

PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY

**REPORT ON THE ASSESSMENT OF
THE FINANCIAL STATEMENTS**

December 31st, 2023

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Report from Independent Auditor

**To the President of the Pan American Institute of Geography and History
Dr. Patricia Solís**

Opinion

We have audited the financial statements of the **Pan American Institute of Geography and History (the Institute)**, covering the status of the financial situation as of December 31st in both 2023 and 2022, and the status of activities and of variations in the corresponding assets for the years ending on those dates. There are also the explanatory notes to the financial statements which include a summary of the significant accounting policies. The financial statements have been prepared in accordance with the accounting rules of the PAIGH "Financial Regulations" and, secondarily, in accordance with the Mexican Financial Information Standards.

In our opinion, the attached financial statements reasonably present, in all material aspects, the financial situation of the **Pan American Institute of Geography and History** as of December 31st in 2023 and in 2022, also the outcome and the variations in the assets corresponding to the financial years ending on those dates, in accordance with the accounting rules for financial information established in the "Financial Regulations" and, secondarily, in accordance with the Mexican Financial Information Standards and also the internal control that the "Secretariat" judges necessary for making it possible to prepare financial statements free from any material misstatement arising from fraud or error.

Basis for the opinion

We have performed our audit in compliance with the Mexican Financial Information Standards and the internal control considered by the "Secretariat" necessary to enable the preparation of the financial statements. Our responsibilities, under these standards, are described below in the section ***Responsibilities of the Auditor concerning the audit of financial statements***, of this report. We are independent from the Institute, in compliance with the ethical requirements contained in the Professional Ethics Code of the Mexican Institute of Public Accountants (Professional Ethics Code) and applicable in our audit of financial statements in Mexico. Moreover, we have complied with the other ethical responsibilities in accordance with the Professional Ethics Code. We consider that the evidence of the audit that we have obtained provides a sufficient and appropriate basis for our opinion.

Responsibilities of the "Secretariat" and of those responsible for the Administration of the Institute concerning the financial statements

The "Secretariat" is responsible for a reasonable preparation and presentation of the financial statements, in accordance with the accounting rules for financial information established in the "Financial Regulations" and, secondarily, in the Mexican Financial Information Standards, and also the internal control that the "Secretariat" deems necessary for enabling the preparation of financial statements free from any material deviations arising from fraud or error.

In the preparation of the financial statements, the "Secretariat" is responsible for assessing the capacity of the Institute to maintain its assets, to continue as an International Organization and to achieve the purposes for which it was created, disclosing, as applicable, matters relating to its being an active organization and using the accounting principle of a going concern, except in the case of the "Secretariat" intending to dissolve the Institute or to cease operations, or when there is no other more realistic alternative.

The head of the "Secretariat" is responsible for the supervision of the financial information process of the Institute.

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Certified Accountants and Business Advisors

Responsibilities of the Auditor concerning the audit of the financial statements

Our objectives are to obtain reasonable certainty that the financial statements as a whole are free from material mistakes arising from fraud or error, and to issue an audit report containing our opinion. Reasonable certainty is a high degree of certainty, but this does not guarantee that material mistakes, if any exist, are always detected, even in an audit prepared under the International Auditing Standards. Mistakes can be due to fraud or error and are considered material if, individually or in aggregate form, it could, to a reasonable degree, have been foreseen that they would influence the economic decisions that the users take on the basis of the financial statements.

As part of an audit in conformity with the accounting rules for financial information established in the "Financial Regulations" and, secondarily, with the Mexican Financial Information Standards, and also the internal control that the "Secretariat" judges necessary for making possible the preparation of financial statements, we apply our professional judgment and maintain a professional skepticism during the whole audit process. We also:

- Identified and appraised, in the financial statements, the risks of material deviation arising from fraud or error, designing and applying audit procedures to deal with such risks and obtain sufficient and appropriate auditing evidence for providing a basis for our opinion. The risk of failing to detect a material deviation due to fraud is higher than in the case of a material inaccuracy due to error, since the fraud may imply collusion, falsification, deliberate omissions, intentionally wrong statements or the evasion of internal controls.
- Gained knowledge about internal controls relevant to the audit in order to design audit procedures that are appropriate in terms of the circumstances and not intended for giving an opinion about the effectiveness of internal control within the Institute.
- Evaluated the appropriateness of the accounting policies applied and the rationality of the accounting estimates and of the corresponding information disclosed by the "Secretariat".
- Reached conclusions about the appropriateness of the use, by the "Secretariat", of the going concern principle in accounting and, with the evidence obtained from the audit, we concluded whether there is or is not any material deviation related to the facts or to conditions that may cause significant doubts about the capacity of the Institute to continue as an active Organization. If we find that there is a material uncertainty, it is necessary for us to draw attention in our audit report to the relevant information disclosed in the financial statement or, if such disclosures are not appropriate, that we express a revised opinion. Our findings are based on the evidence obtained in the audit up to the date of our audit report. However, future occurrences or conditions may be cause for the Institute to cease being a going concern.
- Assessed comprehensively, the presentation, structure and content of the financial statements, including the information disclosed, and checked if the financial statements portray the transactions and underlying facts in a way that achieves a reasonable presentation.
- Informed the head of the "Secretariat" of the Institute, about the scope and timing of performing the audit and its significant findings, also about any significant deficiency in the internal control identified in the audit process, among other issues.

Yours sincerely
"Vieyra Mota y Asociados", S.C.

L.C.C. Ricardo Vieyra Gómez
Professional I.D. 3338022

Mexico City, July 8th, 2024

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PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY (note 1)
STATEMENT OF FINANCIAL SITUATION
as of December 31st, 2023 and 2022
(American dollars - note 2)

ASSETS	2023	2022	LIABILITIES	2023	2022
CURRENT ASSETS			SHORT TERM LIABILITIES		
Cash and Banks (note 2 d)	\$ 133,252	\$ 127,970	Various Creditors (note 8)	\$ 8,209	\$ 14,253
Fixed Term Deposits (note 2 e)	1,037,643	1,000,988	Payments made for Future Quotas (note 9)	8,139	7,695
			Retirement Fund (note 8 a)	41,409	32,483
	<u>1,170,895</u>	<u>1,128,958</u>		<u>57,757</u>	<u>54,431</u>
TOTAL CURRENT ASSETS			TOTAL LIABILITIES		
	<u>1,170,895</u>	<u>1,128,958</u>		<u>57,757</u>	<u>54,431</u>
NON-CURRENT ASSETS			EQUITY		
Expenses paid in advance (note 7)	130	130	Equity funds (note 2 b)	1,113,268	1,074,657
	<u>130</u>	<u>130</u>		<u>1,113,268</u>	<u>1,074,657</u>
TOTAL NON-CURRENT ASSETS			TOTAL EQUITY		
	<u>130</u>	<u>130</u>		<u>1,113,268</u>	<u>1,074,657</u>
TOTAL ASSETS	<u>\$ 1,171,025</u>	<u>\$ 1,129,088</u>	TOTAL LIABILITIES AND EQUITY	<u>\$ 1,171,025</u>	<u>\$ 1,129,088</u>

The attached notes form part of this financial statement.

We declare under oath, that the financial statements and their accompanying notes are reasonably correct and are the responsibility of those who issue them.

MA. Antonio Campuzano Rosales
Secretary General

L.C. Carolina Cortés Conde
Prof. ID 3920229
"Cortés" Office

PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY (note 1)
STATEMENT OF ACTIVITIES
from January 1st to December 31st, 2023 and 2022
(American dollars - note 2)

	2023	2022
Revenues from Quotas (attachment 6)		
Of this financial year	\$ 475,457	\$ 405,023
Of previous financial years (note 2 a)	121,589	84,239
	597,046	489,262
Other income (attachment 7)		
Interest gained	18,737	1,190
Publications	20,473	21,411
Cooperating Partners	-	1,750
Miscellaneous	26,201	15,924
	65,411	40,275
TOTAL REVENUES OF THE FINANCIAL YEAR	\$ 662,457	\$ 529,537
Expenditures of Regular Fund (attachment 6)		
Personnel	164,658	156,971
Technical Assistance, Information, Outreach and Statutory Meetings	271,969	241,775
Operating costs	94,435	19,751
	531,062	418,497
Disbursements from the financial year being accounted for	55,448	61,566
Expenditures from Administrative Fund (Attachment 7)	35,985	40,124
	91,433	101,690
TOTAL EXPENDITURES OF THE FINANCIAL YEAR	622,495	520,187
REMAINDER FROM REVENUES, AFTER EXPENDITURES FROM THE GENERAL FUND	\$ 39,962	\$ 9,350
Subtract: Funds to be put in reserve, from the year's budget	22,920	16,851
Net remainder from the financial year	\$ 17,042	\$ (7,501)

The attached notes form part of this financial statement.

We declare under oath, that the financial statements and their accompanying notes are reasonably correct and are the responsibility of those who issue them.

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PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY (note 1)
STATE OF VARIATIONS IN THE ASSETS (note 2 b)
Years finished on December 31st, 2023 and 2022
(American dollars - note 2)

	Reserve Fund (note 2 c)	Operating Fund	Special Fund	Reserved Budgeted Fund	Total
Equity as of December 31st, 2021	\$ 18,401	\$ 226,777	\$ 835,423	-	\$ 1,080,601
<u>2022</u>					
Minus:					
Expenses financed by the funds	(13,301)	-	(9,124)	-	(22,425)
Balance, favorable for Member States (Costa Rica, Dominican Rep.)	-	-	7,290	-	7,290
University of Arizona	-	-	10,000	-	-
Expenses, Unjiversity of Arizona	-	-	(10,000)	-	-
Excess, left over from projects	-	-	1,117	-	1,117
Distribution of the surplus of the financial year 2021	-	-	(1,276)	-	(1,276)
Result from the financial year 2022	-	-	9,350	-	9,350
Equity as of December 31st, 2022	5,100	\$ 226,777	\$ 842,780	-	\$ 1,074,657
<u>2023</u>					
Minus:					
Expenses financed by the funds	-	-	(7,725)	-	(7,725)
University of Arizona - Fund	-	-	9,687	-	9,687
University of Arizona - Expenses	-	-	(9,687)	-	(9,687)
Excess, left over from projects	-	-	12,374	-	12,374
Distribution of the surplus of the financial year 2022	-	-	16,920	-	16,920
Result from the financial year 2023	-	-	17,042	-	17,042
Equity as of December 31st, 2023	\$ 5,100	\$ 226,777	\$ 881,391	-	\$ 1,113,268

The attached notes form part of this financial statement.

We declare under oath, that the financial statements and their accompanying notes are reasonably correct and are the responsibility of those who issue them.

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PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY (Note 1)
STATEMENT OF MEMBERSHIP QUOTAS RECEIVABLE FROM MEMBER STATES (note 2)
As of December 31st, 2023
 (American dollars - note 2)

Member nations	Quotas receivable, Accrued to Dec 31st, 2023	Quotas of 2023	From Previous Financial Years
Argentina	\$ 45,882 \$	45,882 \$	-
Bolivia	13,588	6,794	6,794
Brazil	904,184	80,030	824,154
Paraguay	2,965	2,965	-
Peru	6,794	6,794	-
Venezuela	242,598	30,011	212,587
Total	\$ 1,216,011 \$	172,476 \$	1,043,535

Payment on account of future quotas: Costa Rica USD \$1,310, United States USD \$ 35 , and Dominican Republic USD

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PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY (note 1)
COMPARATIVE STATEMENT OF REVENUE AND EXPENSES
REGULAR FUND
As of December 31st, 2023
(American dollars - note 2)

Regular Fund		<u>As of December 31st, 2023</u>		
Accounts	<u>Budgeted</u>	<u>Real</u>	<u>Differences</u>	+(-)
Income for the regular fund				
Quotas of the financial year	647,934	475,457		-172,477
Quotas overdue	-	121,589		121,589
Total income for the regular fund	647,934	597,046		-50,888
Outlay from the regular fund				
1. Scientific Area				
Projects				
P.A.T. Expenses	128,400	16,157		112,243
Other expenses (Easychair, platform)	300	471		-171
Awards	4,000	1,035		2,965
Grants	33,300	24,071		9,229
	166,000	41,734		124,266
Publications				
Publications	6,878	5,174		1,704
Editorial Committee	11,000	9,700		1,300
Software Licenses and programs	-	4,260		-4,260
Miscellaneous expenses	8,122	14,902		-6,780
	26,000	34,036		-8,036
Statutory Meetings				
Statutory Meetings	39,600	53,190		-13,590
	39,600	53,190		-13,590
Tech. Assist. Coord. Area				
Tech. Assist. Coord. Area	133,703	143,009		-9,306
	133,703	143,009		-9,306
Total: Scientific area	365,303	271,969		93,334
2. Administrative Area				
Personnel				
Management Area	82,554	106,578		-24,024
Administrative Services Area	85,062	58,080		26,982
	167,616	164,658		2,958
Operational Expenses				
External Audit	2,420	4,337		-1,917
Administrative Expenses	16,595	90,098		-73,503
Fees paid to Professionals	-	11,827		
Cleaning services	-	1,415		
Assimilated expenses	-	2,377		
Withheld as "ISR" tax to benefit (Inbursa bank)	-	58		
Electricity	2,500	3,432		
Gasoline	2,000	1,949		
Telephone service	1,345	1,636		
Office supplies	1,150	2,246		
Water supply payments	600	424		
Insurance	1,100	2,696		
Mail and messages services	300	229		
Refurbishment & maint. IT equip.	1,700	8,733		
Refurbish. & maint. transport equip.	1,000	1,770		
Building maintenance	1,150	4,324		
Sanitary and cleaning materials	900	1,550		
Kitchen equipment	50	44		
Gnrl. Secret. Website & e-mail	1,000	1,162		
Misc. Expenses of Gnrl. Secret.	1,800	44,226		
	19,015	94,435		-75,420
Total for Administrative Area	186,631	259,093		-72,462
Total outlay from the regular fund	551,934	531,062		20,872
Disbursements of the financial year being accounted for		55,448		
Sum as complement to PAT 2023 projects	96,000			
Total expenditures taken from the regular fund	647,934	586,510		
Difference between revenues over outlay from the regular fund		10,536		

MA. Antonio Campuzano Rosales
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PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY (note 1)
COMPARATIVE STATEMENT FOR OTHER REVENUES AND OUTLAY:
BUDGETED VERSUS REAL/ACTUAL
As of December 31st, 2023
(American dollars - note 2)

Administrative Fund	As of December 31st, 2023		Differences
Accounts	Budgeted	Real	+ (-)
Revenues to Administrative Fund			
Interest accrued	\$ 1,000	\$ 18,737	\$ 17,737
Publications	9,000	20,473	11,473
Services to third parties	-	-	-
Cooperating Partners	9,000	-	(9,000)
Miscellaneous	1,000	26,201	25,201
	<hr/>	<hr/>	<hr/>
Total revenues of the administrative fund	\$ 20,000	\$ 65,411	\$ 45,411
	<hr/>	<hr/>	<hr/>
Expenditures from administrative fund			
Unforeseen expenses	7,500	7,142	358
Telephone	100	-	100
Gasoline	1,510	2,675	(1,165)
Miscellaneous expenses	150	12,143	(11,993)
Office materials	700	-	700
Financial services	2,600	2,894	(294)
Losses in currency exchange	7,440	10,179	(2,739)
VAT paid but recoverable	-	952	(952)
	<hr/>	<hr/>	<hr/>
Total expenditures of the administrative fund	\$ 20,000	\$ 35,985	\$ (15,985)
	<hr/>	<hr/>	<hr/>
Surplus of revenues over the expenditures from the administrative fund		\$ 29,426	

MA. Antonio Campuzano Rosales
Secretary General

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PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY (PAIGH)
Notes for the Financial Statements
December 31st, 2023
(American dollars)

1. BACKGROUND AND OBJECTIVES

The PAIGH was created on February 7th, 1928 at the VI American Conference organized by the Ministers of the American States in Havana, Cuba. At the request of the Mexican Government, Mexico City was made the headquarters of the PAIGH.

The President of the Mexican Republic, Pascual Ortiz Rubio, by means of a decree dated May 3rd, 1930, made available to the American Nations the building that is still being used today. The designation of the building as the headquarters of the Institute was confirmed by the Agreement on the Headquarters between the Government of the United Mexican States and the PAIGH, dated May 15, 1980, signed by President Jose Lopez Portillo.

In 1949, the PAIGH signed an agreement with the council of the Organization of American States (OAS), by which it became the first specialized organism of the latter. This agreement was amended and signed by agreement in the city of Washington, DC, on May 6th, 1974 and is still in force.

At the 22nd General Assembly of the PAIGH, held by means of virtual media on October 27th, 2021, it was agreed to select the authorities who will hold their positions until the 26th General Assembly (2025); these are as follows:

President	Dr. Patricia Solís	U.S.A.
Vice-President	BSc. Rocsanda P. Méndez	Guatemala
Secretary General	MA. Antonio Campuzano	Mexico
President of the Cartography Commission	Msc. Max Lobo	Costa Rica
Vice President of the Cartography Commission	Msc. Christian Núñez	Costa Rica
President of the Geography Commission	Dr. Hermann Manríquez	Chile
Vice President of the Geography Commission	Dr. Rodrigo Barriga	Chile
President of the History Commission	Dr. Filiberto Cruz	Dominican Rep.
Vice President of the History Commission	Dr. Reina C. Rosario Fernández	Dominican Rep.
President of the Geophysics Commission	Dr. Mario Ruiz	Ecuador
Vice President of the Geophysics Commission	Dr. Alexandra P. Alvarado	Ecuador

As a specialized organization of the OAS, it is the mission of the PAIGH to:

1. To encourage, coordinate and make widely known studies involving its areas of interest, which are Cartography, Geography, History, Geophysics and related sciences, for the benefit of America.
2. To support initiatives, innovation and the creation of knowledge in its areas of interest, by means of studies, training and other tasks by its Commissions.
3. To encourage and support cooperation between the institutes of America and relevant international organizations.

The PAIGH has as its vision:

1. Becoming an organization of excellence that is made up of specialists and researchers of its areas of interest;
2. Operating as an institution that facilitates and supports the research providing scientific-technical assistance to its Member States, to the OAS, and to all those entities, which request it within the limits of the possible and of the formal agreements;
3. Articulating and promoting relationships concerning its areas of interest among Member States, civil society, as well as international scientific, academic, and private initiative organizations.

The PAIGH is governed by the following principles:

1. The PAIGH prioritizes scientific activities and the dissemination of specialized knowledge by means of the Technical Assistance program, of Publications, or those means that may be established for these purposes in the future;
2. The PAIGH encourages relations between disciplines in its studies, projects and publications, with an emphasis on science, technology and critical thinking;
3. The PAIGH encourages activities of multi-national interest;
4. The PAIGH recognizes the importance of equality, non-discrimination, respect and tolerance for all human beings;
5. The PAIGH respects the freedom of expression of its authors, who take up sole responsibility for the contents of their work;
6. The PAIGH does not start nor encourage tasks that are considered biased towards promoting specific political or religious tendencies;
7. The PAIGH encourages open access to its studies and research that result from its programs.

2. MAIN ACCOUNTING POLICIES

The financial statements were drafted on the basis of charges and payments actually made, in order to record the income and expenditures that the operations determine.

The accounting information, also the records and financial statements issued, are prepared by using as currency, the United States dollar (as of December 31st, 2023, with \$ 17.19 Mexican pesos to the dollar).

a) Revenues from quotas

The line item for the income from quotas constitutes the fundamental source from which the PAIGH obtains resources. In the year 2023, the recovery of the quotas of the previous financial years amounted to US\$ 121,589. There has been a delay in the payment of these quotas, so the amount outstanding at the end of the financial year is US\$ 1,216,011. This value includes: US\$ 172,476 from the 2023 financial year and US\$ 1,043,535 from the previous years. Overall, this has increased by 4% in comparison with the previous financial year.

The Financial Rules of Procedure of our organization currently in force indicates, in articles 30, 31 and 32:

Article 30. "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 General Assembly the draft agreement that has been studied in mutual agreement with the Officials of the Member State in debt."

Article 31. "The Member States that on the date of submission of nominations are up-to-date in the payment of their quotas or pending payment of up to one quota shall be entitled to have their nationals elected for any of the positions as an Officer of the PAIGH."

Article 32. "The Member States which, at the time of the General Assembly, have not covered their contributions for more than five periods, shall not have the right to vote. Likewise, they shall lose the right for their projects to be approved as well as other benefits."

b) Equity

In total, there has been a decrease of 3.4% compared with the value existing in 2022, mainly because the recovery of some quotas were achieved, such as in the cases of Argentina and México, 2022 and 2023; in the latter case, this was after aligning the PAIGH with the taxation laws of the country hosting the headquarters and in accordance with the Mexican Financial Information Standards (NIF); additionally there was no use of any funds from the Reserve Fund. The changes recorded in the state of the assets of the PAIGH during the financial year being assessed are shown in Annex 3.

"José Toribio Medina" Library Resource of the PAIGH.

On the basis of the text issued by the Secretariat of Foreign Relations of the United Mexican States on March the 20th, 1997, point number 1) states: "The Government of Mexico, through the ENAH [National Anthropology and History School] will take over the management of the "José Toribio Medina Library Resource of the PAIGH", consisting of:

- a) Library collections and books
- b) Library of journals and magazines; collections and journal series

In accordance with the loan agreement signed on August the 30th, 2002 by the Authorities of the PAIGH, of the National Anthropology and History Institute (INAH) and of the ENAH, the Library Resource was entrusted to the ENAH; for this reason, the latter is drafting an inventory with the objective of conserving the whole of it.

By means of this loan agreement, the use and the administration of the "José Toribio Medina Library Resource" of the PAIGH was ceded free of charge and for an indefinite period.

The Library Resource that was delivered initially contained: 184,412 periodic publications, 34,089 books and 4,590 special materials, which makes up a total of 223,091 volumes.

Subsequently, deliveries have been made, resulting in a total resource of 233,508 volumes as of December 31st 2023, among which there are periodic publications, books, special materials and compact disks.

The provision of this Library Resource, under the loan agreement for use and administration, has as its only goal ensuring that it is managed and made available for consultations by the public in general at the library of the ENAH. For this reason, the PAIGH has the responsibility of monitoring and ensuring compliance with this precept and checking that the Library Resource is kept in good condition. To verify this, the External Auditor made a visit to the historic library stock, which was concluded without any observations or recommendations.

It should be mentioned that, at the end of the financial year of 2023, there is no valuation of this stock, due to the expense of that not being considered viable.

c) Reserve Fund

As is indicated in article 49 of the PAIGH Financial Rules of Procedure, “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 PAIGH. The total of this fund shall be determined by the approximate sum of these payments”.

As of December 31st, 2023, the value of the Reserve Fund for absorbing the payments under this concept was at US\$ 5,100. It had not changed as compared with 2022 due to the fact that no severance payments had been made to any employee; moreover, the severance payments during 2023 were not considered in the budget as they had been recorded as part of the corresponding direct expense, without affecting this type of expense, due to the fact that the balance was not sufficient. The receipt of the quotas in the Regular Fund made it possible for us to pay completely the employees from the host country without affecting the Reserve Fund.

Severance payments

In accordance with the Federal Labor Law of the Mexican Republic, the PAIGH has a responsibility for making severance payments to the employees who are dismissed without a justifiable cause.

Due to the lack of procedures and an internal set of regulations that determine the rights and obligations of the employees of the PAIGH, the General Secretariat has found that it needed to pay off the employees to 100%. For this reason, the Internal Rules of Procedure for employment was created in order to safeguard the rights and obligations of the employees of the PAIGH, also to follow in line with its vision, mission and principles.

Seniority bonus

In accordance with the Federal Labor Law, the staff of the PAIGH, with 15 years or more of employment have, at the time of their severance, the right to a compensation equivalent to 12 days of salary for each year of service (that salary may not exceed twice the value of the general minimum salary of the zone, in force at the date of termination).

The employees who are dismissed without justification or who pass away, have the right to the seniority bonus, determined in accordance with the number of years that they have worked for the PAIGH, even when that period worked is less than the 15 years stipulated by the Law.

d) Cash register and banks

The balance at the end of the financial year was obtained using the exchange rate of the last day of each month, established by the Bank of Mexico and published in the Official Bulletin of the Federation.

Bank	Account No.	Type	Currency	Value 2023	Value 2022
OAS Federal Credit Union	7171	Savings and cheques	Dollars	85,767	\$74,688
Inbursa, S.A.	...0027	Business account	Dollars	0	0
Inbursa, S.A.	...0019	Business account	Pesos	41,409	34,239
HSBC Mexico, SA	...3132	Master Account	Pesos	4,632	2,067
HSBC Mexico, SA5252	Special Account	Dollars	1	9,862
Subtotal Banks				\$ 131,809	\$120,856
Cash register - dollars				\$ 1,107	\$ 5,162
Petty cash and imprest fund - pesos				<u>336</u>	<u>1,952</u>
Subtotal Cash				<u>1.443</u>	<u>7,114</u>
Total				<u>\$ 133,252</u>	<u>\$ 127,970</u>

e) Fixed Term Deposits

These are represented by the following instruments:

Bank	Account No.	Type	Currency	Value 2023	Value 2022
OAS Federal Credit Union	7171	Fixed term deposit	Dollars	\$ 1,037,643	\$ 1,000,988

As of December 31st, 2023, at OAS Staff Federal Credit Union, the following were the deposit certificates:

Amount	Due date
\$ 102,448	June 2024
205,203	June 2024
102,177	January 2024
121,999	September 2024
305,816	May 2024
<u>200,000</u>	May 2024
Total \$1,037,643	

3. TAX SITUATION

The tax situation of PAIGH is based on the Convention on the Privileges and Immunities of the United Nations which, among other provisions, establishes the guidelines for the actions of Diplomatic Representations, as set forth by Article II concerning Property, Funds and Assets. Section seven of the above-mentioned article states that "the United Nations, its assets, income and other property shall be:

- a) Exempt from all direct taxes; it is understood, however, that the United Nations will not claim exemption from taxes which are, in fact, no more than charges for public utility services".

Concerning the tax regulations for the PAIGH office (Mexico), the Federal Tax Code, in section V of the 1998 Transitory Provisions, establishes the "Tax Benefits and Exemptions for Diplomatic and Consular Missions" which, concerning this issue, states: "Diplomatic and consular missions, as well as career diplomats and consular agents, duly accredited before the Mexican Government, will be granted tax benefits and exemptions in conformance with the international treaties of which Mexico is a party to, or to the extent that there is reciprocity. The Public Finance and Credit Secretariat will issue rules of a general nature to regulate the amounts, time intervals, and conditions for applying these benefits and exemptions, as well as the tax refunds that may be warranted".

Article 104 of the Charter of the United Nations establishes that "The Organization shall enjoy in the territory of each of its Members such legal capacity as is necessary for the exercise of its functions and the fulfillment of its purposes."

Article 105 of the above-mentioned charter establishes that "The Organization shall enjoy in the territory of each of its Members such privileges and immunities as are necessary for the fulfillment of its purposes, and that the members of the UN organization and their representatives shall similarly enjoy such privileges and immunities as are necessary for the independent exercise of their functions in relation to the Organization."

Moreover, the (PAIGH) is classified by the activities that it performs, and is obliged to comply with its obligations concerning taxes in Mexico, in accordance with Article 79 of the LISR (Law for Tax on Income), Heading III "On Legal Persons with Non-Profit Purposes", parts V to XIX, XXV and in accordance with Art. 86 LISR part II concerning the issuing of receipts, and III "The Presentation of the Annual Reporting Declaration" in the month of February of each year. Concerning Value Added Tax, the PAIGH is exempt from this being transferred, in accordance with Article 15 LIVA (Law on Value Added Tax).

In addition to the above-mentioned obligations, the Institute is subject to the contributions that derive from the employment relationship, concerning the staff employed to perform its operations.

It is important to point out that, for the first time, due to compliance with and the desire to be aligned with the administrative, financial and taxation laws of the country hosting the headquarters, also in accordance with the Financial Information Standards of that country, the Secretary General obtained the e-signature (advanced electronic signature) and carried out the invoice process for the quotas and the other revenues during 2023, obtaining the corresponding CFDI's (invoices with digital stamp) for complying with the current regulations in effect for the country hosting the headquarters.

4. PUBLICATIONS STOCK

The stock contains publications from various years - published by the PAIGH – which are used for the purposes of publicity and distribution of material.

The inventory of the period up to December 31st, 2023, has, added up, the quantity of 3,997 copies (including periodic and occasional publications) that are not recorded in the accounting system. That indicated here is only for reporting information and does not constitute part of the financial statements determined.

5. FIXED ASSETS

The most recent valuation of the inventory of fixed assets was made on December 31st, 2021; the values determined from this valuation have been used to update the figures, taking into consideration the corresponding purchases and discharges, as well as the appropriate depreciation.

The current procedure for recording fixed assets acquired from 1995 to the end of 2023, is to directly apply them to the expenses of the period.

6. EXPENSES PAID IN ADVANCE

The balance of the account (US\$ 130) is made up of the guarantee deposit paid to “Estación de Servicio Observatorio, S.A.” (fuel supplier).

7. VARIOUS CREDITORS

The balance of the account is comprised of the following:

Various creditors	2023	2022
National Geographic Information Center, Spain (CNIG)	\$ 3,311	\$ 5,257
IMSS (social security) and “Infonavit” charges	3,265	3,839
MA. A. Campuzano	1,633	0
General Secretariat Activities Representing PAIGH 2022	0	672
Cartography Project 02 2022	0	1,899
History Project 03 2022	0	830
Retirement fund interests	<u>0</u>	<u>1,756</u>
Total	\$ 8,209	\$14,253

The funds from the National Center for Geographic Information (Spain) will provide finance for the air fares and travel expenses of its staff for attending the statutory meetings of the PAIGH.

From month to month, the quotas corresponding to the social and housing insurance of the employees of the General Secretariat (IMSS and “Infonavit”) are provided and paid.

For the sub-item of MA. A. Campuzano, money is owed due to the payment by means of the American Express card that was made on account of a third party.

a) Retirement fund

Currently, only one employee has a retirement fund, as established in her employment contract, and this will be provided when she ceases to give service to this Institute. The figure, as of the 31st of December 2023, amounts to US\$ 41,409. This balance includes the “Inbursa” interests, amounting to US\$ 4,995.

8. PAYMENTS ON ACCOUNT FOR FUTURE QUOTAS

This item includes the membership quotas paid in advance, as indicated below:

Member States	2023	2022
Costa Rica	\$ 1,310	\$ 901
United States	35	-
Dominican Republic	<u>6,794</u>	<u>6,794</u>
Total	\$ <u>8,139</u>	\$ <u>7,695</u>

9. EQUITY FUNDS

At the end of the financial year the items of this concept comprised the following:

Account	2023	2022
Reserve Fund	\$ 5,100	\$ 5,100
Operating Fund	226,777	226,777
Special Fund	841,429	833,430
Increase in the assets	<u>39,962</u>	<u>9,350</u>
Total	<u>\$1,113,268</u>	<u>\$ 1,074,657</u>

Operating Fund.- The Financial Rules of Procedure in effect, in its Article 44, refers to five Funds; article 47 states the following:

"The Operating Fund was set up with the intention of responding to budgetary contingencies of the Institute. The amount of this fund may not exceed 35% of the value in the Regular Fund of that year."

Concept	Value	Operating Fund Value
Regular Fund	\$ 647,934	\$ 226,777

Special Fund.- This is governed by the PAIGH Financial Rules of Procedure, which, in Article 46, specifies that: “The Special Fund is made up of any income that, under the concept of the membership quotas, exceeds the Regular Fund. This fund will be used for special projects approved by the General Assembly.

The Secretary General is authorized to deduct from the Special Projects Fund up to 5% of the amount of each of the projects in order to apply them to administration costs”. As of December 31st, 2023, this Fund amounted to US\$ 841,429 USD.

Taking into account the behavior of the payment of membership quotas, a cautious and careful handling of the resources of the Special Fund is recommended, as this Fund will support the management and the operations of the General Secretariat during the subsequent financial years.

10. RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The financial statements have been approved for issue on July 1st, 2024, by MA. Antonio Campuzano Rosales, Secretary General, and L.C. Carolina Cortés Conde (Independent Accountant for accounting services), who is responsible for the financial information, and are subject to approval by the 25th General Assembly of the Institute.

We declare under oath that the financial statements and their accompanying notes are reasonably correct and are the responsibility of those who issue them.

MA. Antonio Campuzano Rosales
Secretary General

L.C. Carolina Cortés Conde
Prof. Id. 3920229
“Cortés” Office