sector					
Albert B. Sabin Institute					
Surveillance of Human Papilloma Virus (HPV) Related Disease in Jamaica	397006			107 784	228 111
Regional Trust Fund for Neglected Infectious Diseases and Actions to Combat Neglected Tropical Diseases and other Infectious Diseases	397010			4 627	137 607
Assessment of Pneumococcal Conjugate Vaccine (PCV) Impact and Effectiveness Against Invasive Pneumococcal Disease and Bacterial Pneumonia and Morbidity and Mortality in Children in Colombia and Peru	397011	233 333		364 560	185 440
Dengue Epidemiological Surveillance Model to Define Vaccination Strategies in Latin America and the Caribbean	397012	250 000		362 661	437 339
Investigation of the Impact and Effectiveness of the 10-Valent Pneumococcal Conjugate Vaccine Against Invasive Pneumococcal Disease and X-Ray Confirmed Hospitalized Bacterial Pneumonia and in Children in Colombia	397013	122 500		225 979	124 021
Strengthening Capacities for Soil-Transmitted Helminthiases Control in Honduras	397014		420		27 830
Subtotal		605 833	420	1 065 611	1 140 348

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Andean Corporation of Promotion (CAF)					
Strengthening of the Prevention and Control of Foot-and-Mouth Disease in Border Areas of Countries of the Andean Region: Contribution to the Fulfillment of the Commitments of Countries to the PHEFA	479001	35 000		35 000	15 000
Subtotal		35 000		35 000	15 000
Bill Gates Foundation					
Project Proposal to Transfer Tools, Methods and Lessons Learned from PAHO Pro-Vac Initiative in the Americas to other WHO Regions for the Promotion of Evidence-Based Policy Decisions Regarding new Vaccine Introduction in Low and Middle-Income Countries	365002			204 371	1 168 707
Cost Effectiveness Analysis of HPV Vaccine in Latin American Countries	365003		2 849		83 401
Development and Dissemination of Data Collection Methodologies for Economic Evaluations	365004			134 753	257 397
Second Workshop to Share Lessons Learned in the Development and Implementation of Computerized National Inmunization Registries	365005		1 043		176 357
Better Inmunization Data Quality (DQ) and Electronic Inmunization Registries (EIR)	365006	796 182		1 101 208	
Subtotal		796 182	3 892	1 440 332	1 685 862
BP Trinidad and Tobago LLC (bpTT)					
Sponsorship 20th Annual Media Awards	483001	2 512		2 512	
Subtotal		2 512		2 512	
CDC Foundation					
Bloomberg Initiative to Reduce Tobacco Use (GATS)	460001			103 603	211 206
Subtotal				103 603	211 206

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Colgate Palmolive Company					
Community-Based Oral Health Interventions in Colombia and Ecuador	466001	220 350		301 397	79 123
Subtotal		220 350		301 397	79 123
Conselho Nacional Pecuario (CNPC)					
Development of Activities Related to the Strengthening of the Laboratory of Reference for Vesicular Disease	467001	72 249		129 562	251 583
Subtotal		72 249		129 562	251 583
European Community					
Advancing and Strengthening the Methodological Tools and Practices Relating to the Application and Implementation of Health Technology Assessment (HTA)	481001	109 208		176 915	56 150
Subtotal		109 208		176 915	56 150
Global Alliance V. I. (GAVI)					
Injection Safety Project - Bolivia	387004			243 580	
Support the Immunization Services (ISS) of Bolivia 2007-2009	387009			135 105	4 942
Immunization Services Support Guyana 06-07	387010				5 500
New Vaccine Support for Introduction of Pneumococcal and Rotavirus Vaccines in Guyana	387011			1 635	
New Vaccines for Immunization Services Support in Bolivia	387012			14 918	4 810
Contribution to Support the Introduction of New Vaccines and for Immunization Services Support in Nicaragua	387014			132	
Health Systems Strengthening in Honduras	387015			192 676	313 164
Support the Introduction of new Vaccines by the Government of HAITI "The Government"	387016	345 500		641 938	88 062

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Pneumococcal Vaccine Introduction Activities in Bolivia	387017			194 339	43 661
Subtotal		345 500		1 424 323	460 139
International Diabetes Federation					
Japan Center for International Exchange "JCIE"					
Implementation of a Regional Meeting on Human Health and Security	478001	2 875		27 939	20 393
Subtotal		2 875		27 939	20 393
Lions Club International (LCIF)					
Strengthening the Routine Immunization Program in Haiti through the National Measles, Rubella, and Polio Campaign	475002				4 173
Subtotal					4 173
M.A.C. Aids Fund					
Elimination of Mother-to-Child Transmission of HIV and Congenital Syphilis in the Caribbean	472001				25 191
Elimination Initiative Targets for Mother-to-Child Transmission of HIV with a Focus on Barbados and the Eastern Caribbean	472002		2		75 108
Subtotal			2		100 299
Open Society Institute (OSI)					
Strengthening Capacity in Primary Prevention of Violence Against Women and Children in Latin America and the Caribbean Region	470001		1 466		179 903
Subtotal			1 466		179 903

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Pan American Health and Education Foundation (PAHEF)					
Pro-Vac Initiative: Multiyear Project Proposal for the Promotion of Evidence-Based Policy Decisions Regarding New Vaccine Introduction in Latin America and the Caribbean	144028			422 616	697 864
Improving Surveillance and Characterization of Meningococcal Disease in the Latin American Region	144029		388		312 673
Healthy Kids, Healthy Communities: Supporting Community Action to Prevent Childhood Obesity	144034		27 661		80 759
Pan American Forum for Action on Chronic Diseases	144041		88		3 044
Subtotal			28 137	422 616	1 094 340
Program for Appropriate Technology in Health (PATH)					
Effectiveness of a Monovalent Rotavirus Vaccine Against Severe Rotavirus Diarrhea in Bolivia	375009	24 495		101 869	47 626
Subtotal		24 495		101 869	47 626
RAD-AID International					
Improve the Availability and Quality of Radiological Health Services in Latin America and the Caribbean	477001	36 352		60 950	58 810
Subtotal		36 352		60 950	58 810
Rockefeller Foundation					
Eight Global Conferences on Health Promotion and Ultimately the Post-Millennial Development Goals Process	156019			43 295	81 005

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Universal Health Coverage in the Americas	156020	150 000		242 917	107 083
Equity Health and Human Development Information - Institutionalization & Parternship Program	156021	125 000		250 000	
Subtotal		275 000		536 212	188 088
Royal Commonwealth Society for the Blind					
Execution of a Regional Program for the Prevention of Blindness	203010		105		28 088
Subtotal			105		28 088
Sanofi Espoir Foundation					
My Child Matters - Fight Childhood Cancer	484001	186 207		227 436	45 047
Subtotal		186 207		227 436	45 047
Task Force For Global Health					
Strengthen Capacities to Increase STH Deworming Coverage in School Age Children in Bolivia and Nicaragua	471001				40 025
Joining Forces to Control Soil-Transmitted Helminths in the Americas	471002			21 358	52 283
Subtotal				21 358	92 308
Texas Children's Hospital					
Language and Medical Content Editing for the WHO ETAT/CETEP Manuals (Participant and Facilitator Manuals) and the TCH/BCM Manuals (Participant and Facilitator Manuals)	459007		3 000		
Subtotal			3 000		

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
The Global Fund (GFATM)					
Strengthening and Improvement of Directly Observed Therapy (DOTS) AIDS Strategy in Haiti	191109			100 000	
Bolivia Free of Malaria	191111			70 739	79 000
Use of the Epidemiological Intelligence with Social Participation, in order to Strengthen the Management of the Program, Improve the Access to the Diagnosis and Treatment, and Carry Out Effective Interventions for the Prevention of Malaria Control in Colombia	468003	107 440		119 505	36 664
Subtotal		107 440		290 244	115 664
Various Grantors (Undesignated Contributions)					
Support to the Bioethics Program	215025				1 268
Multi-Activities Financed by Small Contributions to PAHO during 2012 - 2013	215057	990			35 013
Assisting Haiti Population Affected by the Cholera Epidemic	215059				289
High-level International Conference on Universal Coverage in Health	215060			13 774	
Subtotal		990		13 774	36 570
World Diabetes Foundation					
Guiding and Supporting National Quality Improvement Initiatives for Diabetes in Less Well Served Parts of the World: A Proof of Concept Project in the Caribbean	418006				24 526
Promoting Improved Primary Care and Prevention of Diabetes in two Northern Mexican Communities (Tijuana and Ciudad Juarez)	418007	3 000		18 435	51 104

Annex

Summary of Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Addressing the Burdens of Diabetes and Tuberculosis in the Americas with a View to Facilitating Screening for Tuberculosis Among People with Diabetes	418008	120 000		205 204	39 113
Capacity Building and Educational Project on Diabetes	418009	140 000		300 000	
Fighting Against Diabetes in Honduras	418011	292 493		426 828	77 683
Subtotal		555 493		950 467	192 426
Total - Private and Public Sector		3 375 686	37 022	7 332 120	6 103 146
V. Other Voluntary Contributions					
Trust Fund PAHO Regional Strategy and Plan of Action for an Integrated Approach to the Prevention and Control of Chronic Diseases, Including Diet, Physical Activity and Health	474001		37 771		217 048
Trust Fund Consolidation of the Hemispheric Plan for Foot-and-Mouth Disease Eradication (PHEFA)	476001	180 000		283 993	156 771
Total - Other Voluntary Contributions		180 000	37 771	283 993	373 819
Total		19 311 520	623 347	46 509 988	69 135 711

Notes:

1/ In accordance with IPSAS, beginning 1 January 2010, PAHO will recognize as Deferred Revenue the full commitment amount upon signature of Voluntary Contribution agreements. Revenue for the Financial Period is recognized based on the Expense reported during the Financial Period. There are certain special agreements for which Deferred Revenue is not recognized. Below is a reconciliation between Expense and Revenue:

Voluntary Contributions Expenses 2013	69 135 711
Project ID 215017 - Revenue is based on cash	218
Voluntary Contributions Revenue 2013	69 135 929

Annex

Summary of Voluntary Contributions-National Voluntary Contributions

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Government Financing					
Argentina					
Managerial Support for National Health Development	059001			73 107	205 774
Action Plan for the Strengthening of the Public Health in the Province "Entre Ríos"	059035	62 078		132 349	1 163
Intensified Surveillance ETI-IRAG in Argentina	059039		428		82 178
Improved Monitoring of Clinical and Epidemiological Viral Factors in the Immune Response to the Infection by New Influenza A H1N1	059040		171		2 095
Implementation of Five Priority Objectives of Strategy of Technical Cooperation of PAHO/WHO in Argentina - 2009 - 2011	059041	1 310 885		3 116 371	2 153 029
Implementation Diagnoses Tool WHO-AIMS in Argentina	059042			93	1 786
Information System and Statistics	059043		592		
National Institute of Social Services for Retirees and Pensioners (PAMI)	059044	85 000		89 103	5 872
Central National Institute Unique Coordinator of Ablation and Implants (INCUCAI)	059045	1 665 000		1 665 000	
Subtotal		3 122 963	1 191	5 076 023	2 451 897
Brazil					
National Program Control of Tuberculosis	063151		40 709		1 636 966
Epidemiological and Environmental Surveillance	063166			1 847 532	3 612 228
Decentralized Management Qualification "United Health System"	063168	3 934 496		9 045 887	5 482 946
Program Qualification of Supplemental Health	063172	2 850		489 609	454 328
Development and Organization of Health Systems and Services	063173	40 312 161		53 930 486	31 941 285

Annex

Summary of Voluntary Contributions-National Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Support of the Implementation of the Policy of Strategic and Participatory Management of the United Health System	063174	8 507 018		14 097 273	4 800 839
Development of Human Resources in Health	063177			3 314 489	2 668 788
Development of Management System of Technology in Health	063178	4 734 156		8 733 987	4 932 254
Family Health - Food and Nutrition	063180			2 684 209	1 944 293
Environmental Health / Institutional Strengthening and Training Human Resources for FUNASA	063182			407 989	326 859
Quality Program "United Health System"	063183	2 363 460		9 957 259	3 573 466
Implementation of National Policies on Blood	063184	186 419		427 515	536 752
Strengthening of Objectives and Directives United Health System in Sao Paulo	063187			1 781 752	429 785
CANCER Network	063190	5 624 692		9 374 301	2 089 102
Health Surveillance, Promotion and Prevention	063191			1 940 307	2 504 671
Strengthening of Objectives and Directives of SUS in Bahia State	063192			881 489	551 829
Management of Work and Health Education	063194	5 954 913		24 710 556	14 463 522
Institutional Strengthening and Advisory Services of International Affairs of the Ministry of Health - AISA	063195			3 542 985	2 624 447
Economic - Industrial Complex of Health	063198			4 776 792	2 422 258
Support for the National Council of State Secretaries of Health Municipals "CONASS"	063199	2 126 755		5 469 706	433 826
Support for the National Council of State Secretaries of Health Municipals "CONASEMS"	063200			223 113	800 962
Prevention and Control of Dengue in the Context of Integrated Management	063201			1 628 640	1 457 754
Strengthening of Actions and Health Surveillance	063205	1 339 855		5 829 766	3 309 525
Actions of Implementation of the Public Policies of Control of STD/HIV/AIDS and Viral Hepatitis Strengthened in the Context of Principals and Directives of the United Health System	063207			1 655 272	484 341

Annex

Summary of Voluntary Contributions-National Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Protection and Promotion of the Indigenous Populations	063208	6 380 264		13 352 729	4 742 793
Decentralized Technical Cooperation Secretariat of Health of the State of PERNAMBUCO	063209	254 460		850 276	90 000
Institutional Strengthening of the National Health Council	063210			1 048 125	957 455
Development and Qualification of the Pharmaceutical Assistance	063212			2 926 038	3 938 923
Strengthening of the Monitoring in Environmental Health and Health of the Employees of the United Health System	063213			1 737 260	1 495 049
Development of the Activities to Improve and Strengthen the Public Policies in Health Surveillance, Malaria Prevention and Control, Surveillance and Prevention of Hansen's Disease and other Diseases in Elimination, advocated by the United Health System	063214			3 755 199	1 900 959
Strengthening of the National Surveillance System in Health, Improving the Capacity for Management of the National System of Health Surveillance, Improving the Capacity for Management of the United Health System for the Reduction of the Morbidity and Mortality of the Zoonoses, Diseases of Vector-borne Transmission, Hydric to Food	063215			4 812 191	1 475 802
Strengthening of the Processes of Health Surveillance at the Federal Level in Contributing to the Reduction of the Morbidity and Mortality by Diseases in the Area of United Health System	063216	2 339 430		5 441 279	2 509 295
Strengthening of the National Laboratory System of Public Health and of the National Network of Alert and Response to Emergencies	063217			4 083 004	2 949 344
Strengthening of the Management of the National Surveillance System in Health	063218			3 520 507	2 253 639
Strengthening of Innovated Regulations in Health, with Emphasis on Ethics and Health Research	063219	2 977 456		7 521 504	3 590 954

Annex

Summary of Voluntary Contributions-National Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Strengthening the Monitoring in Tuberculosis	063222	425		2 765 083	904 488
Surveillance Strengthening in Chronic Noncommunicable Diseases - DCNT	063224			4 144 336	36 396
Expansion of the Access of the Brazilian Population Basic Health Care	063226			4 390 624	686 043
Increased Access of the Brazilian Population to Basic Health Care	063227	32 308 511		65 339 881	159 184 479
Government Contribution Bireme (25TA TC007 2004)	063228				34 647
Subtotal		119 347 321	40 709	292 438 950	280 233 292
Chile					
Promotion of Bioethics	064004				168
Subtotal					168
Colombia					
San Andrés Healthy Phase II	066061	20 018			
Public Comprehensive Health Management, Chronic and Transmittable Diseases, Environmental Health, and Public Health Surveillance	066068				(68 879)
Improvement of the Conditions of Water and Sanitation in Indigenous Communities of the Departments of Vichada and Vaupes	066069		42 156		23 583
Agreement of Cooperation PAHO/Ministry of Health and Social Protection of Colombia	066072	486 827		9 239 152	3 335 589
Agreement No. 1 between the National Institute of Health (INS), Colombia, and PAHO/WHO	066073	7 305		45 684	100 410
Commitment Letter No. 2, between the National Institute of Health, Colombia, and PAHO/WHO	066074		25 252		74 068
Subtotal		514 150	67 408	9 284 836	3 464 771

Annex

Summary of Voluntary Contributions-National Voluntary Contributions (Cont).

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Costa Rica					
Integrated Development of the Strategic Functions of Human Resources of the Costarican Fund of Social Security	065018	228 806		415 863	
Subtotal		228 806		415 863	
Ecuador					
Control of Tuberculosis in Ecuador	069021			630 445	(141 258)
Subtotal				630 445	(141 258)
El Salvador					
Agreement of Technical Cooperation between the Common Fund for the Health and the Pan American Health Organization/World Health Organization, PAHO/WHO	070006			28 244	
Subtotal				28 244	
Guatemala					
Integrated Development Division Regulator, Surveillance and Health Control - Phase II	072017		44 448		(93)
Acquisition of Biological, Reagents, Drugs, and Other Expenditures between the Ministry of Public Health and Social Welfare of the Republic of Guatemala and the Pan American Healh Organization/World Health Organization	072018			144 595	
Subtotal			44 448	144 595	(93)

Annex

Summary of Voluntary Contributions-National Voluntary Contributions (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expenses 1/
Mexico					
Sanitary Risks Human / Animal Ecosystem	076024				156 038
Implementation of the Healthy Housing Strategy - CHIAPAS	076025			184	30 358
Sustainability of Universal Coverage in Health: Share Experiences and Promote Progress	076026	88 720		153 282	18 479
Subtotal		88 720		153 466	204 875
Peru					
Managerial Support for National Health Development	081003			600 145	332 027
Subtotal				600 145	332 027
Trinidad and Tobago					
Proposal for the Second Site Asssessment	085011				18 688
Subtotal					18 688
Uruguay					
Public Health School of Government	087013			37 841	30 147
Subtotal				37 841	30 147
Total		123 301 960	153 756	308 810 408	286 594 514

Notes:

[1/] In accordance with IPSAS, beginning 1 January 2010, PAHO will recognize as Deferred Revenue the full commitment amount upon signature of Voluntary Contribution agreements. Revenue for the Financial Period is recognized based on the Expenses reported during the Financial Period.

Annex

Summary of Voluntary Contributions - Emergency Preparedness and Disaster Relief

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expense 1/
I. Government Financing					
Canada					
HAITI - PAHO - 2013 - Health and WASH Assistance	026153			47 218	150 861
Subtotal				47 218	150 861
Luxemburg					
Strengthen the Clinical Management of Dengue Vector Control in Five Priority Departments	394002		32 854	1 596	94 921
Subtotal			32 854	1 596	94 921
United Kingdom					
Hurricane SANDY Response in Haiti	140066		7 432		712 410
Subtotal			7 432		712 410
Total - Government Financing			40 286	48 814	958 192
II. International Organizations					
European Community					
Emergency Response to Dengue Outbreak in Peru	049094				302 118
Caribbean Health Services Resilient to impact of Emergencies and Disasters, Dominican Republic, Guyana, Saint Lucia, Suriname, Grenada, Jamaica, Trinidad and Tobago	049100	215 171		701 293	295 937
Emergency Response to Dengue Outbreak in Honduras	049102	192 608			319 443
Ensure Emergency, Life-Saving Health Care Services and Clean Water to Reach Populations Affected by Internal Conflict in Colombia	049103	455 168		634 921	112 144

Annex

Summary of Voluntary Contributions - Emergency Preparedness and Disaster Relief (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expense 1/
Emergency Response to Outbreaks of Severe Acute Respiratory infections in Peru	049104	115 937		161 024	29 217
Subtotal		978 884		1 497 238	1 058 859
Total - International Organizations		978 884		1 497 238	1 058 859
III. Private and Public Sector					
America Solidaria					
Cholera Prevention and Treatment in the Area of "Croix Des Bouquets, Puerto Prinicipe, Haiti"	469001				(10 875)
Subtotal					(10 875)
Income from Project Services					
Haiti: Sale of Fuel	099000				14 631
Subtotal					14 631
Total - Private and Public Sector					3 756

Annex

Summary of Voluntary Contributions - Emergency Preparedness and Disaster Relief (Cont.)

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expense 1/
Special Fund for Natural Disaster Relief	463000				
Total - Special Fund					
Total		978 884	40 286	1 546 052	2 020 807

Notes:

[1] In accordance with IPSAS, beginning 1 January 2010, PAHO will recognize as Deferred Revenue the full commitment amount upon signature of Voluntary Contribution agreements. Revenue for the Financial Period is recognized based on the Expense reported during the Financial Period. There are certain special agreements for which Referred Reven is not recognized. Below is a reconciliation between Expenses and Revenue:

Expense 2013	2 020 807
Project ID 099000 - Revenue is based on cash	(14 631)
Interest Revenue PD	12 055
Exchange Gain/Loss	20 955
Voluntary Contributions Revenue	2 039 186

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Regional Office of the Americas (AMRO)
World Health Organization

Regional Office of The Americas for the
World Health Organization
Statement of Financial Performance by Segment

(expressed by US dollars)

	AMRO Regular Budget	AMRO Special Account for Servicing Costs	AMRO Contribution for Renovation of Assets	AMRO Staff Development and Learning Fund
REVENUE				
Revenue from Non-Exchange Transactions				
Assessed Contributions				
Voluntary Contributions				
Other Revenue	42 464 261	4 279 433	850 000	265 791
Revenue from Exchange Transactions				
Procurement of Public Health Supplies				
Other Revenue				
Miscellaneous Revenue				
TOTAL REVENUE	**42 464 261**	**4 279 433**	**850 000**	**265 791**
EXPENSES				
Staff and Other Personnel Costs	35 131 153	1 273 748		15 471
Supplies, Commodities, Materials	1 074 480	201 222	850 000	(295)
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization				
Contract Services	2 387 696	1 548 866		129 424
Travel	1 696 279	278 902		99 019
Transfers and Grants to Counterparts	727 809			
General Operating and Other Direct Costs	1 446 844	976 695		22 172
Indirect Support Costs				
TOTAL EXPENSES	**42 464 261**	**4 279 433**	**850 000**	**265 791**
NET SURPLUS / (DEFICIT)				

Regional Office of The Americas for the World Health Organization
Statement of Financial Performance by Segment

Annex

(expressed by US dollars)

AMRO Post Occupancy Charges Fund	AMRO Sasakawa Health Trust Fund	AMRO Voluntary Funds for Health Promotion	Total/[1] 2013	Total/[1] 2012
2 052 051	333 505	21 649 097	71 894 138	61 609 347
2 052 051	**333 505**	**21 649 097**	**71 894 138**	**61 609 347**
	43 241	8 776 531	45 240 144	36 477 521
	522	2 496 404	4 622 333	3 672 580
1 082 801	22 728	4 017 370	9 188 885	7 795 661
39 814	267 014	4 744 899	7 125 927	9 964 684
		1 352 236	2 080 045	1 036 114
929 436		261 657	3 636 804	2 662 787
2 052 051	**333 505**	**21 649 097**	**71 894 138**	**61 609 347**

[1/]**Note - No eliminations are provided.**

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Caribbean Epidemiology Center

Annex

Caribbean Epidemiology Center
Administered by the Pan American Health Organization
Statement of Financial Position

(expressed in US dollars)

	31 December 2013	31 December 2012
ASSETS		
Current Assets		
Cash and Cash Equivalents		32 073
Accounts Receivable		6 050 689
Total Current Assets		**6 082 762**
TOTAL ASSETS		**6 082 762**
LIABILITIES		
Current Liabilities		
Accounts Payable		7 458
Accrued Liabilities		13 465
Total Current Liabilities		**20 923**
TOTAL LIABILITIES		**20 923**
NET ASSETS / EQUITY		
Fund Balances and Reserves		
Fund Balances		6 061 839
NET RESERVES & FUND BALANCES *		**6 061 839**

(*) In accordance with Note 2.22, effective 1 January 2013, the Organzation no longer has regional centers to consolidate. This statement is presented to show the transfer of CAREC to the Caribbean Public Health Agency (CARPHA).

Annex

Caribbean Epidemiology Center
Administered by the Pan American Health Organization
Statement of Financial Performance

(expressed in US dollars)

	31 December 2013	31 December 2012
REVENUE		
Revenue from Non-Exchange Transactions		
Assessed Contributions		2 613 855
Voluntary Contributions		12 498
Other Revenue		
Revenue from Exchange Transactions		
Procurement of Public Health Supplies		
Other Revenue		441 172
Miscellaneous Revenue		11 806
TOTAL REVENUE		**3 079 331**
EXPENSES		
Staff and Other Personnel Costs		2 676 658
Supplies, Commodities, Materials		152 675
Equipment, Vehicles, Furniture and Depreciation		
Contract Services		1 738 876
Travel		183 102
Transfers and Grants to Counterparts		
General Operating and Other Direct Costs		184 108
Indirect Support Costs		
TOTAL EXPENSES		**4 935 419**
NET SURPLUS (DEFICIT) *		**(1 856 088)**

(*) In accordance with Note 2.22, effective 1 January 2013, the Organzation no longer has regional centers to consolidate. This statement is presented to show the transfer of CAREC to the Caribbean Public Health Agency (CARPHA).

Annex

Caribbean Epidemiology Center
Administered by the Pan American Health Organization
Statement of Changes in Net Assets

(expressed in US dollars)

	31 December 2013	31 December 2012
Net Assets at the beginning of the year	**6 061 839**	**7 917 927**
Transfer of Assessed Contribution Receivables to CARPHA	(3 348 985)	
Transfer of Cash Balances to CARPHA	(2 712 854)	
Total of items (revenue/expenses) recognized directly in Net Assets		**7 917 927**
Surplus/(deficit) for the Financial Period		**(1 856 088)**
Net assets at the end of the year *		**6 061 839**

(*) In accordance with Note 2.22, effective 1 January 2013, the Organzation no longer has regional centers to consolidate. This statement is presented to show the transfer of CAREC to the Caribbean Public Health Agency (CARPHA).

Annex

Caribbean Epidemiology Center
Administered by the Pan American Health Organization
Statement of Cash Flow

(expressed in US dollars)

	31 December 2013	31 December 2012
Cash Flows from Operating Activities		
Surplus for the period		(1 856 088)
Decrease / (Increase) in Receivables	6 050 689	1 894 902
(Decrease) in Assessed Contributions Received in Advance	(7 458)	(8 335)
(Decrease) in Accrued Liabilities	(13 465)	(29 189)
(Decrease) / Increase Transfer of Equity to CARPHA	(6 061 839)	
Net Cash Flows from Operating Activities	**(32 073)**	**1 290**
Net Increase in Cash and Cash Equivalents	**(32 073)**	**1 290**
Cash and Cash Equivalents at beginning of financial period	**32 073**	**30 783**
Cash and Cash Equivalents, end of financial period *		**32 073**

(*) In accordance with Note 2.22, effective 1 January 2013, the Organzation no longer has regional centers to consolidate. This statement is presented to show the transfer of CAREC to the Caribbean Public Health Agency (CARPHA).

Caribbean Epidemiology Center
Administered by the Pan American Health Organization
Statement of Financial Performance by Segment

(expressed in US dollars)

Category	**Regular Budget and Working Capital Fund**	**Voluntary Contributions**	**Building Fund**	**Capital Equipment Fund**
REVENUE				
Revenue from Non-Exchange Transactions				
Assessed Contributions				
Voluntary Contributions				
Other Revenue				
Revenue from Exchange Transactions				
Procurement of Public Health Supplies				
Other Revenue				
Miscellaneous Revenue				
TOTAL REVENUE				
EXPENSES				
Staff and Other Personnel Costs				
Supplies, Commodities, Materials				
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization				
Contract Services				
Travel				
Transfers and Grants to Counterparts				
General Operating and Other Direct Costs				
Indirect Support Costs				
TOTAL EXPENSES				
NET SURPLUS / (DEFICIT) *				

(*) In accordance with Note 2.22, effective 1 January 2013, the Organzation no longer has regional centers to consolidate. This statement is presented to show the transfer of CAREC to the Caribbean Public Health Agency (CARPHA).

Annex

Income from Services Fund	Program Support Cost Fund	Terminal Entitlements Fund	Staff Provident Fund	Total/[1] 2013	Total/[1] 2012
					2 613 855
					12 498
					441 172
					11 806
					3 079 331
					2 676 658
					152 675
					1 738 876
					183 102
					184 108
					4 935 419
					(1 856 088)

[1/]Note - No eliminations are provided.

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Caribbean Food and Nutrition Institute

Annex

Caribbean Food and Nutrition Institute
Administered by the Pan American Health Organization
Statement of Financial Position

(Expressed in US Dollars)

	31 December 2013	31 December 2012
ASSETS		
Current Assets		
Cash and Cash Equivalents		15 657
Accounts Receivable		1 855 853
Total Current Assets		**1 871 510**
TOTAL ASSETS		**1 871 510**
LIABILITIES		
Current Liabilities		
Accounts Payable		
Deferred Revenue		
Total Current Liabilities		
TOTAL LIABILITIES		
NET ASSETS / EQUITY		
Fund Balances and Reserves		
Fund Balances		1 871 510
FUND BALANCES *		**1 871 510**

(*) In accordance with Note 2.22, effective 1 January 2013, the Organzation no longer has regional centers to consolidate. This statement is presented to show the transfer of CFNI to the Caribbean Public Health Agency (CARPHA).

Annex

Caribbean Food and Nutrition Institute
Administered by the Pan American Health Organization
Statement of Financial Performance

(Expressed in US Dollars)

	31 December 2013	31 December 2012
REVENUE		
Revenue from Non-Exchange Transactions		
Assessed Contributions		412 269
Voluntary Contributions		121 242
Other Revenue		41 513
Revenue from Exchange Transactions		
Procurement of Public Health Supplies		
Other Revenue		9 440
Miscellaneous Revenue		
TOTAL REVENUE		**584 464**
EXPENSES		
Staff and Other Personnel Costs		168 478
Supplies, Commodities, Materials		43 517
Equipment, Vehicles, Furniture and Depreciation		
Contract Services		105 173
Travel		
Transfers and Grants to Counterparts		
General Operating and Other Direct Costs		
Indirect Support Costs		13 948
TOTAL EXPENSES		**331 116**
NET SURPLUS *		**253 348**

(*) In accordance with Note 2.22, effective 1 January 2013, the Organzation no longer has regional centers to consolidate. This statement is presented to show the transfer of CFNI to the Caribbean Public Health Agency (CARPHA).

Annex

Caribbean Food and Nutrition Institute
Administered by the Pan American Health Organization
Statement of Changes in Net Assets

(Expressed in US Dollars)

	31 December 2013	31 December 2012
Net assets at the beginning of the year	1 871 510	1 618 162
Transfer of Assessed Contribution Receivable to CARPHA	(1 463 690)	
Transfer of Cash Balances to CARPHA	(407 820)	
Total of items (revenue/expenses) recognized directly in Net Assets		**1 618 162**
Surplus for the Financial Period		**253 348**
Net assets at the end of the year *		**1 871 510**

(*) In accordance with Note 2.22, effective 1 January 2013, the Organzation no longer has regional centers to consolidate. This statement is presented to show the transfer of CFNI to the Caribbean Public Health Agency (CARPHA).

Annex

Caribbean Food and Nutrition Institute
Administered by the Pan American Health Organization
Statement of Cash Flow (Indirect Method)

(Expressed in US Dollars)

Cash Flows from Operating Activities	**31 December 2013**	**31 December 2012**
Surplus for the period		253 348
(Increase) / Decrease in Accounts Receivables	1 855 853	(20 980)
(Decrease) in Assessed Contributions Received in Advance		(32 745)
Increase in Accounts Payable		
(Decrease) in Deferred Revenue		(188 128)
(Decrease) / Increase Transfer of Equity to CARPHA	(1 871 510)	
Net Cash Flows from Operating Activities	**(15 657)**	**11 495**
Cash Flows from Investment and Financing Activities		
Net Increase (decrease) in Cash and Cash Equivalents	**(15 657)**	**11 495**
Cash and Cash Equivalents at beginning of financial period	15 657	4 162
Cash and Cash Equivalents, end of financial period *		**15 657**

(*) In accordance with Note 2.22, effective 1 January 2013, the Organzation no longer has regional centers to consolidate. This statement is presented to show the transfer of CFNI to the Caribbean Public Health Agency (CARPHA).

Annex

Caribbean Food and Nutrition Institute
Administered by the Pan American Health Organization
Statement of Financial Performance by Segment

(Expressed in US Dollars)

	Regular Budget and Working Capital Fund	Voluntary Contributions	Special Fund	Total 2013	Total 2012
REVENUE					
Revenue from Non-Exchange Transactions					
Assessed Contributions					412 269
Voluntary Contributions					121 242
Other Revenue					41 513
Revenue from Exchange Transactions					
Procurement of Public Health Supplies					
Other Revenue					9 440
Miscellaneous Revenue					
TOTAL REVENUE					**584 464**
EXPENSES					
Staff and Other Personnel Costs					168 478
Supplies, Commodities, Materials					43 517
Equipment, Vehicles, Furniture and Depreciation					
Contract Services					105 173
Travel					
Transfers and Grants to Counterparts					
General Operating and Other Direct Costs					
Indirect Support Costs					13 948
TOTAL EXPENSES					**331 116**
NET SURPLUS (DEFICIT) *					**253 348**

(*) In accordance with Note 2.22, effective 1 January 2013, the Organzation no longer has regional centers to consolidate. This statement is presented to show the transfer of CFNI to the Caribbean Public Health Agency (CARPHA).

Annex

Caribbean Food and Nutrition Institute
Administered by the Pan American Health Organization
Summary of Voluntary Contributions

(expressed in US dollars)

Source of Funds	PAHO Project ID	Accounts Receivable	Accounts Payable	Deferred Revenue	Revenue/ Expense
GOVERNMENT FINANCING					
Guyana					
Survey of Iron Iodine and Vitamin A status	330009				
Total - Government Financing					
PRIVATE AND PUBLIC SECTOR					
World Diabetes Foundation					
Preventing Diabetes & Other Chronic Diseases through a School-Based Behavioral Intervention in Four Caribbean Countries	418003				
Total - Private and Public Sector					
Total *					

(*) In accordance with Note 2.22, effective 1 January 2013, the Organzation no longer has regional centers to consolidate. This statement is presented to show the transfer of CFNI to the Caribbean Public Health Agency (CARPHA).

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Other Centers

1. Latin American and Caribbean Center on Health Sciences Information – (BIREME)

(Expressed in US Dollars)

	31 December 2013	31 December 2012
Deferred Revenue available as of 31 December	829,724	732 206
Revenue Activity	510,234	572 496
Expenditure Activity	415,729	170 465

Other disbursements include $2 677 617 under trust fund arrangements; $345 565 from PAHO Regular Budget; and $169 268 from WHO funds. (No accruals are included).

Revenue was received from sale of publications and other services.

2. Latin America Center for Perinatology and Human Development – (CLAP)

(Expressed in US Dollars)

	31 December 2013	31 December 2012
Deferred Revenue available as of 31 December	690,181	622 066
Revenue Activity	68,116	28 635
Expenditure Activity		12 654

Other disbursements include $1 241 860 under trust fund arrangements; $517 481 from PAHO Regular Budget; and $557 123 from WHO funds. (No accruals are included).

Revenue was received from sundry sales and other services.

3. Pan American Foot-and-Mouth Disease Center – (PANAFTOSA)

(Expressed in US Dollars)

	31 December 2013	31 December 2012
Deferred Revenue available as of 31 December	96,449	384 760
Revenue Activity	725,304	1 491 480
Expenditure Activity	911,485	2 121 952

Other disbursements include $3 179 954 under trust fund arrangements; $1 761 873 from Special Fund for Health Promotion and Food Safety; $2 645 742 from PAHO Regular Budget; and $200 052 from WHO funds. (No accruals are included).

Revenue was received from sale of laboratory services.

The End