

AGENCY FOR THE
PROHIBITION OF NUCLEAR
WEAPONS IN LATIN AMERICA
AND THE CARIBBEAN



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GENERAL CONFERENCE
XX Regular Session
Mexico City, 22 November 2007

**EXTERNAL AUDITORS' CERTIFICATION
OF THE FINANCIAL STATEMENTS
FROM JANUARY 1 TO SEPTEMBER 30, 2007**

**AGENCY FOR THE PROHIBITION OF NUCLEAR
WEAPONS IN LATIN AMERICA AND THE
CARIBBEAN (OPANAL)**

**EXTERNAL AUDITORS'
CERTIFICATION**

ON THE FINANCIAL STATEMENTS

FROM JANUARY 1 TO SEPTEMBER 30, 2007





BDO Hernández Marrón y Cía, S.C.
Contadores Públicos y
Consultores de Empresas

Av. Ejército Nacional 904 Piso 7
Los Morales Polanco
11510 México, D.F.
Tel. (52-55) 5901-3900
Fax. (52-55) 5901-3925
www.bdo.com.mx

Raúl Cueto Martínez
President of the Council of the
Secretary General (C/Res.43)
Agency for the Prohibition of Nuclear Weapons
in Latin America and the Caribbean (OPANAL)

Dear Mr. President of the Council of the Secretary General:

We are honored to present you with this Report of the Audit of the Financial Statements of the OPANAL that we performed for the period from January 1 to September 30, 2007 as the External Auditors named by the General Conference Resolution 482 during its XIX Regular Session of the General Conference of the OPANAL.

We respectfully request that you present this Report in the Session of the corresponding General Conference that the Governments of the Member States will hold, in accordance with the current Regulation of the Conference.

We wish to express our sincere appreciation for the cooperation and courtesies received during our review of the financial statements of the OPANAL. This invaluable cooperation aided our engagement.

BDO Hernández Marrón y Cía., S.C.

Luis Alberto Cámara Puerto, CPA
Partner

Mexico City, Mexico
October 22, 2007

AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS

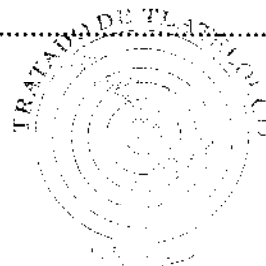
IN LATIN AMERICA AND THE CARIBBEAN (OPANAL)

FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2007

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**H. General Conference
Agency for the Prohibition of Nuclear Weapons
in Latin America and the Caribbean (OPANAL)**

We have examined the financial situation of the Agency for the Prohibition of Nuclear Weapons in Latin America and the Caribbean (OPANAL) as of September 30, 2007, and the related statement of income and end expenditures of the General Fund for the period from January 1 to September 30, 2007, following the principles that govern the External Auditors' activities in compliance with articles 13, 14 and 15 and other applicable articles of the Financial Regulation of the OPANAL. These financial statements are the responsibility of the OPANAL. Our responsibility is to express an opinion on the financial statements based on our audit.

In our opinion, except for the accounts receivable totaling US \$1,085,828 that have not been paid to the OPANAL by the Member States, the accompanying financial statements, as identified in the presentation letter addressed to the President of the Council of the Secretary General of the OPANAL (C/Res.43), which in compliance with the Regulation, are expressed in US dollars, present fairly the financial situation of the OPANAL as of September 30, 2007, and the corresponding application of funds to the items of the Budget approved for 2007, for the period from January 1 to September 30, 2007.

WE CERTIFY that the related financial statements and the accompanying account statements "A", "B" and "C", are presented in compliance with the information contained in the accounting records.

Supplemental data are provided in the report that accompanies this opinion to provide a better interpretation of the financial statements and the corresponding account statements.

BDO Hernández Marrón y Cía., S.C.

**Luis Alberto Cámara Puerto, CPA
Partner**

**Mexico City, Mexico
October 22, 2007**

AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS
IN LATIN AMERICA AND THE CARIBBEAN (OPANAL)

CG/620

BALANCE SHEET

AS OF SEPTEMBER 30, 2007

(Figures expressed in U.S. Dollars - Note 2)

ASSETS

Available assets

Cash in Mexican pesos
 Cash in U.S. dollars
 Petty cash

US\$ 496
 196,860
 181

US\$

197,536

Accounts payable
 Other accounts payable

US\$ 40,800
 127

US\$

40,927

Other accounts receivable

8

8

Seniority premium

EQUITY

General Fund

US\$ 140,827

Pending contributions

Accounts receivable in U.S. dollars
 Accounts receivable in U.S. dollars
 (prior to 1982)

US\$ 1,010,644
 75,184

US\$

1,085,828

Fund for the peaceful use of nuclear energy:

Contributions organizations
 Contributions Member States
 Contribution for the write-off
 of operational funds
 Items not used
 Other income

US\$ 69,517
 14,466
 447,773
 498,785
 67,709

US\$

1,098,251

Permanent equipment

6,548

Equity fund

6,548

Security deposits

3,400

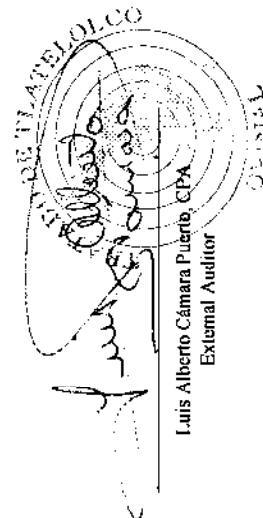
TOTAL ASSETS

US\$ 1,293,320

TOTAL LIABILITIES AND EQUITY

US\$ 1,293,320

Raúl Cueto Martínez
 President of the Council of the
 Secretary General (C/Res.43)



Fernando García Quintero
 Accountant

AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS
IN LATIN AMERICA AND THE CARIBBEAN (OPANAL)
STATEMENT OF INCOME AND EXPENDITURES OF THE GENERAL FUND

For the nine-month period ended
September 30, 2007

(Figures expressed in U.S. Dollars - Note 2)

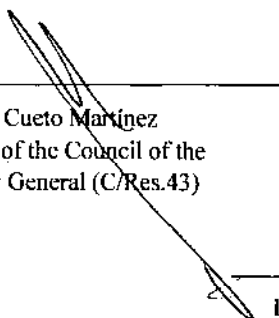
Projected income from contributions in the
2007 budget USS 324,000

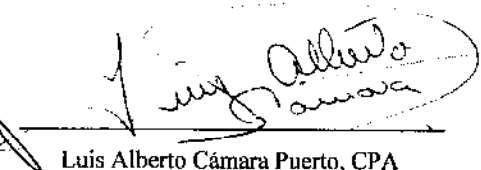
Expenditures from January 1 to September 30, 2007:

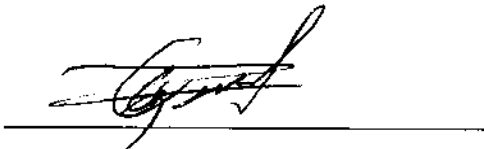
EXPENDITURES

1.1 Salaries	USS 113,828	
1.2 Fees	1,498	
1.3 Contributions and social benefits	11,025	
2.1 Leases and services	4,982	
2.2 Acquisition and Maintenance of Equipment, furniture and others	1,840	
2.3 Travel and Moving Expenses of the Secretary General	12,000	
2.4 Office expenses	4,357	
2.5 Various expenses	1,193	
3.2 Official representations	1,400	
3.3 Other activities	154	152,278

Excess of income over expenditures for the period USS 171,722


Raúl Cueto Martínez
President of the Council of the
Secretary General (C/Res.43)


Luis Alberto Cámara Puerto, CPA
External Auditor


Fernando García Quintero
Accountant



AGENCY FOR THE PROHIBITION OF THE NUCLEAR WEAPONS

IN LATIN AMERICA AND THE CARIBBEAN (OPANAL)

AUDIT REPORT

SEPTEMBER 30, 2007

(Figures expressed in US Dollars)

1. INCORPORATION AND ACTIVITY

The OPANAL [Agency for the Prohibition of Nuclear Weapons in Latin America and the Caribbean] is an Intergovernmental Agency created by the Treaty of Tlatelolco to ensure that the obligations of the Treaty are met. The Treaty was ratified on February 14, 1967 and has been in force since April 25, 1969.

The OPANAL is responsible for convoking regular and special conferences and consultation meetings related to the established purposes, means and procedures of the Treaty and to supervise the adherence to the Control System and the obligations stemming from the Treaty of Tlatelolco.

The Member States of the Treaty of Tlatelolco are: Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominica, Ecuador, El Salvador, Granada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Saint Kitts and Nevis, Saint Vicente and the Grenadines, Saint Lucia, Suriname, Trinidad and Tobago, Uruguay and Venezuela.

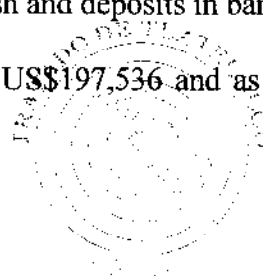
2. CONVERSION OF BALANCES TO US DOLLARS

The conversion of the accounts from Mexican pesos to US dollars was performed by dividing the balances as of September 30, 2007 by the applicable foreign exchange rate as of September 3, 2007 (\$11.0378/US\$1.00).

3. CASH AND MARKETABLE SECURITIES

Cash and marketable securities are recorded at market value (acquisition cost plus accumulated yields) and include available petty cash and deposits in bank accounts.

The balance as of September 30, 2007 stands at US\$197,536 and as of that date no checks have been delivered.



4. CONTRIBUTIONS PENDING TO BE COLLECTED

In general terms, this represents contributions pending to be paid to the OPANAL by Member States; as of September 30, 2007 these contributions stand at US\$1,085,828 of which US\$896,612 are from prior years, US\$191,078 from 2007 and US\$1,862 were collected in advance.

5. PERMANENT EQUIPMENT

Permanent equipment includes office furniture and equipment, computer equipment and transportation equipment, which are recorded at acquisition cost and are depreciated annually by applying the maximum percentages permitted by the Mexican Income Tax Law; acquisitions and depreciation are recorded against the Equity Fund.

As of September 30, 2007, depreciation stands at US\$5,870, recorded against the Equity Fund.

6. ACCOUNTS PAYABLE

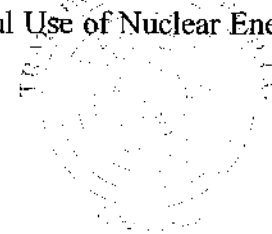
As of September 30, 2007, the balance of US\$40,800 represents the lease provision for the Agency's Headquarter building, payable to the Embassy of the Bolivarian Republic of Venezuela from October to December 2006 and from January to September 2007 (budgeted item 2.1.1.1 Rent and maintenance of the Agency's Headquarters).

7. FUNDS FOR THE PEACEFUL USE OF NUCLEAR ENERGY

This is represented mainly by funds established during prior years that were not contributed due to the lack of recovery of contributions from the Member States and items not used in the annual budgets, as shown below:

- Contributions Organizations:

The Personnel Regulation approved in August 1973 states that the "Personnel Pension and Retirement Fund" will consist of the personnel's contributions and contributions that are not covered by the Member States in prior years and the Organization's contributions. As of December 31, 1997, the Regulation is not in effect and the balance of the Agency's contributions as of that date stood at \$68,917. This balance was capitalized in the Fund for the Peaceful Use of Nuclear Energy and is part of the \$600 balance of this Fund.



- Contributions from Member States:

Contributions from Member States to the Fund for the Peaceful Use of Nuclear Energy were financed through voluntary contributions in order to promote the use of nuclear energy among the Agency's Member States for peaceful purposes.

Mexico and Guatemala were the only Member States that contributed to this Fund \$15,279 and \$861, respectively, less the use of \$1,673 of contributions, leaving a balance as of December 31, 2006 of \$14,466.

- Contribution from the Write-off of the Operating Fund:

The \$447,773 balance of the Operating Fund as of December 31, 1999 was applied to the Fund for the Pacific Use of Nuclear Energy, which had consisted of Contributions from Member States and contributions not contributed as of that date. It also consisted of an equivalent 10% of the General Fund budget in the proportions assigned for the payment of contributions to the General Fund to be used to finance the amounts approved in the budget. The contributions were collected from the Member States to the General Fund and the amounts authorized by the General Conference that had not been contemplated in the budget.

- Items not used:

As of September 30, 2007, the balance consisted of accumulated contributions pending to be contributed to the General Fund by the Member States and from contributions not made to the Operating and Personnel Pension and Retirement Funds that were effective through 1997 and modified annually from the excess of income over the year's expenditures, from discounts in past-due contributions, and the labor liability reserve.

8. RESERVE SUBFUND

The reserve of the sub-fund corresponds to 15% of the total of the annual fees from the Member States (in accordance with Chapter IV, Article 55, paragraph-b of the General Standards to Govern the Operations of the General Secretariat of OPANAL) whose objective is to assure normal and continuing financial operations of the Agency's Secretary General.

As of September 30, 2007, there was no balance in this account due to the current financial position of the OPANAL.



9. BUDGETARY SITUATION AS OF SEPTEMBER 30, 2007

a) Income:

Income from contributions budgeted for 2007	US\$ 324,000	100%
Credit balance of contributions as of December 31, 2006	50,862	16%
Contributions collected between January 1 and September 30, 2007	<u>82,060</u>	25%
Balance pending to be collected from Member States for income budgeted for 2007	<u>US\$ 191,078</u>	59%

As of September 30, 2007, US\$191,078 or 59% of the contributions budgeted for 2007 had not been paid, as detailed on page 1 of the Account Statement "B".

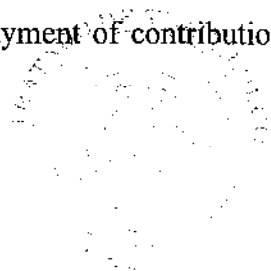
b) Expenditures:

Expenditures budgeted for 2007	US\$ 324,000	100%
Used from January 1 to September 30, 2007	152,278	47%
Budget to be used	<u>US\$ 171,722</u>	53%

Account Statement "C" includes a summary of the budgeted items compared with the amounts used of the same items as of September 30, 2007.

10. REPORT OF THE MEMBER STATES' PAYMENT OF CONTRIBUTIONS

The Agency's Member States' situation regarding the payment of contributions as of September 30, 2007 is as follows:



Current in contribution payments:

Bahamas, Chile, Cuba, Ecuador, Honduras, Jamaica and Mexico

Excess contributions paid for 2008:

Bahamas

Balances pending to be paid:

Member States	Excess contributions paid for 2008 and subsequent years	With contributions pending to be paid		Total contributions due
		From the 2007 budget	Prior to December 31, 2006	
Antigua and Barbuda	US\$ -	US\$ 1,199	US\$ 58,614	US\$ 59,813
Argentina	-	51,840	123,212	175,052
Bahamas	(1,862)*	-	-	(1,862)
Barbados	-	1,199	-	1,199
Belize	-	1,199	-	1,199
Bolivia (1)	-	-	94,398	94,398
Brazil	-	66,582	-	66,582
Colombia	-	11	-	11
Costa Rica	-	2,430	2	2,432
Cuba	-	-	-	-
Dominica	-	1,199	20,198	21,397
Ecuador	-	-	-	-
El Salvador	-	1,296	109,478	110,774
Granada	-	1,199	37,230	38,428
Guatemala	-	88	-	88
Guyana	-	1,173	-	1,173
Haiti	-	1,199	111,730	112,929
Honduras	-	-	-	-
Jamaica	-	-	-	-
Mexico	-	-	-	-
Nicaragua	-	1,067	-	1,067
Panama	-	3,240	678	3,918
Paraguay	-	2,430	84,559	86,989
Peru	-	8,424	26,895	35,319
Dominican Republic	-	3,240	126,773	130,013
Saint Kitts and Nevis	-	1,199	13,268	14,467
Saint Vicente	-	1,199	20,198	21,397
Saint Lucia	-	1,199	11,495	12,694
Suriname	-	1,199	15,451	16,650
Trinidad and Tobago	-	6,577	6,577	13,154
Uruguay	-	4,536	35,856	40,392
Venezuela	-	26,155	-	26,155
Total	US\$ (1,862)	US\$ 191,078	US\$ 896,612	US\$ 1,085,828

(*) Credit balance for 2008.

(1) The Government of Bolivia adhered to Resolution 492 (E-18) paragraph c; "program of annual payments tiered over five years" with an 80% discount of its debts as of December 31, 2006 that amounted to US\$99,354.24. The Government of Bolivia, using the aforementioned Resolution, is committed to paying the remaining 20% of US\$19,870.84 over five years with annual payments of US\$3,974.17, plus the respective fee through that year. Upon completion, Bolivia's debt will be nil. According to the approved payment plan of 20% of Bolivia's debt (US\$99,354.24); US\$6,155.00 was paid as the first 20% contribution (US\$19,870.84) and the 2007 annual fee (US\$1,198.80).

Payments of Contributions:

It is important to emphasize the need that Member States pay all past-due contributions to the General Fund . To the contrary, it will be difficult that the OPANAL meet its short-term obligations.

11. OTHER MATTERS

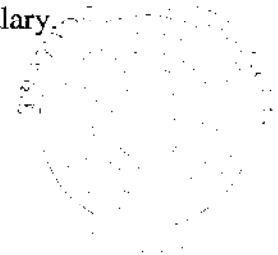
a) Social Contributions:

As of September 30, 2007, el OPANAL had not normalized contributions for one of its employees with the Mexican Social Security Institute (IMSS), the National Housing Fund (INFONAVIT) and the Retirement Savings Fund (SAR), which could be demanded for up to the last five years. Employees' salaries are set in US dollars and paid in Mexican pesos based on the foreign exchange rate prevailing the first day of the month. For IMSS purposes, salaries are modified based on the foreign exchange rate at the beginning of the year.

b) Labor Liabilities:

The accumulated seniority premium payments to which employees are entitled have been estimated and recorded against items not used as of September 30, 2007 and amount to US\$6,767. In accordance with the Mexican Federal Labor Law, the seniority premium consists of an amount equal to twelve days of salary for every year of service.

Other payments, mainly severance payments, are recognized during the year in which they are paid. In accordance with the Mexican Federal Labor Law, in the event of dismissals, severance payments mainly consist of twenty days of salary for each year of service, in addition to three months of salary.



c) **Resignation of the Secretary General of OPANAL:**

On June 14, 2007, the Ambassador Edmundo Vargas Carreño, Secretary General of OPANAL presented his resignation to the Agency's Council. This was due to the financial situation of the OPANAL that made impossible the continued functions of the Secretary General. The resignation was effective as of June 30, 2007.

d) **Resolution for Granting a Disability Pension:**

The Mexican Social Security Institute granted Mr. Rafael Jardón Huerta permanent disability on July 20, 2007, in accordance with the Mexican Social Security Law and other correlative articles of the law.

The OPANAL made a US\$1,529.48 severance payment to Mr. Rafael Jardón Huerta for to permanent disability with check number 5421095 drawn on the HSBC Bank. This was final payment and settlement from any benefit or right Mr. Jardón Huerta would have had. As of this date, the employment relationship was terminated releasing OPANAL of any legal repercussion based on the Mexican Federal Labor Law.

12. AUTHORIZATION FOR ISSUING THE FINANCIAL STATEMENTS

The accompanying financial statements were issued by the authorization of Mr. Raúl Cueto Martínez, President of the Council of the Secretary General (C/Res.43), on October 22, 2007.

AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS
IN LATIN AMERICA AND THE CARIBBEAN (OPANAL)

BUDGET OF INCOME FOR 2007

(Figures expressed in U.S. Dollars - Note 2)

Budgeted income for 2007 from contributions to the General Fund	US\$	324,000
Less: Application of credit balances generated in 2006		50,862

Income from contributions from January 1 to September 30, 2007

ANTIGUA AND BARBUDA	US\$	-	
ARGENTINA		-	
BAHAMAS		126	(1)
BARBADOS		-	
BELIZE		-	
BOLIVIA		1,199	(2)
BRAZIL		-	
CHILE		16,200	
COLOMBIA		15,959	
COSTA RICA		-	
CUBA		2,689	
DOMINICA		-	
DOMINICAN REPUBLIC		-	
ECUADOR		3,888	
EL SALVADOR		-	
GRENADA		-	
GUATEMALA		3,152	
GUYANA		-	
HAITI		-	
HONDURAS		1,199	
JAMAICA		1,199	
MEXICO		36,450	
NICARAGUA		-	
PANAMA		-	
PARAGUAY		-	
PERU		-	
SAINT LUCIA		-	
SAINT KITTS AND NEVIS		-	
SAINT VICENTE AND THE GRENADINES		-	
SURINAME		-	
TRINIDAD AND TOBAGO		-	
URUGUAY		-	
VENEZUELA		-	
		<hr/>	<hr/>
			82,060

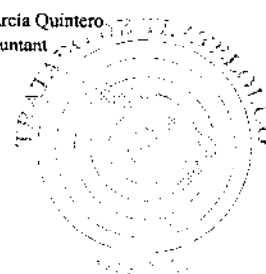
CONTRIBUTIONS PENDING TO BE PAID AS OF SEPTEMBER 30, 2007	US\$	191,078
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- (1) Member States with a credit balance for 2008. The amounts are detailed on page 3 of the Account Statement "B".
- (2) The government of Bolivia adhered to Resolution 492 (E-18) paragraph c; "Program of annual payments tiered over five years" with an 80% discount of its debts as of December 31, 2006 that amounted to US\$99,354.24. The government of Bolivia, using the aforementioned Resolution, is committed to paying the remaining 20% of US\$19,870.84 over five years with annual payments of US\$3,974.17, plus the respective fee through that year. Upon completion, Bolivia's debt will be nil. According to the approved payment plan of 20% of Bolivia's debt (US\$99,354.24); US\$6,155.00 was paid as the first 20% contribution (US\$19,870.84) and the 2007 annual fee (US\$1,198.80).

Raúl Cuesta Martínez
President of the Council of the
Secretary General (C/Res.43)

Fernando García Quintero
Accountant

Luis Alberto Cámara Puerto, CPA
External Auditor



**AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS
IN LATIN AMERICA AND THE CARIBBEAN (OPANAL)
INCOME FROM CONTRIBUTIONS PRIOR TO 2007**

(Figures expressed in U.S. Dollars - Note 2)

Net balance of accounts receivable as of December 31, 2006:	US\$	1,088,588
Plus:		
Credit balances generated in 2006		50,861

Income received from contributions in 2006 and prior years

ANTIGUA AND BARBUDA	US\$	21,198	
ARGENTINA		51,828	
BAHAMAS		-	
BARBADOS		-	
BELIZE		-	
BOLIVIA		4,956	(1)
BRAZIL		126,582	
CHILE		-	
COLOMBIA		-	
COSTA RICA		1,262	
CUBA		-	
DOMINICA		-	
DOMINICAN REPUBLIC		-	
ECUADOR		-	
EL SALVADOR		-	
GRENADA		15,980	
GUATEMALA		82	
GUYANA		-	
HAITI		-	
HONDURAS		1,199	
JAMAICA		1	
MEXICO		-	
NICARAGUA		-	
PANAMA		-	
PARAGUAY		-	
PERU		19,749	
SAINT LUCIA		-	
SAINT KITTS AND NEVIS		-	
SAINT VICENTE AND THE GRENADINES		-	
SURINAME		-	
TRINIDAD AND TOBAGO		-	
URUGUAY		-	
VENEZUELA		-	
			<u>242,837</u>

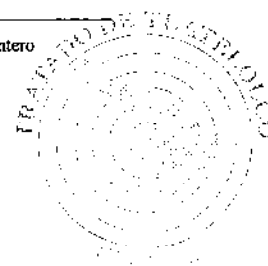
CONTRIBUTIONS FROM PRIOR YEARS PENDING TO BE PAID AS OF SEPTEMBER 30, 2007	US\$	<u>896,612</u>
---------------------------------------------------------------------------------------	-------------	-----------------------

- (1) The government of Bolivia adhered to Resolution 492 (E-18) paragraph c; "Program of annual payments tiered over five years" with an 80% discount of its debts as of December 31, 2006 that amounted to US\$99,354.24. The government of Bolivia, using the aforementioned Resolution, is committed to paying the remaining 20% of US\$19,870.84 over five years with annual payments of US\$3,974.17, plus the respective fee through that year. Upon completion, Bolivia's debt will be nil. According to the approved payment plan of 20% of Bolivia's debt (US\$99,354.24); US\$6,155.00 was paid as the first 20% contribution (US\$19,870.84) and the 2007 annual fee (US\$1,198.80).

Raúl Cuervo Martínez
President of the Council of the
Secretary General (C/Res.43)

Fernando García Quintero
Accountant

Luis Alberto Cámara Puerto, CPA
External Auditor



AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS
IN LATIN AMERICA AND THE CARIBBEAN (OPANAL)

ACCOUNTS RECEIVABLE

(Figures expressed in U.S. Dollars - Note 2)

Balance of accounts receivable in U.S. dollars as of December 31, 2006:

ANTIGUA AND BARBUDA	US\$	79,813
ARGENTINA		175,040
BAHAMAS		(3,114)
BOLIVIA		99,354
BRAZIL		126,582
COLOMBIA		(230)
COSTA RICA		1,264
DOMINICA		20,198
DOMINICAN REPUBLIC		126,773
EL SALVADOR		109,478
GRENADA		53,210
GUATEMALA		82
GUYANA		(26)
HAITI		111,730
HONDURAS		1,199
JAMAICA		1
MEXICO		(36,450)
NICARAGUA		(132)
PANAMA		678
PARAGUAY		84,559
PERU		46,644
SAINT LUCIA		11,495
SAINT KITTS AND NEVIS		13,268
SAINT VICENTE AND THE GRENADINES		20,198
SURINAME		15,451
TRINIDAD AND TOBAGO		6,577
URUGUAY		35,856
VENEZUELA		(10,910)

Debit balance from contributions receivable as of December 31, 2006 **US\$ 1,088,588**

Budgeted income from contributions in 2007 **324,000**

SUBTOTAL **US\$ 1,412,588**

Less payment of contributions:

For 2007

Income from January 1 to September 30, 2007 US\$ 82,060 82,060

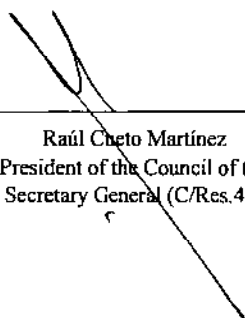
Prior to 2007

Income from January 1 to September 30, 2007 242,837 242,837

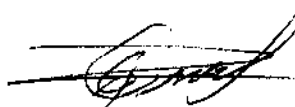
Countries with credit balance for 2008 and subsequent years

BAHAMAS 1,862 1,862

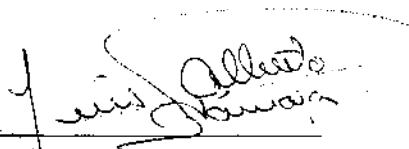
NET BALANCE FROM CONTRIBUTIONS RECEIVABLE AS OF SEPTEMBER 30, 2007 **US\$ 1,085,830**



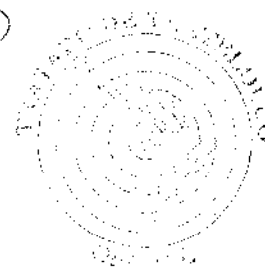
Raúl Cheto Martínez
President of the Council of the
Secretary General (C/Res.43)



Fernando García Quintero
Accountant



Luis Alberto Cámara Puerto, CPA
External Auditor




AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS
IN LATIN AMERICA AND THE CARIBBEAN (OPANAL)

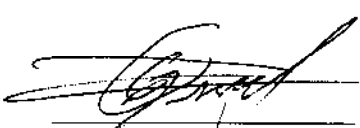
BUDGET OF EXPENDITURES FOR 2007

(Figures expressed in U.S. Dollars - Note 2)

	<u>Authorized budget for 2007</u>	<u>Used from Jan. 1,2007 to Sept. 30, 2007</u>	<u>Budget to be used</u>
TITLE I:			
PERSONNEL SALARIES AND BENEFITS			
SECTION 1.1 Salaries	US\$ 182,440	US\$ 113,828	US\$ 68,612
SECTION 1.2 Fees	4,200	1,498	2,702
SECTION 1.3 Contributions and social benefits	41,319	11,025	30,294
TOTAL	<u>227,959</u>	<u>126,351</u>	<u>101,608</u>
TITLE II:			
ADMINISTRATIVE EXPENSES			
SECTION 2.1 Leases and services	49,800	4,982	44,818
SECTION 2.2 Acquisition and Maintenance of Equipment furniture and others	13,500	1,840	11,660
SECTION 2.3 Travel and Moving Expenses of the Secretary General	-	12,000	- 12,000
SECTION 2.4 Office expenses	15,350	4,357	10,993
SECTION 2.5 Various expenses	1,350	1,193	157
TOTAL	<u>80,000</u>	<u>24,372</u>	<u>55,628</u>
TITLE III:			
MEETINGS, CONFERENCES AND OTHERS			
SECTION 3.1 General Conference	2,000	-	2,000
SECTION 3.2 Official representations	10,845	1,400	9,445
SECTION 3.3 Other activities	3,196	154	3,042
TOTAL	<u>16,041</u>	<u>1,554</u>	<u>14,487</u>
GRAND TOTAL	<u>US\$ 324,000</u>	<u>US\$ 152,278</u>	<u>US\$ 171,722</u>



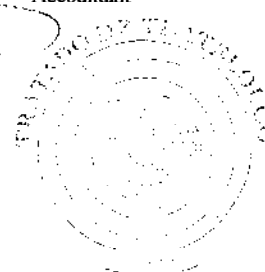
Raúl Cueto Martínez
President of the Council of the
Secretary General (C/Res.43)



Fernando García Quintero
Accountant



Luis Alberto Cámara Puerto, CPA
External Auditor





AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS
IN LATIN AMERICA AND THE CARIBBEAN

Num.S-17761

Mexico City, October 22, 2007

Luis Alberto Cámara Puerto, CPA
External Auditor of the Agency for the
Prohibition of Nuclear Weapons
in Latin America and the Caribbean (OPANAL)
BDO Hernández Marrón y Cía., S.C.

Dear Mr. Cámara:

We are providing you this letter of statements related to your audit of the statement of financial situation and the statement of income and end expenditures of the General Fund as of September 30, 2007 and for the period ended on that date, in order to express an opinion whether the statements reasonably present, in all material aspects, the financial situation and the application of expenditures and income in compliance with the guidelines established in the OPANAL's Financial Regulation. We confirm that we are responsible for the reasonable presentation of the aforementioned financial statements and that the financial statements were prepared in compliance with the Agency's Financial Regulation.

It is our firm belief and understanding that as of October 22, 2007, the following statements were made to you in the course of this audit:

1. We have made all accounting records and related information available to you.
2. We recognize our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
3. We are not aware of the existence of fraud involving management or employees with significant rolls in the Organization's internal control and accounting systems.
4. There currently is not and there cannot be, in accordance with the Statute of the Organization, any embargo or limitation on the use of this Agency's Funds.
5. It is our firm belief and understanding that all assets and certain liabilities of the OPANAL are correctly booked in the Agency's accounting records.
6. The available and marketable assets include deposits in bank accounts.

7. Contributions pending . . .

7. Contributions pending to be paid as of September 30, 2007 were US\$1,085,828, of which US\$896,612 come from previous years, US\$191,078 for 2007, and US\$1,862 were paid in advance.
8. As of September 30, 2007, the balance of US\$40,800 represents the lease provision for the Agency's Headquarter building, payable to the Embassy of the Bolivarian Republic of Venezuela from October to December 2006 and from January to September 2007 (budgeted item 2.1.1.1 Rent and maintenance of the Agency's Headquarter).
9. As of September 30, 2007, OPANAL had not normalized contributions for one of its employees with the Mexican Social Security Institute (IMSS), the National Housing Fund (INFONAVIT) and the Retirement Savings Fund (SAR), which could be demanded for up to the last five years. Employees' salaries are set in US dollars and paid in Mexican pesos based on the foreign exchange rate prevailing the first day of the month. For IMSS purposes, salaries are modified based on the foreign exchange rate at the beginning of the year.
10. Except for that mentioned in point 9, it is our firm belief and understanding, there are no contingent liabilities from temporary contributions made and that are not noted in the Agency's accounting.
11. There is evidence that all supporting documents of recorded disbursements exist and are part of the OPANAL account and we are primarily responsible for the information that appears in the financial statements.
12. The issue of the accompanying financial statements was authorized by the Committee on Contributions and Administrative and Budgetary Questions (CCAAP) and by the Agency's Council on behalf of the Secretary General.
13. It is our firm belief and understanding that there have been no subsequent events as of September 30, 2007 and up to the date of this letter that could have a material effect on or need to be disclosed in the financial statements.

I would like to take this opportunity to reiterate to you the certainty of my most distinguished consideration.

Raúl Cueto Martínez
President of the Council of the Secretary
General (C/Res.43)

