

Pan American Institute of Geography and History



Audit Report 2006

PAN-AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY

FINANCIAL STATEMENT REPORT

December 31, 2006.

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Dr. Oscar Aguilar Bulgarelli
President of the Pan-American Institute of Geography and History

We have examined the financial situation status of the **Pan-American Institute of Geography and History**, until December 31, 2006 and 2005, the general fund income and expense status, and the capital change related to the years, which ended on the dates mentioned above. These are responsibility of the management of the institute. Our responsibility is to give our verdict regarding these based on our audit.

Our analysis was carried out according to the, generally accepted audit regulations, which require the audit is planned and carried out, in a way that it provides a reasonable security that the financial statements have no significant mistakes and that they are created in accordance with the Normas de Información Financiera (Financial Information Regulations) released or transferred to the Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera, A.C. (Mexican Committee for Research and Development of Financial Information Regulations - CINIF, for its acronym in Spanish) in force as of January 1, 2006. The audit comprises in the analysis, based on selective tests of the evidence that support the figures and disclosures of the financial statements; it also includes the assessment of the Normas de Información Financiera (Financial Information Regulations) used, of the significant estimates rendered by the management and the presentation of the financial statements taken as a whole. We consider that our analysis provides a reasonable base to support our verdict.

On the other hand, as described in note 2, the financial information up until December 31, 2006 and 2005, was developed based on the paid and collected cash.

In our verdict, the financial statements herein mentioned reasonably present, in all their significant aspects, the financial status of the **Pan-American Institute of Geography and History**, until December 31, 2006 and 2005, their operation results and capital variation, for the year ended on the mentioned date, in accordance with the Normas de Información Financiera (Financial Information Regulations).

Despacho Munir Hayek, S.C.


C.P.A. Munir Hayek Domínguez
Cédula Profesional 177473

Mexico City May 31, 2007.

PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY - (Note 1)
STATEMENT OF FINANCIAL POSITION
December 31 st., 2006 and 2005
(US Currency - Note 2)

<u>ASSETS</u>	<u>2006</u>	<u>2005</u>	<u>LIABILITIES</u>	<u>2006</u>	<u>2005</u>
<u>CURRENT ASSETS</u>			<u>CURRENT LIABILITIES</u>		
Cash for deposit - (Note 2d)	\$ 350,354	\$ 363,208	Third parties resources (Note 8)	\$ 4,564	\$ 33,962
Securities investment - (Note 2e)	251,943	180,606	Payments for future quotas - (Note 9)	32,175	4,084
Other accounts receivable (Note 6)	<u>11,899</u>	<u>10,068</u>	Funds for publications	10,850	265
TOTAL CURRENT ASSETS	<u>614,196</u>	<u>553,882</u>	Endowment	<u>-</u>	<u>2,500</u>
<u>FIXED ASSETS - (Note 5)</u>	<u>-</u>	<u>-</u>	TOTAL CURRENT LIABILITIES	<u>\$ 47,589</u>	<u>\$ 40,811</u>
<u>DEFERRED ASSETS</u>			<u>PROPRIETOR'S EQUITY</u>		
Inventories - (Note 4)	2,260	2,542	Ownership funds - (Note 2b & 12)	<u>570,763</u>	<u>529,982</u>
Paid in advance expenses (Note 7)	<u>1,896</u>	<u>14,369</u>	TOTAL PROPRIETOR'S EQUITY	<u>570,763</u>	<u>529,982</u>
TOTAL DEFERRED ASSETS	<u>4,156</u>	<u>16,911</u>	TOTAL LIABILITIES AND PROPRIETOR'S EQUITY	<u>\$ 618,352</u>	<u>\$ 570,793</u>
TOTAL ASSETS	<u>\$ 618,352</u>	<u>\$ 570,793</u>			
	<u>2006</u>	<u>2005</u>			
<u>States indebted members - (Exhibit 5)</u>					
Financial years quotas	\$ 121,612	\$ 61,584			
Previous financial years quotas	<u>170,916</u>	<u>133,776</u>			
Total States indebted members	<u>\$ 292,528</u>	<u>\$ 195,360</u>			
<u>Pending disbursements of rendition accounts</u>					
Financial year (Note 10)	\$ 16,672	\$ 24,766			
Previous financial year (Note 10)	<u>23,557</u>	<u>9,065</u>			
Total pending disbursements of rendition accounts	<u>\$ 40,229</u>	<u>\$ 33,831</u>			
<u>Operation equipment - (Note 5)</u>					
Transportation	\$ 14,722	\$ 16,857			
Computer	16,807	13,234			
Furniture and fixtures	<u>9,898</u>	<u>18,219</u>			
Total operation equipment	<u>\$ 41,427</u>	<u>\$ 48,310</u>			

The notes to the financial statement adjunct are part of this statement

PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY - (Note 1)
STATEMENT OF INCOME AND EXPENSE OF GENERAL FUND OR OPERATION
Year ended at December 31 st., 2006 and 2005

(US Currency - Note 2)

	<u>2006</u>	<u>2005</u>
Quotas income (Exhibit 6)		
Financial year	\$ 440,812	\$ 500,840
Previous financial years (Note 2a)	24,444	327,672
Volunteer contributions	-	195
	<hr/>	<hr/>
Total quotas income	465,256	828,707
	<hr/>	<hr/>
Other income (Exhibit 7)		
Accrued interest	13,692	5,924
Publications	10,092	7,143
Miscellaneous	11,144	2,695
	<hr/>	<hr/>
Total other income	34,928	15,762
	<hr/>	<hr/>
TOTAL FINANCIAL YEAR INCOME	\$ 500,184	\$ 844,469
	<hr/>	<hr/>
Operation expenses (Exhibit 6)		
Directorate and Administration	240,755	212,766
Technical Assistance, Diffusion & Statutory Meetings	132,694	160,287
Operation expenses	28,360	29,154
	<hr/>	<hr/>
Total operation expenses	401,809	402,207
	<hr/>	<hr/>
Other income		
Pending to render accounts disbursements	16,672	32,672
Other funds expenditures (Exhibit 7)	13,670	15,761
	<hr/>	<hr/>
Total other income	30,342	48,433
	<hr/>	<hr/>
TOTAL FINANCIAL YEAR EXPENSES	432,151	450,640
	<hr/>	<hr/>
EXCESS INCOME OVER SPENDING OF GENERAL FUND OR OPERATION	\$ 68,033	\$ 393,829
	<hr/>	<hr/>
Less: Reserved budget fund (Note 11)	\$ (61,199)	\$ -
	<hr/>	<hr/>
Excess Income net Year ended at December 31 st., 2006	\$ 6,834	\$ 393,829
	<hr/>	<hr/>

The notes to the financial statements adjunct are part of this statement

PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY - (Note 1)
STATEMENT PERTAINING TO CHANGES IN PROPRIETOR'S EQUITY - (Note 2b, 11 & 12)
Year ended at December 31 st., 2006 and 2005
(US Currency - Note 2)

	<u>Reserve fund (Note 2c)</u>	<u>Operational fund</u>	<u>Special fund</u>	<u>Budgeted reserve fund</u>	<u>Total</u>
Proprietor's equity at December 31 st., 2004	\$ 57,693	\$ 55,028	\$ 19,766	\$ 60,790	\$ 193,277
2005					
<i>Plus:</i>					
Income for funds recovered	-	-	8,537	-	8,537
Increase for reserve fund	4,250	-	-	-	4,250
<i>Less:</i>					
Projects expenditures financed by funds	-	-	9,121	60,790	69,911
<i>Plus:</i>					
Distribution of the surplus of the financial year and application of funds	-	88,078	305,751	-	393,829
Proprietor's equity at December 31 st., 2005	61,943	143,106	324,933	-	529,982
2006					
<i>Plus:</i>					
Recovered funds income	-	-	12,557	-	12,557
Increase reserve fund	6,128	-	-	-	6,128
<i>Less:</i>					
Projects indemnification financed by funds	26,843	-	-	-	26,843
Projects expenditures financed by funds	-	-	19,094	-	19,094
<i>Plus:</i>					
Distribution of the excess income net of the financial year and application of funds(Note 11)	-	-	6,834	61,199	68,033
Proprietor's equity at December 31 st., 200	\$ 32,971	\$ 143,106	\$ 344,324	\$ 61,199	\$ 570,763

The notes to the financial statements adjunct are part of this statement

Attachment 4

PAN-AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY (PAIGH)
Financial Statement Notes
December 31, 2006.
(American Dollars)

1. BACKGROUND AND OBJECTIVES

The creation of the PAIGH dates back to February 7, 1928 at the Sixth American Conference held by Ministers of American States in Havana, Cuba. The Mexican government requested that Mexico be headquarters of PAIGH and now Mexico City is.

Mexican President, Pascual Ortiz Rubio, by decree May 3, 1930 gave a building to the American States to use as head office. This building is still being used.

The allocation of the mentioned building as head office for the Institute was confirmed in an agreement between Mexico and the PAIGH. José López Portillo, Mexican President, signed it on May 15, 1980.

In 1949 the PAIGH signed an agreement with the Council of the Organization of American States (OAS), by which the PAIGH became the OAS' first specialized organism. The agreement was revised and signed in accordance in Washington, D.C. on May 6, 1974 and is still in full force and effect.

At the PAIGH 18 General Assembly that took place on November 20, 2005 to November 23, of the same year - Caracas, Venezuela - officials that will carry out their function until 19 General Assembly, were elected. Functions are as follows:

President	Dr. Oscar Aguilar Bulgarelli	Costa Rica
Vice-president	Prof. Leonel Vivas	Venezuela
Secretary General	M.Sc. Santiago Borrero Mutis	Colombia
President Cartographic Com.	Ing. Rodrigo Barriga V.	Chile
Vice-president Cartographic Com.	Cart. Alejandra Coll E.	Chile
President Geographic Com.	Ing. Mario Alberto Reyes I.	Mexico
Vice-president Geographic Com.	Ing. Antonio Hernández N.	Mexico
President Historical Com.	Dra. María Cristina Mineiro S.	Brazil
Vice-president Historical Com.	Dr. Fernando da Silva C.	Brazil
President Geophysical Com.	Dr. Carlos Mendoza	U.S.A.
Vice-president Geophysical Com.	M.Sc. Bruce W. Presgrave	U.S.A.

The objectives of the PAIGH are:

To encourage, coordinate and publicize cartographical, geophysical, geographical and historical studies, as well as other related scientific studies of interest to the Americas.

To promote and carry out studies, work and training in the aforementioned fields of activity.

To promote cooperation among organizations interested in these fields of activity in the Americas, and with related international organizations.

2. MAIN ACCOUNTING POLICIES

The financial statements were prepared under the collected and paid basis, in order to record income and expense determined by the operation.

Accounting, as well as records and financial statements issued are prepared using as currency the United States dollar. (Until December 31, 2006 \$10.80 pesos to 1 dollar)

a) Income fees

The score referring to income fees constitute the main source from where the PAIGH obtains funds. In 2006, the fees extraordinary recovery from the two previous exercises was of \$24,444 USCy. There is a delay in their payment, which to the closing of the exercise comes to \$292,528 USCy. This amount includes \$121,612 USCy corresponding to the 2006 exercise and \$170,916 USCy corresponding to previous exercises.

As it is pointed out in Articles 27, 28 and 29 of the financial regulations of the Organization:

Art. 27. "The Secretary General is authorized to take the necessary steps towards obtaining the payment of quotas in arrears, from the Member States, and to propose the Directing Council the draft agreement that has been studied in mutual agreement with the officials of the Members State in debt"

Art. 28. "Any Member State which by the date of the initiation of the General Assembly are current, or owe up to one quota, shall have the right for their nationals to be elected to posts of authority in PAIGH."

Art. 29. "The Member States, which have not covered their contributions for more than five periods, shall not have the right to vote at the meetings of the Institute. Likewise, they shall lose the right for their projects to be approved as well as other benefits."

b) Proprietor's equity

The recorded changes in the heritage situation of the PAIGH during the current exercise are shown in Attachment 3.

José Toribio Medina Bibliographical Fund.

Based on what was written and issued by the Foreign Affairs Secretariat of the Mexican United States on March 20, 1997, number 1. points out: "The Mexican Government, through the E.N.A.H., will undertake the management of the Bibliographic Collection José Toribio Medina of the PAIGH, which is constituted by:

- a) Library collections and books.
- b) Series of collections and magazines, and newspaper and periodicals library.

According to the contract of loan and restitution signed August 30, 2002 by the officials of the PAIGH, the Anthropology and History National Institute (INAH, for its acronym in Spanish), and the Anthropology and History National School (ENAH), the Bibliographic Collection was delivered to the ENAH, which prepared an inventory, in order to guard it completely.

Through this contract of loan and restitution, the use and management of the Bibliographic Collection José Toribio Medina of the PAIGH was granted free of charge and indefinitely.

The initial delivered collection was constituted by: 184, 412 periodical publications, 34,089 books, and 4,590 special materials. It totals 223,091 volumes.

Subsequently, other deliveries have taken place and these result in the total of 226,937 volumes up to December 31, 2006. This total is constituted by: 188,249 periodical publications, 34,089 books, 4,594 special materials, and 5 compact discs.

The objective of the loan and restitution delivery for the use and management of this collection is that it is managed and open to the public for its consultation at the ENAH library. Due to this the PAIGH has the responsibility to keep watch on that this is fulfilled and to verify that the bibliographic collection is kept in good condition.

Within the audit working program of the exercise under review, a visit to the Anthropology and History National School facilities took place, in order to verify directly the control and use given to the bibliographic cultural heritage.

In this regard it was verified that the bibliographic cultural heritage is adequately located in special facilities, designed for its control and use: also, that the volumes are at the disposal of the people who may need them. However, it was again noticed that due to that lack of personnel the registry of the bibliographic cultural heritage in the system has not been concluded.

At the closing of the 2006 exercise there was no estimated valuation of this bibliographic cultural heritage. Due to this fact the determined value has not been included in the countable registries as part of the patrimony of the Institute.

Last October 2006 the PAIGH requested M. Sc.. Daniel de Lira Luna (Researcher of the Instituto de Investigaciones Bibliográficas de la UNAM – Bibliographic Research Institute of the UNAM -) prepare the budget for the valuation of the whole bibliographic cultural heritage, which ascends to \$3'000, 000 Mexican pesos that would represent \$277,778 USCy valued to the December 31, 2006. Due to the fact that the mentioned valuation surpassed the expectation and budget of the PAIGH, only the budget of the valuation of the Reserved Fund was requested, which ascends to \$1'200, 000 Mexican pesos that represent \$111,111 USCy valued to December 31, 2006.

The Reserved Fund valuation proposal will be submitted in the next Authority Meeting, which will take place June 25 and 26, 2007 in Brazil.

Regarding the valuation of this fund, only specialized personnel can carry this out. It is suggested that the officials of the PAIGH, using the ninth clause of the loan and restitution contract, carry out the corresponding procedures with the Anthropology and History National School and the Anthropology and History National Institute, in order to conduct a valuation.

The ninth clause of the loan and restitution contract is referred to, because there is not mention or indication at all that the delivered fund should be valued, so by using the herein mentioned clause this could have a positive effect.

Following appears the ninth clause, for its comment:

-“Friendly Composition”

“This contract is the result of good faith, so any conflict that may arise regarding its interpretation, formalization, and fulfillment, will be settled by the parties in mutual consent, which shall not be open to appeal

c) Reserve fund

As mentioned in Article 42 of the Financial Regulations of the PAIGH, "The Reserve Fund is constituted to confront any severance payments that may have to be made to the staff of the General Secretariat who no longer work at the Institute. The total of this fund shall be determined by the approximate sum of these payments". Currently, it is constituted only by the amount of the bonuses for service recognition.

Up until December 31, 2006, the amount of the reserve fund for the payment of this concept is \$41,228 USCy (\$61,943 in 2005).

In this fund severance payments and seniority premiums are not considered.

Severance payment

In accordance with the Federal Labor Law of the Mexican Republic (Ley Federal del Trabajo de la República Mexicana), the PAIGH has the responsibility to compensate the workers that are fired without a justified reason.

Seniority premium

In accordance with Federal Labor Law (Ley Federal del Trabajo), the personnel of the PAIGH that have at least a 15-year seniority, at the time of their discharge, have a right to a compensation equivalent to 12 days of salary for each year of service (this salary will not exceed twice the general minimum wage of the region, in full force and effect at the date of retirement).

The workers that are dismissed unjustifiably or that pass away have the right to the seniority premium. This will be determined in accordance with the years they have worked for the PAIGH, even when it is less than the 15 years pointed out by the Law.

Currently, the PAIGH has established the policy to consider the severance payments and seniority premiums as normal expenses of the exercise in which they occur.

d) Temporary investments

The cash and temporary investments shown in the financial statements at the closing of the exercise were obtained using exchange rates determined by the PAIGH temporarily, considered at the moment of the recording of the operations. The bank that serves International Organizations and Embassies gives these exchange rates.

Bank	Account number	Type	Currency	Amount USCy
OAS Staff Federal Credit Union	7171	Special account	Dollars	\$ 15,390
Inbursa, S.A.	15001970027	Corporate Account	Dollars	277,232
Inbursa, S.A.	15001970019	Corporate Account	Pesos	29,958
HSBC Mexico, SA	00199153132	Master account	Pesos	4,039
HSBC Mexico, SA	00199305252	Special account	Dollars	<u>20,861</u>
Subtotal Banks				\$ 347,480
Cash Special Fund				\$ 463 <u>2,411</u>
Subtotal Cash				\$ 2,874
Total Banks and Cash				\$ <u>350,354</u>

e) Fixed installment deposits

The following instruments represent these:

Bank	Account number	Type	Currenc	Amount USCy
OAS Staff Federal Credit Union	7171	Fixed installment	Dollars	251,943

In the OAS Staff Federal Credit Union there are two deposits certificated with a 6-month term for \$ 125,971.50 USCy each and its due date is January 2007.

3. FISCAL SITUATION

The fiscal situation of the PAIGH is based on the United Nations Prerogative and Immunity Convention that among its articles establishes the Diplomatic Representation performance guidelines as highlighted in Article II, which refers to Possessions, Funds, and Assets, section 7 of the above mentioned article states that "the United Nations, as well as its possessions, income and other assets will be:

- a) Exempt from direct contribution; in the understanding, however, that the United Nations will not be able to claim any exemption for taxes that, in fact, constitute payment for public services”.

Regarding the fiscal regulations of the head office (Mexico), the 1998 Provisional Regulations Fiscal Code of the Nation in fraction V. It establishes Fiscal Benefits and Exemptions for Diplomatic and Consular Missions, regarding the latter it states “Diplomatic an Consular Missions, as well as the career diplomat and consular agents, properly credited before the Mexican government, will enjoy fiscal benefits and exemptions according to the International Treaties that Mexico is part of, or in those that reciprocity exists. The Secretary of the Treasury and Public Credit (Secretaría de Hacienda y Crédito Público- SHCP) will emit rules of general character that regulate the amounts, terms and conditions of application of these benefits and exemptions, as well as tax refunds that are applicable.”

Article 104 of the United Nations Charter establishes “That the Organization will enjoy, in the territory of each of its members of Legal Personality necessary for the exercise of its functions and the achievement of its ends.”

Article 105 of the reference charter “establishes that the Organization will enjoy, in the territory of each of its members, the prerogatives and necessary immunities for the achievement of its ends, and that the representatives of the members of the Organization and its members, will also enjoy the prerogatives and necessary immunities, independently develop their functions in connection with the Organization.”

4. SUPPLY WAREHOUSE AND OTHERS

a) Paper Warehouse

The shown amount in the financial statements is for purchases of paper use to print PAIGH works. These amounts will be applied to the corresponding expense account when used. The amount of the inventory is valued to the acquisition cost.

b) Publication Warehouse

The warehouse has accumulated issues of different years – published by the PAIGH – and are used for promotion, diffusion, and sale purposes.

The amount in the inventory until December 31, 2006 is not recorded in accounting, to the closing of the exercises it contains 28,530 units (93,616 in 2005) a value of \$32,398 USCy. The valuation procedure used is to assign one dollar for each published book up until 2005 (\$ 28,051 USCy to the closing of the 2006

exercise), for printed books as of the 2006 exercise the assigned cost will be according to the actual issuing costs (\$4,347USCy).

5. FIXED ASSET

The last valued Fixed Asset Inventory was made on December 1st.,1997. The amounts determined in this evaluation have been used to update the figures until the closing of 2006, considering the acquisitions and corresponding losses, the determined inflation indexes to the closing of each exercise and depreciation percentage are shown below:

Equipment	2004	2005	2006
Computing Equipment	33%	33%	33%
Furnishing and Equipment	10%	10%	10%
Transportation Equipment	20%	20%	20%

This amount is not shown in the financial statements since the 1994 closing.

The current recording procedure of the fixed assets acquired in 1995 to the 2006 closing, is to apply them directly to the expense period.

6. OTHER ACCOUNTS PAYABLE

The balance up until December 31, 2006 is constituted by the PAIGH personnel granted loans, taken from their retirement fund.

7. DUES PAYMENT

The balance of the account is constituted by the in advance payment to the International Airline Passengers Association (IAPA), corresponding to traveling insurance premium for the Secretary General of the PAIGH, for \$369 USCy, for the guarantee deposit carried out at the Estación de Servicio Observatorio, S.A., for \$238 USCy, for the debited sum of \$1,219 USCy corresponding to the President of the Geophysical Commission (Dr. Carlos Mendoza) traveling expenses and as fee payment to the International Society for Photogrammetry and Remote Sensing (ISPRS), for \$70 USCy.

8. OTHER ACCOUNT PAYABLE.

The balance of the account as of December 31st, 2006 is constituted as follows:

Diverse Creditors	Dec. 31, 2006
Project funds "Geography Regional Tendency"	\$ 216
GSDI – Report	2,205
December IMSS discount fees	15
Cooperative partner fees	100
Sergio Molina – Project V "Digital Process Course"	419
Social Security (Seguro Social)	994
Retirement fund interests of November and December, 2006	<u>615</u>
Total	\$ <u>4,564</u>

9. PAYMENT FOR FUTURE QUOTAS

Within this item prepaid fees are included for the amount of \$32,175 USCy from the following countries:

Member States	Amount
Colombia	\$ 175
Costa Rica	4,636
United States	100
Honduras	2,855
Paraguay	141
Venezuela	<u>24,268</u>
Total	\$ <u>32,175</u>

10. DISBURSEMENTS PENDING OF RENDITION ACCOUNTS

The amount of this account until December 31, 2006 is constituted as follows:

Country	Project	Amount	Total
Corresponding to the 2006 exercise			
Brazil	SIRGAS- Geocentric Reference System for America (Sistema de Referencia Geocéntrico para las Américas)	\$ 20	\$ 20
Costa Rica	Rafael Obregón Scholarship for Postgraduate Studies in History Dynamics and Distortion of Active Faults	2,797	
		1,000	3,797
Chile	Physical Modeling and Dynamic Simulation of Eruptive processes of the Lascar Volcano, 2 nd Region of Antofagasta	1,566	1,566
Ecuador	Contribution for the Territorial Ordainment in the Cumbayá and Tumbaco Parroquias	4,000	
	Model of Historical Importance of the Native Andean Culture	1,500	5,500
El Salvador	Mapping of Volcanic Menace Scenarios	1,344	1,344
Mexico	Comparative Studies of Recent Eruptive Events of Volcanoes Lascar and Popocatepetl	4,445	4,445
Corresponding to previous exercises			
Brazil	2nd South American History Congress	\$ 5,000	\$ 5,000
Costa Rica	Rafael Obregón Scholarship for Postgraduate Studies in History	300	
	Alternative Tourism in the Central American Region	1,982	
	Large-Scale Ocean-Atmosphere Processes in the Evolution	6,819	
	Advanced workshop of quantitative methods	2,000	11,101
Chile	Space and Socioeconomic Impacts in wine Activity in Chile and Argentina	1,500	1,500
Peru	Digital Models of Sole Analysis	1,500	1,500
Uruguay	Creation of a Conceptual Model of the Aquiferous Mercedes	2,599	2,599
Venezuela	Territorial Planning and Ordainment Course	1,857	<u>1,857</u>
Total			\$ <u>40,229</u>

11. RESERVE FUNDS

To the closing of the operations of the exercise, the PAIGH reserve funds, were applied as follows:

Commission	Amount
Cartography	\$ 5,500
Geography	7,902
History	23,907
Geophysics	<u>23,890</u>
Total of Reserved Funds	\$ <u>61,199</u>

12. PATRIMONIAL FUNDS

The constitution of this concept to the closing of the exercise is the following:

Account	2006	2005
Reserve Fund	\$ 41,228	\$ 61,943
Operational Fund	143,106	143,106
Reserved Budget Fund	61,199	-
Special Fund	<u>325,230</u>	<u>324,933</u>
Total	\$ <u>570,763</u>	\$ <u>529,982</u>

Operational Fund. - The financial regulations states in Article 44 the following. -

“The Operational Fund has been constituted to cover the budgetary contingencies of the Institute in order to facilitate the financial management of the Projects. The total amount of this Fund may not be in excess of 25% of the total budget of that year”.

According to what is stated in Article 44, the amount of this fund is in accordance with the maximum regulated rate of 25%.

Concept	Amount	Fund amount	%
General Budget fund	\$ 577,424	\$ 143,106	25

The Special Fund is regulated by the PAIGH's Organic Law (Financial Regulation), Article 41 of the Financial Regulations of the PAIGH. “The special fund is made up of any surplus income received from quota payments, which exceeds the Regular Fund and shall be utilized for the special projects approved by the Directing Council or General Assembly. The Secretary General is authorized to deduct up to 5% from each project within the special projects fund for administrative expenses.” In 2006 this fund was constituted by the following concepts:

Concept	Amount
Non committed special funds	\$ 286,847
Committed special funds	
80 th PAIGH Anniversary	10,000
PAIGH Building Maintenance	12,000
Project creation and management	10,930
Prepaid expenses 2007	3,000
Global Spatial Data infrastructure participation and support	1,953
Leopoldo Zea winning book printing	<u>500</u>
Total	\$ <u>325,230</u>

It is again recommended to manage wisely the non committed special funds resources, which ascends to \$286,847 USCy, until December 31, 2006, taking into account the historical behavior in the contribution fees payment of the member states and due to the fact that this fund supports the management and operations of the General Secretariat during the previous exercises, in that show low income in the regular fund, giving as a result, a deficit in the mentioned exercises.

PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY - (Note 1)
REPORT OF QUOTAS RECEIVABLE FROM MEMBER STATES - (Note 2 a)

At December 31 st., 2006

(US Currency - Note 2)

	<u>Total</u>	<u>2006</u>	<u>Previous financial years</u>
Argentina	\$ 148,657	\$ 37,206	\$ 111,451
Bolivia	10,610	3,900	6,710
Brazil	64,896	64,896	-
Colombia (1)	-	-	-
Costa Rica (2)	-	-	-
El Salvador	10	10	-
United States of America (3)	-	-	-
Haiti	7,800	3,900	3,900
Honduras (4)	-	-	-
Nicaragua	25,443	3,900	21,543
Paraguay (5)	-	-	-
Republica Dominicana	27,300	3,900	23,400
Uruguay	7,812	3,900	3,912
Venezuela (6)	-	-	-
Total	<u>\$ 292,528</u>	<u>\$ 121,612</u>	<u>\$ 170,916</u>

(1) Payments for future quotas: USD \$ 175.00

(2) Payments for future quotas: USD \$ 4,636.57

(3) Payments for future quotas: USD \$ 100.00

(4) Payments for future quotas: USD \$ 2,854.79

(5) Payments for future quotas: USD \$ 141.21

(6) Payments for future quotas: USD \$ 24,268.00

PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY - (Note 1)
COMPARATIVE STATEMENT OF BUDGETED REVENUES AND EXPENDITURES
AGAINST THE REAL ONE FOR THE FINANCIAL YEAR
From January 1st. to December 31st., 2006
(US Currency - Note 2)

Regular fund Accounts	At December 31st., 2006		Differences + (-)
	Budgeted	Real	
Income			
Regular fund:			
Financial year quotas	\$ 562,424	\$ 440,812	\$ 121,612
Outstanding quotas	-	24,444	(24,444)
Total general fund income	<u>\$ 562,424</u>	<u>\$ 465,256</u>	<u>\$ 97,168</u>
General fund expenses			
Salaries	192,249	149,023	43,226
Social security	29,589	26,774	2,815
Infonavit	3,754	2,665	1,089
Gratuity	21,166	17,888	3,278
Subsidy	11,514	11,514	-
Recognition of services	11,741	10,124	1,617
Indemnification to employees	-	14,906	(14,906)
Bonus for merit	6,800	6,073	727
Visits to origin place	1,547	1,547	-
Representation expenses	2,790	2,421	369
Training courses	1,500	215	1,285
Subsistence	50,900	26,706	24,194
Travelling expenses	3,500	1,700	1,800
Transportation expenses	69,865	50,941	18,924
Scholarships	23,285	7,227	16,058
Right water consumption	300	235	65
Financial services	1,400	1,361	39
Post Services	200	132	68
Phone services	4,650	4,525	125
E-mail and web services	1,550	1,519	31
Courier	414	379	35
Professional fees	19,600	18,885	715
Legal services	2,900	2,860	40
Electricity	3,461	3,425	36
Insurance	1,895	1,794	101
Gasoline and lubricant	2,100	2,096	4
Spare parts and maintenance of transportation equipment	2,600	1,500	1,100
Purchase of computing equipment	1,400	1,171	229
Building maintenance	2,500	558	1,942
Stationery and office supplies	6,000	1,463	4,537
Cleaning supplies	900	701	199
Kitchen supplies	500	264	236
Equipment Acquisition	3,500	1,864	1,636
Quotas	1,500	250	1,250
Awards	2,000	2,000	-
Publications	33,094	4,583	28,511
Statutory meeting documents	5,200	5,171	29
Editorial revision	2,700	600	2,100
Chattels leasing	2,000	2,000	-
PAIGH anniversary expenses	500	168	332
Miscellaneous	19,420	10,703	8,717
Unforeseen expenses	2,000	1,878	122
Not assigned expenses	7,940	-	7,940
Total general fund expenses:	\$ 562,424	\$ 401,809	\$ 160,615
Disbursements pending of rendition accounts	-	16,672	(16,672)
Total general fund income	<u>\$ 562,424</u>	<u>\$ 418,481</u>	<u>\$ 143,943</u>
Excess income over spending of regular fund	<u>\$ -</u>	<u>\$ 46,775</u>	<u>\$ (46,775)</u>

PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY - (Note 1)
COMPARATIVE STATEMENT OF OTHER INCOME AND EXPENDITURES
FROM JANUARY 1st. TO DECEMBER 31 st., 2006

(US Currency - Note 2)

Other Funds Accounts	At December 31st., 2006		Differences + (-)
	<u>Budgeted</u>	<u>Real</u>	
Other income			
Accrued interest	\$ 6,000	\$ 13,692	\$ (7,692)
Publications	6,000	10,092	(4,092)
Miscellaneous	3,000	11,144	(8,144)
	<u>15,000</u>	<u>34,928</u>	<u>(19,928)</u>
Total other income			
Other funds expenditures			
Viaticum	4,000	3,897	103
Travel expenses	500	360	140
Transportation expenses	2,500	665	1,835
Post services	2,000	1,471	529
Equipment acquisition	6,000	7,277	(1,277)
	<u>15,000</u>	<u>13,670</u>	<u>1,330</u>
Total other funds expenditures			
Deficit income over spending of other funds		\$ 21,258	