

**PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY**  
**REPORT ON THE EXAMINATION OF THE FINANCIAL STATEMENTES**

**December 31<sup>st</sup>, 2017**

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## Contadores Certificados y Asesores de Negocios

### Independent Auditor's Report

To the President of the Pan American Institute of Geography and History  
Mr. Israel Sanchez Moreno  
P r e s e n t

#### Opinion

We have revised the attached financial statements of the **Pan American Institute of Geography and History (the Institute)** that include the statement of financial position at December 31, 2017, the statement of activities and the statement of changes in equity corresponding to the accounting period terminated on that date as well as the explanatory notes to the financial statements that include a summary of the significant accounting policies. The financial statements have been prepared in accordance with the accounting standards contained in the "Financial Bylaws" of the PAIGH and additionally according to the Mexican Financial Information Standards. The numbers of the aforementioned financial statements for the period terminated on December 31<sup>st</sup>, 2016 are presented with comparative purposes and were checked by another auditor who issued his opinion on June 30<sup>th</sup>, 2017 without reservations.

In our opinion the attached financial statements reasonably present, in all its material aspects, the financial position of the Pan American Institute of Geography and History at December 31<sup>st</sup>, 2017, as well as its results and the statement of changes in equity corresponding to the period finished on that date, in accordance with the accounting rules about financial information stipulated in the "Financial Bylaws" and additionally with the Mexican Financial Information Standards and the internal control that the "Secretariat" considers necessary to enable the preparation of financial statements free of material incorrectness due to fraud or mistake.

#### Substantiation of the Opinion

We have carried our audit process according to the Mexican Financial Information Standards and the Internal Control that the "Secretariat" considers necessary for the elaboration of financial statements. Our responsibilities according to those Standards are further described in the section Responsibilities of the auditor concerning the auditing process of the financial statements of this report. We are independent from the Institute in accordance with the ethics requirements included in the Professional Code of Ethic of the Mexican Institute of Public Accountants (Professional Code of Ethic ) pertaining to our auditing process of financial statements in Mexico and we have complied with the else ethics responsibilities according to the Professional Code of Ethics. We consider that the audit evidence we have obtained gives adequate and sufficient basis for our opinion.

#### Responsibility of the "Secretariat" and the Administration of the Institute concerning the financial statements

The "Secretariat" is responsible of the reasonable elaboration and presentation of the financial statements according to the accounting regulations about financial information stipulated in the "Financial Bylaws" and additionally with the Mexican Financial Information Standards and the internal control that the "Secretariat" deems necessary to enable the preparation of financial statements free of material deviation due to fraud or mistake.

When preparing the financial statements the "Secretariat" is responsible for evaluating the capacity of the Institute in order to maintain its patrimony, to continue as an International Organization and to achieve the purposes for which it was created, disclosing, as appropriate the relative matters as an active Organization and using the accounting principle of the business in progress, unless the "Secretariat" has the intention of liquidating the Institute or to cease operating or there does not exist a more realistic alternative.

The person in charge of the "Secretariat" is responsible for supervising the process of financial information of the Institute.

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## Contadores Certificados y Asesores de Negocios

### Auditor's responsibility concerning auditing the financial statements

Our purposes are to obtain a reasonable security that all the financial statements are free of material incorrectness due to fraud or mistake, and to issue an auditing report that includes our opinion. Reasonable security is a high degree of security but it does not guarantee that an audit process performed in accordance with International Audit Standards always detects a material incorrectness when it exists. Incorrectness may be due to fraud or mistake and is considered material if, individually or in an aggregate way can be reasonably avoided that they have an influence in the economic decisions that the users make based on the financial statements.

As part of an audit process in accordance with the accounting rules concerning financial information stipulated in the "Financial Bylaws" and on the Mexican Financial Information Standards and the Internal Control that the "Secretariat" deems necessary to enable the preparation of financial statements, we applied our professional judgement and we maintain a professional skeptical attitude during the whole process. We also:

- Identify and value the material deviation risks in the financial statements, due to fraud or mistake, we designed and applied auditing processes to respond to these risks and we obtained adequate and sufficient audit evidence to have a basis for our opinion. The risk of not detecting a material deviation due to fraud is even higher than in the event of material incorrectness due to mistake since fraud can imply collusion, falsification, deliberate omissions, intentionally erroneous statements or elusion of internal control.
- Obtain knowledge about the relevant internal control for the audit in order to design auditing processes that are adequate concerning the circumstances and not with the purpose of expressing an opinion about the efficiency of the internal control of the institute.
- We evaluate how adequate are the applied accounting policies and the reasonability of the accounting estimations and the corresponding information disclosed by the "Secretariat".
- We concluded about how adequate it is that the "Secretariat" uses the accounting principle of the business in progress, and with the obtained audit evidence we concluded about whether there is or there is not a material deviation related to facts or conditions that can cause significant doubts about the capacity of the Institute to continue as an Institution in progress. If we conclude that there is material uncertainty we require to call attention on our audit report about the corresponding information disclosed in the financial statements or if these disclosures are not adequate we have to give a modified opinion. Our conclusions are based on the evidence of an audit obtained up to the date of our audit report. However future facts or conditions can cause the Institute to stop being a business in progress.
- We evaluate as a whole the presentation, the structure, and the contents of the financial statements including the disclosed information and if the financial statements reasonably represent the transactions and underlying facts in a way that they achieve a reasonable presentation
- We told the person in charge of the "Secretariat" of the Institute among other things, the scope and the time of carrying out the audit as well as the significant findings of the audit and any significant deficiency of the Internal Control that we identified during the course of the audit.

Vieyra Mota y Asociados, S.C.

L.C.C. Ricardo Vieyra Gómez  
Professional License 3338022

Mexico City, February 5<sup>th</sup> 2018


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**PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY (Note 1)**  
**FINANCIAL POSITION STATEMENT**  
**AT DECEMBER 31ST, 2017 AND 2016**  
 US DOLLARS (NOTE 2)

CURRENT	2017	2016	LIABILITIES	2017	2016
<b>ASSETS</b>			<b>SHORT TERM</b>		
Cash and Banks (note 2d)	\$ 309,598	\$ 332,687	Sundry Creditors (Note 8)	\$ 41,581	\$ 54,134
Fixed term deposits (note 2e)	715,464	755,282	Payments on account of future fees (Note 9)	1,000	163
Sundry Debtors (note 6)	31,491	34,552	Funds for publications	-	-
			Reserve for compensation (note 2c)	27,964	17,276
<b>TOTAL CURRENT ASSETS</b>	<u>1,056,553</u>	<u>1,122,521</u>	<b>TOTAL LIABILITIES</b>	<u>70,545</u>	<u>71,573</u>
<b>NON-CURRENT ASSETS</b>			<b>PATRIMONIAL FUNDS</b>		
Prepaid expenses (Note 7)	238	238	Patrimonial Funds ( Note 2 b y 10 )	986,246	1,051,186
<b>TOTAL NON-CURRENT ASSETS</b>	<u>238</u>	<u>238</u>	<b>TOTAL EQUITY</b>	<u>986,246</u>	<u>1,051,186</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,056,791</u>	<u>\$ 1,122,759</u>	<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 1,056,791</u>	<u>\$ 1,122,759</u>

The attached notes are part of the financial statements

Under oath, we declare that the financial statements and notes are reasonably correct and are the responsibility of the issuer

  
 \_\_\_\_\_  
 Dr. Rodrigo Barriga Vargas  
 Secretary General

  
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 C.P. Francisco Manuel Garcia Mora  
 Chief Accounting

**PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY (Note 1)**  
**STATEMENT OF ACTIVITIES**  
**From 1 January to 31 December 2017 and 2016**  
 US DOLLARS (NOTE 2)

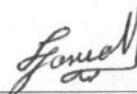
	2017	2016
Income from membership Fees (attachment 6)		
Of the Year	\$ 429,707	\$ 446,232
Of previous years ( Note 2 a )	77,690	57,758
	<u>507,397</u>	<u>503,990</u>
Other income (attachment 7)		
Earned Interests	3,304	4,575
Publications	3,102	21,212
Services to third parties	9,304	61,141
Cooperating Partners	4,307	1,000
Miscellaneous	11,878	(38,245)
	<u>31,895</u>	<u>49,683</u>
<b>TOTAL INCOME FOR THE YEAR</b>	<b>\$ 539,292</b>	<b>\$ 553,673</b>
Regular Fund Expenditures ( Attachment 6 )		
Personnel	202,646	231,985
Technical assistance, information and dissemination and statutory meetings	205,691	124,545
Operating Costs	22,522	20,600
	<u>430,859</u>	<u>377,130</u>
Disbursements for the year to be accountable	37,961	25,145
Administrative fund expenditures (Attachment 7)	29,890	19,371
	<u>67,851</u>	<u>44,516</u>
<b>TOTAL EXPENSES OF THE YEAR</b>	<b>498,710</b>	<b>421,646</b>
<b>REMNANT OF INCOME ON EXPENSES OF THE GENERAL FUND</b>	<b>\$ 40,582</b>	<b>\$ 132,027</b>
Less: Reserve Funds from the year budget ( Note 10 )	-	(74,088)
<b>Net surplus for the year</b>	<b>\$ 40,582</b>	<b>\$ 57,939</b>

The attached notes are part of the financial statements

Under oath, we declare that the financial statements and notes are reasonably correct and are the responsibility of the issuer



Dr. Rodrigo Barriga Vargas  
Secretary General




C.P. Francisco Manuel García Mora  
Chief of Accounting

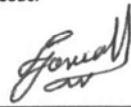
**PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY (Note 1)**  
**PATRIMONIAL CHANGES CONDITION ( Note 2 b and 10 )**  
**Years ended on December 31st, 2017 and 2016**  
**US DOLLARS (NOTE 2)**

	Reserve Fund ( Note 2 c )	Operational Fund	Special Fund	Budgeted Reserved Fund	Total
<b>Patrimony as of December 31, 2015</b>	\$ 26,670	196,848	690,128	59,466 \$	973,112
<u>2016</u>					
Plus:					
Revenue from recovery of funds	-	-	870	-	870
Increase in the reserve fund	3,820	-	-	-	3,820
Less:					
Loss on exchange rate	(4,557)	-	-	-	(4,557)
Projects financed by funds	-	-	(38,257)	(47,046)	(85,303)
Transfer to Special Fund	-	-	267	(267)	-
Transfer of other funds to the Special Fund	-	-	31,217	-	31,217
Plus:					
Distribution of the surplus of the year and application of funds	-	-	57,941	74,086	132,027
<b>Patrimony as of December 31, 2016</b>	<b>25,933</b>	<b>196,848</b>	<b>742,166</b>	<b>86,239</b>	<b>1,051,186</b>
<u>2017</u>					
Plus:					
Revenue from recovery of funds	-	-	1,521	-	1,521
Increase in the reserve fund	5,266	-	-	-	5,266
Utility in exchange rate	2,036	-	-	-	2,036
Less:					
Expenditures from projects financed by funds	-	-	(43,158)	(71,187)	(114,345)
Transfer of other funds to the Special Fund	-	-	15,052	(15,052)	-
Plus:					
Distribution of the surplus of the year and application of funds	-	-	40,582	-	40,582
<b>Patrimony at December 31st, 2017</b>	<b>\$ 33,235 \$</b>	<b>196,848 \$</b>	<b>756,163 \$</b>	<b>- \$</b>	<b>986,246</b>

The attached notes are part of the financial statements

Under oath, we declare that the financial statements and notes are reasonably correct and are the responsibility of the issuer

  
 \_\_\_\_\_  
 Dr. Rodrigo Barriga Vargas  
 Secretary General

  
 \_\_\_\_\_  
 C.P. Francisco Manuel Garcia Mora  
 Chief of Accounting

**PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY (PAIGH)  
Notes to the Financial Statements of  
December 31<sup>st</sup>, 2017  
(American Dollars)**

**1. HISTORY AND PURPOSE**

PAIGH was created on February 7, 1928 at the VI American Conference organized by the Ministers of the American States in Havana, Cuba, and upon request of the Mexican government, Mexico City was established as the headquarters of PAIGH.

President Pascual Ortiz Rubio, by means of a decree dated May 3, 1930, made the building available to the American Nations and it is still being used

The appointment of the building as the headquarters of the Institute was confirmed by means of an agreement between the Mexican United States and the PAIGH on May 5<sup>th</sup>, 1980 signed by President Jose Lopez Portillo.

In 1949 the PAIGH signed an agreement with the Council of the American States (OAS) by means of which it became its first specialized organism; such agreement was amended and signed on May 6<sup>th</sup>, 1974 and it is still in force.

At the 21<sup>st</sup> General Assembly of the PAIGH held from Oct 25-27, 2017 in Panama, Panama it was decided to elect the authorities that will be in office until the 22<sup>nd</sup> General Assembly, as follows:

<b><u>Position</u></b>	<b><u>Name</u></b>	<b><u>Country</u></b>
President	Israel Sánchez	Panamá
Vice President	Alejandra Coll	Chile
Secretary General	César Rodríguez	Uruguay
President of the Cartography Commission	Max Lobo	Costa Rica
Vicepresident of the Cartography Commission	Álvaro Álvarez	Costa Rica
President of the Geography Commission	Patricia Solís	E.U.A.
Vicepresident of the Geography Commission	Jean Parcher	E.U.A.
President of the History Commission	Patricia Galeana	México
Vicepresident of the History Commission	Rubén Ruiz	México
President of the Geophysics Commission	Mario Ruiz	Ecuador
Vicepresident of the Geophysics Commission	Alejandra Patricia Alvarado	Ecuador

The purposes of the PAIGH are:

To encourage, coordinate and spread cartographic, geophysical, geographic and historic research as well as the ones of related science that are of interest to America.

To promote and do research, work and training in these disciplines.

To promote the cooperation among the institutes of their disciplines in America and with related international organizations.

## **2. MAIN ACCOUNTING POLICIES**

The financial statements were made under the cash base collected and paid to record income and expenses determined by the operation.

The accounting as well as the records and the financial statements issued are made using the US dollar as currency (at December 31<sup>st</sup>, 2017 \$18.52 pesos per one dollar)

### **a) Income from fees**

The line of income from fees constitutes the main source of obtaining resources of the PAIGH. In 2017 the extraordinary recovery in fees from previous years was of \$77,690 US dollars. There is a delay in fees since at the closing of the period it was of \$607,694 US dollars. This includes \$156,949 US dollars from the 2017 period and \$450,745 US dollars of previous periods.

As it is stipulated in the financial Bylaws of the organism on articles 27, 28 and 29:

*Article 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 to the Directing Council the draft agreement that has been studied in mutual agreement with the Officials of the Member State in debt.

*Article 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.

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



## **b) Patrimony**

All changes recorded in the patrimonial condition of the PAIGH during the year revised are shown on Attachment 3

Bibliographic Fund Jose Toribio Medina of the PAIGH

Based on the writ issued by the Foreign Affairs Secretariat of the Mexican United States on March 20<sup>th</sup>, 1997, on its number 1 it is appointed "The Mexican Government through the National School of Anthropology and History (NSAH) shall take over the administration of the Bibliographic Fund Jose Toribio Medina of the PAIGH, that consists of:

- a) Collections of library books
- b) Collections and series and newspaper magazines

According to the loan agreement signed on August 2002 by the authorities of the PAIGH, of the National Institute of Anthropology and History (NIAH) and of the National School of Anthropology and History (NSAH) the NSAH received the bibliographic fund and it made an inventory in order to safeguard it totally

By means of this loan agreement it was gratuitously granted and ad infinitum the use and administration of the bibliographic fund "Jose Toribio Medina of the PAIGH.

The initial fund was of 184,412 periodical publications, 34,089 books and 4,590 special materials. This made a total of 223,091 volumes.

Later there have been more deliveries and on December 31<sup>st</sup>, 2017 there was a total fund of 232,466 volumes, made up of 193,778 periodical publications, 34,089 books, 4,594 special materials and 5 compact discs.

The purpose of the delivery on a loan for use and administration of this fund is to be managed and used by people in general at the library of the NSAH. Therefore the PAIGH is responsible for the compliance of this precept and for checking that the bibliographic fund is maintained in good conditions.

Among the audit schedule for the revised period there will be a visit to the National School of Anthropology and History in order to verify directly the control and the use given to the bibliographic collection.

Towards this concern it shall be verified that the bibliographic collection is suitably located, at a special place designed for its control and use, and that the different volumes are available to the people who require them.

Upon closing the 2017 period there did not exist an estimated valuation of this bibliographic collection. Therefore the determined value has not been included in the accounting records as part of the patrimony of the Institute.

The appraisal of the reserved bibliographic collection would have a very high cost so in a short term this expenditure is considered non-viable.

### **c) Reserve Fund**

As it is mentioned in Plea 42 of the Financial Bylaws of the PAIGH “The Reserve Fund” is established in order to face the indemnifications to the personnel of the General Secretariat who cease to work at the PAIGH. The amount of this fund shall be determined by the approximate sum of these indemnifications”.

It is currently made up by the amount of the bonuses for acknowledgement of services for two people of the General Secretariat who have been rendering their services the longest.

At December 31<sup>st</sup>, 2017 the amount of the reserve fund to pay for this concept adds up to \$33,235 US dollars (\$25,933 US dollars in 2016).

This fund does not consider either compensations for dismissals or senior premium.

### **Compensations for dismissals**

According to the Mexican Labor Law, the PAIGH is responsible for paying compensations to workers who are dismissed without just cause.

### **Senior Premium**

According to the Mexican Labor Law the personnel of the PAIGH who have been working for 15 years or more are entitled to a compensation that equals 12 days of pay for each year of service when they retire (such amount shall not exceed twice the general minimum salary of the area which is standing in force at the moment of the retirement)

The workers who are dismissed without just cause or who die are entitled to a senior premium established in accordance with the number of years they have worked for the PAIGH, even when they have worked less than the fifteen years mentioned in the Law.

Previously the PAIGH had established a policy to consider the compensations for dismissals and the senior premium as normal expenditures from the period in which these events happened.

However currently there is a reserve for compensations for dismissals for an amount of \$27,964 US dollars at December 31<sup>st</sup>, 2017 waiting for this amount to continue growing in order to pay for these indemnifications.

#### d) Temporary Investments

Cash and temporary investments shown in the financial statements at the end of the period were obtained using the exchange rates established by the PAIGH on a temporary basis and by what is stipulated by the Bank of Mexico, considered at the moment the transactions were recorded. These exchange rates are given by the banking agency in charge of International Organisms and Embassies

Bank	Account number	Type	Currency	US Dollars 2017	US Dollars 2016
Oas Staff Federal Credit Union	7171	Special account	US Dollars	\$179,771	\$114,039
Inbursa S.A.	15001970027	Entrepreneurial	US Dollars	21,856	10,956
Inbursa S.A.	15001970019	Entrepreneurial	Pesos	29,360	18,154
HSBC Mexico S.A.	00199153132	Master Account	Pesos	3,944	2,606
HSBC Mexico S.A.	00199305252	Special account	US Dollars	69,994	53,096
HSBC Mexico S.A.	6250872670	Special account	Pesos	4,403	133,586
<b>Sub Total Banks</b>				<b><u>\$309,328</u></b>	<b><u>\$332,437</u></b>
<b>Cash</b>				<b><u>\$ 270</u></b>	<b><u>\$ 250</u></b>
<b>Total Banks and Cash</b>				<b><u>\$309,598</u></b>	<b><u>\$332,687</u></b>

#### e) Fixed Term Deposits

They are represented by the following instruments

Bank	Account Number	Type	Currency	2017	2016
Oas Staff Federal Credit Union	7171	Fixed Term	US dollars	\$715,464	\$755,282

At the Oas Staff Federal Credit Union there are 5 deposit certificates with the following features: 1) 3 months term certificate for \$200,000 US dollars with maturity on January 2018, 2) two 3 months term certificates for \$160,181 and \$153,319 US dollars each with maturity on March 2018, and two 12 months term certificates with maturity on April 2018, for \$100,452 and \$101,512 US dollars each.

### **3. FISCAL SITUATION**

The fiscal situation of the PAIGH is based on the Convention about Prerogatives and Immunities of the United Nations that among other articles it stipulates the performance guidelines of the Diplomatic Representations as it is stipulated on article II. concerning goods funds and assets, on section seven of that plea it stipulates that "The United Nations, as well as its goods, income and other salaries shall:

- a) Exempt from any direct contribution, however provided, that the United Nations shall not be entitled to claim any exemption whatsoever for the contributions that in fact are a remuneration for public services".

Concerning the fiscal regulation at the PAIGH headquarters (Mexico), and the Fiscal Code of the Federation in the 1998 Transitory Dispositions fraction V it establishes fiscal benefits and exemptions to Consular and Diplomatic Missions and indicates that "Consular and Diplomatic Missions as well as career diplomatic and consular agents, duly acknowledged before the Mexican government shall enjoy tax benefits and exemptions according to international treaties where Mexico is a part of or as long as there exists reciprocity. The Secretary of Finance shall issue general rules for regulating amounts, terms, and application conditions of those benefits and exemptions as well as the pertaining tax refunds.

Article 104 of the Letter of the United Nations stipulates "That the organization shall have, within the territory of each of its members the necessary juridical personality to carry out their duties and to achieve their goals"

Article 105 of the aforementioned document stipulates "that the Organization shall have within the territory of each of its members the prerogatives and immunities that are needed to achieve its goals, and that the representatives of the members of the Organization and the members of it shall also have the necessary prerogatives and immunities to freely carry out their duties concerning the Organization".

#### **4. PUBLICATIONS WAREHOUSE**

The warehouse includes publications that have been accumulated for many years-published by the PAIGH and that are used for promotion, diffusion and sale.

On December 31<sup>st</sup>, 2017 the sum of the inventory is not recorded in the books. This information is only for informative effects and are not part of the ruled financial statements. The Secretary General of the PAIGH know this.

#### **5. FIXED ASSETS**

The last appraised inventory of fixed assets was carried out on February 1<sup>st</sup>, 2018 the sums determined here have been used to update the numbers since that day up to the end of the 2018 period, taking into consideration the corresponding acquisitions and withdrawals as well as their depreciation.

This amount has not been shown in the financial statements since the end of the 1994 period.

The current recording procedure for recording fixed assets purchased from 1995 to 2017 is to apply them directly to the expenditure of the period.

#### **6. SUNDRY DEBTORS**

The balance at December 31<sup>st</sup>, 2017 is made up as follows: 25% for the loans to the personnel of the PAIGH taking their retirement fund and 75% corresponds to the debit that was created by the agreement with Corporacion Andina de Fomento (CAF) in order to contribute to the development of an integrated digital map of the South American countries.

#### **7. PREPAID EXPENSES**

The balance is integrated by the guarantee deposit to Estación de Servicio Observatorio, S.A.

## 8. SUNDRY CREDITORS

The balance of the account is made up as follows

Sundry Creditors	2017	2016
6 <sup>th</sup> CAF Agreement	\$1,817	\$23,784
3 <sup>rd</sup> CAF Agreement	-	42
Centro Nacional de Información Geográfica	18,326	23,591
GSDI Bulletins	-	3,538
Publication Funds	10,595	-
Project Funds	6,500	-
Fees to Security and Housing	3,281	3,011
Rosemarie Fonseca	850	-
Interests of the retirement fund	212	168
<b>Total</b>	<b><u>\$41,581</u></b>	<b><u>\$ 54,134</u></b>

## 9. PAYMENTS ON ACCOUNT OF FUTURE FEES

Within this item there are the fees paid on account of future fees as follows:

Member States	2017	2016
Ecuador	\$ -	\$ 68
United States	1,000	-
Costa Rica	-	95
<b>Total</b>	<b><u>\$ 1,000</u></b>	<b><u>\$ 163</u></b>

## 10. PATRIMONIAL FUNDS

This concept at the end of the year is as follows:

Account	2017	2016
Reserve Fund	\$ 33,235	\$ 25,933
Operational Fund	196,848	196,848
Reserved Budget Fund	-	86,239
Special Fund	756,163	742,166
<b>Total</b>	<b><u>\$986,246</u></b>	<b><u>\$ 1'051,186</u></b>

“Operational Fund:- The financial Bylaws on its article 44th cited the following:

The Operational Fund has been constituted to cover the budgetary contingencies of the Institute. The amount of this fund can not be in excess of 35% of the Regular Fund for that year”.

Later at the 41<sup>st</sup> Board Meeting explaining as the main reason that the Operational Fund was constituted in order to attend budgetary contingencies it was decided to increase the percentage of such fund to 35% of the Regular Fund.

According to what is stipulated by the 44<sup>th</sup> amended Article, the amount of this fund is in agreement with the ruled 35% maximum.

<b>Concept</b>	<b>Amount</b>	<b>Amount of Fund</b>	<b>%</b>
Regular Fund	\$562,424	\$196,848	35

Special Fund.- This is ruled in the Financial Bylaws of the PAIGH on its article 41: “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.

<b>Concept</b>	<b>Amount</b>
Special Funds Not Committed	\$614,305
Special Funds Committed	
Maintenance of the PAIGH building	33,464
Appraisal of the Fixed Assets of the PAIGH headquarters	3,056
Purchase of a Telephone Switch for the General Secretariat	7,000
Kitchenware, Placement Bonus and Tickets for the incoming Secretary General	24,500
Kitchenware, Placement Bonus and Tickets for the outgoing Secretary General	24,500
Expenses of the 90 <sup>th</sup> Anniversary of the PAIGH and Possession of the Secretary General	8,756
<b>Total</b>	<b><u>\$ 715,581</u></b>

In 2017 there was a \$40,582 surplus which originated more available resources in the short term, so that it is necessary to recommend a prudent management of the resources of the special funds not committed, which adds up to \$614,305 US dollars at December 31<sup>st</sup>, 2017, taking into consideration the historic behavior in the payment of fees from state members and since this fund supports the management and operations of the Secretary General during later years where there is low income in the regular fund, originating a shortage in those years.

In the event this fund increases considerably due to arrears of Member Countries of this Institute and any or the countries wishes to present a relevant project for the Member Countries such project has to duly comply with all the pertaining requirements for its project to be approved by the Board or by the General Assembly of the PAIGH, specially with these points:

Organic Status, articles 1, 23 and 40

Financial Bylaws, articles 30, 31, 32, 34, 35 and 41

#### **11. RESPONSIBILITY OF FINANCIAL INFORMATION**

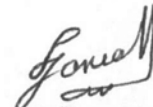
The Financial Statements have been authorized to be issued on February 5<sup>th</sup>, 2018 by Mr. Rodrigo Barriga Vargas, Secretary General and Mr. Francisco Manuel García Mora in charge of the financial information and are subject to the approval of the Board of the Institute

**The attached notes are part of these financial statements**

**Under oath, we declare that these financial statements and their notes are reasonably correct and are responsibility of the issuer**



**Dr. Rodrigo Barriga Vargas**  
Secretary General



**C. P. Francisco Manuel Garcia Mora**  
Chief of Accounting



**PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY (Note 1)**  
**RELATION OF FEES TO BE COLLECTED FROM MEMBER STATES (note 2a)**  
**As of 31 December 2017**  
**US DOLLARS (NOTE 2)**

Member Countries	Accumulated Fees Receivable	Fees of 2017	Fees of Previous Years
Argentina	\$ 37,206	\$ 37,206	-
Belize	9,421	5,509	3,912
Bolivia	5,509	5,509	-
Brazil	454,284	64,896	389,388
Colombia	12	12	-
United States (1)	-	-	-
Guatemala	1,609	1,609	-
Haití	5,541	5,509	32
Honduras	2,868	2,868	-
Nicaragua	13,376	5,509	7,867
Paraguay	3,986	3,986	-
Venezuela	73,882	24,336	49,546
<b>Total</b>	<b>\$ 607,694</b>	<b>\$ 156,949</b>	<b>\$ 450,745</b>

(1) Payment on account of future installments for US \$ 1,000.00



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**Dr. Rodrigo Barriga Vargas**  
**Secretary General**



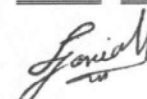
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**C.P. Francisco Manuel García Mora**  
**Chief of Accounting**

**PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY (Note 1)**  
**COMPARATIVE STATEMENT OF INCOME AND EXPENSES**  
**BUDGETED vs ACTUAL**  
**As of 31 December 2017**  
 US DOLLARS (NOTE 2)

Regular Fund	At December 31st, 2017		
Accounts	Budgeted	Actual	Differences + (-)
Regular Income Funds			
Fees of the year	\$ 586,656	\$ 429,707	\$ 156,949
Arrears	-	77,690	(77,690)
<b>Total Income of the Regular Fund</b>	<b>\$ 586,656</b>	<b>\$ 507,397</b>	<b>\$ 79,259</b>
Expenses of the Regular Fund			
Wages	185,370	176,844	8,526
Social Security	37,230	35,358	1,872
Infonavit	6,660	4,902	1,758
Gratuities	19,101	18,082	1,019
Subsidies	13,757	13,754	3
Acknowledgement for services	9,668	9,187	481
Indemnifications to employees	10,688	10,688	-
Merit Bonuses	6,000	5,938	62
Visits to the place of origin	1,976	1,974	2
Representation	2,785	2,785	-
Per diem	103,224	69,053	34,171
Travel Expenses	2,600	660	1,940
Tickets	71,970	38,642	33,328
Scholarships	7,200	6,600	600
Right for Drinking Water	530	521	9
Financial Services	4,500	4,152	348
Postal Service	900	252	648
Telephone Service	2,550	1,874	676
Website and email	3,000	2,458	542
Messenger Service	1,450	1,063	387
Fees	8,900	5,672	3,228
Electricity	347	313	34
Insurance	760	741	19
Gasoline and lubricants	2,400	1,963	437
Transport Equipment Repair and Maint	2,200	852	1,348
Computer Equipment Repair and Maint	1,000	19	981
Office Supply	5,700	2,978	2,722
Sanitary and cleaning material	800	765	35
Kitchen Items	800	544	256
Fees	800	621	179
Rewards	2,500	115	2,385
Publications	27,230	4,547	22,683
Editorial Committee	1,800	300	1,500
Miscellaneous Expenses	13,642	4,346	9,296
Incidental expenses	2,386	2,296	90
Special Fund	24,232	-	24,232
	<b>\$ 586,656</b>	<b>\$ 430,859</b>	<b>\$ 155,797</b>
Disbursements of the year to account	-	37,961	(37,961)
<b>Total expenses of the regular fund</b>	<b>\$ 586,656</b>	<b>\$ 468,820</b>	<b>\$ 117,836</b>
<b>Surplus of income over expenditures from the regular fund</b>	<b>\$ -</b>	<b>\$ 38,577</b>	<b>\$ (38,577)</b>




Dr. Rodrigo Barriga Vargas  
Secretary General




C.P. Francisco Manuel García Mora  
Chief of Accounting

**PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY (Note 1)**  
**COMPARATIVE STATEMENT OF OTHER INCOME AND EXPENSES**  
**BUDGETED vs ACTUAL**  
**As of 31 December 2017**  
 US DOLLARS (NOTE 2)

Administrative Fund Accounts	Budgeted	At December 31st 2017 Actual	Differences + (-)
Administrative Fund Income			
Earned interests	\$ 5,000	\$ 3,304	\$ 1,696
Publications	6,000	3,102	2,898
Services to third parties	8,000	9,304	(1,304)
Collaborating Members	9,000	4,307	4,693
Miscellaneous	2,000	11,878	(9,878)
	<hr/>	<hr/>	<hr/>
<b>Total income of the administrative fund</b>	<b>\$ 30,000</b>	<b>\$ 31,895</b>	<b>\$ (1,895)</b>
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Administrative Fund Expenses			
Wages	14,000	12,100	1,900
Social Security	2,500	2,304	196
Infonavit	1,000	773	227
Gratuities	1,500	1,116	384
Acknowledgement of services	3,500	1,186	2,314
Fees	1,000	656	344
Postal Service	500	378	122
Purchase of equipment	1,000	952	48
Miscellaneous	5,000	10,425	(5,425)
	<hr/>	<hr/>	<hr/>
<b>Total expenses of the administrative fund</b>	<b>\$ 30,000</b>	<b>\$ 29,890</b>	<b>\$ 110</b>
	<hr/>	<hr/>	<hr/>
<b>Surplus of income over administrative fund expenditure:</b>		<b>\$ 2,005</b>	

  
 \_\_\_\_\_  
**Dr. Rodrigo Barriga Vargas**  
 Secretary General

  
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**C.P. Francisco Manuel García Mora**  
 Chief of Accounting