

PAN AMERICAN HEALTH ORGANIZATION  
 FINANCIAL REPORT OF THE DIRECTOR and REPORT OF THE EXTERNAL AUDITOR  
 1 January 2015 – 31 December 2015

**Consolidated Statement of Financial Position**

*(Expressed in thousand US Dollars)*

	<u>Reference</u>	<u>31 December 2015</u>	<u>31 December 2014</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	<b>Note 3</b>	142 241	137 683
Short Term Investments	<b>Note 4.1</b>	256 843	268 202
Accounts Receivable	<b>Note 6.1</b>	358 292	412 938
Inventories	<b>Note 7</b>	8 639	7 868
<b>Total Current Assets</b>		<b><u>766 015</u></b>	<b><u>826 691</u></b>
<b>Non-Current Assets</b>			
Long Term Investments	<b>Note 4.2</b>	223 054	267 753
Accounts Receivable	<b>Note 6.2</b>	63 613	52 985
Property, Plant and Equipment	<b>Note 8.1</b>	110 035	120 250
Intangible Assets	<b>Note 9</b>	1 024	1 728
<b>Total Non-Current Assets</b>		<b><u>397 726</u></b>	<b><u>442 716</u></b>
<b>TOTAL ASSETS</b>		<b><u>1 163 741</u></b>	<b><u>1 269 407</u></b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accrued Liabilities	<b>Note 10</b>	93 682	42 681
Accounts Payable	<b>Note 11.1</b>	16 033	9 259
Employee Benefits	<b>Note 12</b>	13 053	11 616
Deferred Revenue	<b>Note 13.1</b>	453 345	600 662
<b>Total Current Liabilities</b>		<b><u>576 113</u></b>	<b><u>664 218</u></b>
<b>Non-Current Liabilities</b>			
Accounts Payable	<b>Note 11.2</b>	7 796	15 089
Employee Benefits	<b>Note 12</b>	210 838	199 986
Deferred Revenue	<b>Note 13.2</b>	139 389	174 223
<b>Total Non-Current Liabilities</b>		<b><u>358 023</u></b>	<b><u>389 298</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>934 136</u></b>	<b><u>1 053 516</u></b>
<b>NET ASSETS / EQUITY</b>			
<b>Fund Balances and Reserves</b>			
Fund Balances	<b>Note 14</b>	89 257	84 093
Reserves	<b>Note 14</b>	140 348	131 798
<b>NET FUND BALANCES and RESERVES</b>		<b><u>229 605</u></b>	<b><u>215 891</u></b>

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**Consolidated Statement of Financial Performance**

*(Expressed in thousand US Dollars)*

	<u>Reference</u>	<u>31 December 2015</u>	<u>31 December 2014</u>
<b>REVENUE</b>			
<b>Revenue from Non-Exchange Transactions</b>			
Assessed Contributions	Note 15	105 620	105 620
Voluntary Contributions	Note 15	619 977	877 773
Other Revenue	Note 15	86 349	57 353
<b>Revenue from Exchange Transactions</b>			
Procurement of Public Health Supplies	Note 15	646 219	676 374
Other Revenue	Note 15	10 646	10 760
Miscellaneous Revenue	Note 15	( 8 789)	( 697)
<b>TOTAL REVENUE</b>		<b><u>1 460 022</u></b>	<b><u>1 727 183</u></b>
<b>EXPENSES</b>			
Staff and Other Personnel Costs	Note 16	185 546	169 653
Supplies, Commodities, Materials	Note 16	644 790	672 834
Equipment, Vehicles, Furniture, Intangible Assets, Depreciation and Amortization	Note 16	7 072	( 426)
Contract Services	Note 16	72 136	86 368
Travel	Note 16	67 967	116 805
Transfers and Grants to Counterparts	Note 16	480 879	647 020
General Operating and Other Direct Costs	Note 16	10 478	11 201
<b>TOTAL EXPENSES</b>		<b><u>1 468 868</u></b>	<b><u>1 703 455</u></b>
<b>NET SURPLUS / (DEFICIT)</b>		<b><u>( 8 846)</u></b>	<b><u>23 728</u></b>

**Consolidated Statement of Changes in Net Assets**

*(Expressed in thousand US Dollars)*

	<u>Reference</u>	<u>31 December 2015</u>	<u>31 December 2014</u>
<b>Net assets at the beginning of the year</b>		215 891	178 482
Settlement of Employee Benefit Liability	<b>Note 12.3.10</b>	11 502	11 329
Gain/(Loss) on Revaluation of Investments (Recognition) / De-recognition of Liability through Reserves	<b>Note 4.2</b>	( 616 )	( 407 )
WHO De-recognition of prior year expenses	<b>Note 24</b>	1 721	2 570
Fixed Assets Revaluation Adjustments	<b>Note 14.1</b>		189
Adjustment for closing WHO Terminal and Non-Statutory Entitlements Funds	<b>Note 8.1</b>	3 401	
		<u>6 552</u>	
<b>Total of items (revenue/expenses) recognized</b>		<u>22 560</u>	<u>13 681</u>
Surplus/(deficit) for the Financial Period		<u>(8 846 )</u>	<u>23 728</u>
<b>Total recognized revenue and expenses for the year</b>		<u>13 714</u>	<u>37 409</u>
<b>Net assets at the end of the year</b>		<u><u>229 605</u></u>	<u><u>215 891</u></u>

**Consolidated Cash Flow Statement**

*(expressed in thousand US dollars)*

	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>Cash Flows from Operating Activities:</b>		
Surplus (Deficit) for the period	( 8 846)	23 728
Depreciation and Amortization	7 646	2 778
(Increase) / Decrease in Accounts Receivable	44 018	( 207 631)
(Increase) / Decrease in Inventories	( 771)	38
Increase / (Decrease) in Accrued Liabilities	51 001	5 438
Increase / (Decrease) in Accounts Payable	6 774	4 203
Increase / (Decrease) in Employee Benefits	23 791	19 689
Increase / (Decrease) in Other Liabilities	1 721	2 570
Increase / (Decrease) in Deferred Revenue	( 182 151)	268 167
Increase / (Decrease) Transfer of WHO Terminal and Non-Statutory Entitlements Funds	6 552	
<b>Net Cash Flows from Operating Activities</b>	<b>( 50 265)</b>	<b>118 980</b>
<b>Cash Flows from Investment and Financing Activities:</b>		
(Increase) / Decrease in Short Term Investments	10 742	( 143 457)
(Increase) / Decrease in Long Term Investments	44 699	( 1 207)
(Increase) / Decrease in Property, Plant and Equipment and Intangibles Assets	( 618)	( 2 350)
<b>Net Cash Flows from Investing Activities</b>	<b>54 823</b>	<b>( 147 014)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>4 558</b>	<b>( 28 034)</b>
<b>Cash and Cash Equivalents at the beginning of the Year</b>	<b>137 683</b>	<b>165 717</b>
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>142 241</b>	<b>137 683</b>

PAN AMERICAN HEALTH ORGANIZATION  
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**Comparison of Budget and Actual Amounts**

*(Expressed in thousand US Dollars)*

**Reconciliation of Total Amounts on a Cash Basis**

Description of Appropriation Sections	Budget			Disbursements			Total as % of Budget Amount
	Original	Transfers and Amendments	Revised	2014	2015	Total	
<b>1. Communicable Diseases</b>							
1.1 - HIV/AIDS and STIs	6 061	68	6 129	2 561	3 500	6 061	98.9%
1.2 - Tuberculosis	1 500	16	1 516	302	1 198	1 500	98.9%
1.3 - Malaria and other Vector-Borne Diseases (including Dengue and Chagas)	1 500	4	1 504	551	949	1 500	99.8%
1.4 - Neglected Tropical and zoonotic diseases	6 983	86	7 069	3 017	3 967	6 984	98.8%
1.5 - Vaccine-preventable Diseases (including maintenance of Polio Eradication)	5 100	39	5 139	2 304	2 796	5 100	99.3%
<b>2. Non Communicable Diseases</b>							
2.1 - Non Communicable Diseases and Risk Factors	12 320	120	12 440	5 444	6 877	12 321	99.0%
2.2 - Mental Health and psychoactive substance use disorders	2 344	16	2 360	871	1 473	2 344	99.3%
2.3 - Violence and Injuries	1 500	17	1 517	458	1 042	1 500	98.9%
2.4 - Disabilities and Rehabilitation	1 500	19	1 519	467	1 033	1 500	98.8%
2.5 - Nutrition	6 200	66	6 266	2 277	3 923	6 200	99.0%

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**Reconciliation of Total Amounts on a Cash Basis**

Description of Appropriation Sections	Budget			Disbursements			Total as % of Budget Amount
	Original	Transfers and Amendments	Revised	2014	2015	Total	
<b>3. Determinants of Health and Promoting Health throughout the Life Course</b>							
3.1 - Women, maternal, newborn, child, and adolescent and adult health and sexual and reproductive health	13 680	135	13 815	5 444	8 237	13 681	99.0%
3.2 - Aging and health	1 500	6	1 506	951	549	1 500	99.6%
3.3 - Gender, equity, human rights and ethnicity	4 759	53	4 812	1 256	3 503	4 759	98.9%
3.4 - Social determinants of health	9 352	112	9 464	3 817	5 536	9 353	98.8%
3.5 - Health and the environment	9 137	118	9 255	3 455	5 683	9 138	98.7%
<b>4. Health Systems</b>							
4.1 - Health governance and financing, national health policies, strategies and plans	7 700	79	7 779	3 234	4 466	7 700	99.0%
4.2 - People-centered integrated health services	5 711	33	5 744	2 453	3 258	5 711	99.4%
4.3 - Access to medical products and strengthening regulatory capacity	8 305	102	8 407	3 143	5 163	8 306	98.8%
4.4 - Health systems information and evidence	17 418	210	17 628	7 283	10 136	17 419	98.8%
4.5 - Human resources for health	9 900	134	10 034	3 081	6 888	9 969	99.4%

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**Reconciliation of Total Amounts on a Cash Basis**

Description of Appropriation Sections	Budget			Disbursements			Total as % of Budget Amount
	Original	Transfers and Amendments	Revised	2014	2015	Total	
<b>5. Preparedness, Surveillance and Response</b>							
5.1 - Alert and response capacities	5 520	66	5 586	1 376	4 076	5 452	97.6%
5.2 - Epidemic and pandemic prone diseases	3 720	35	3 755	1 325	2 395	3 720	99.1%
5.3 - Emergency risk and crisis management	6 050	76	6 126	1 080	4 970	6 050	98.8%
5.4 - Food safety	2 680	30	2 710	1 169	1 511	2 680	98.9%
<b>6. Corporate Services/Enabling Functions</b>							
6.1 - Leadership and governance	54 235	707	54 942	23 691	30 548	54 239	98.7%
6.2 - Transparency, accountability, and risk management	2 790	35	2 825	1 253	1 537	2 790	98.8%
6.3 - Strategic planning, resource coordination, and reporting	21 960	310	22 270	9 431	12 531	21 962	98.6%
6.4 - Management and administration	39 602	88	39 690	22 065	17 538	39 603	99.8%
6.5- Strategic communications	10 073	133	10 206	4 664	5 410	10 074	98.7%
<b>Sub-Total</b>	<b>279 100</b>	<b>2 915</b>	<b>282 015</b>	<b>118 423</b>	<b>160 695</b>	<b>279 118</b>	<b>99.0%</b>
<b>Other Sources</b>	<b>284 000</b>		<b>284 000</b>	<b>107 492</b>	<b>110 046</b>	<b>217 538</b>	<b>76.6%</b>
<b>TOTAL</b>	<b>563 100</b>	<b>2 915</b>	<b>566 015</b>	<b>225 915</b>	<b>270 741</b>	<b>496 656</b>	<b>87.7%</b>

The original budget amounts under categories 1-6 reflect regular budget appropriated by the Governing Bodies for the Program and Budget 2014-2015. This original amount includes both Pan American Health Organization's and The World Health Organization's regular budgets. The budget transfers represent the additional regular budget funding received from the World Health Organization. The 2014 and 2015 disbursed amounts reflect actual expenditures made to support the delivery of biennial outputs.