



45th Anniversary
1967-2012

OPANAL GENERAL CONFERENCE

XXI Special Session

13 November 2012

Mexico City

Financial Statements and Auditors' Report to 31 December 2011

(Doc. CG/E/653Rev.)

AGENCY FOR THE PROHIBITION OF
NUCLEAR WEAPONS IN LATIN
AMERICA AND THE CARIBBEAN
(OPANAL)
FINANCIAL STATEMENTS
TOGETHER WITH EXTERNAL
AUDITORS' REPORT
AS OF DECEMBER 31, 2011

Gioconda Ubeda Rivera
Secretary General of the
Agency for the Prohibition of Nuclear Weapons
in Latin America and the Caribbean (OPANAL)

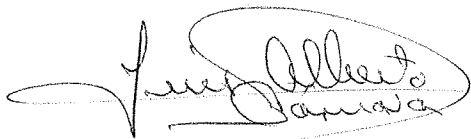
Ms. Ambassador,

We are honored to present you with this Audit Report of the Financial Statements of the OPANAL for the year 2011 that we performed as External Auditors appointed by the General Conference Resolution CG/Res.523 during its XXI Ordinary Session of the General Conference of the OPANAL.

We respectfully request that you present this Report in the sessions of the appropriate General Conference to be held by the Governments of the Member States in accordance with current Conference regulations.

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.

PKF México Williams y Cía., S.C.



Luis Alberto Cámara Puerto, CPA
Partner

Mexico City
June 8, 2012

T: +52 (55) 5901 3900 | F: +52 (55) 5901 3925 | www.pkfmexico.com

PKF México Williams y Cía., S.C. | Ejército Nacional 904 Piso 12 | Col. Polanco los Morales | 11510 México, D.F.

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

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2011

CONTENTS

	<u>Page</u>
External Auditors' Report	1 and 2
Financial Statements:	
Balance sheet	3
Income and Expenditures Statement of the General Fund	4
Statements of Changes in Shareholders' Equity	5
Cash Flow Statement of the General Fund	6
Accounting Policies and Notes to Financial Statements	7 to 15
Use of the Income and Expenditure Budget	
Income Budget for 2011	16
Income from Contributions prior to 2011	17
Accounts Receivable	18
Expenditure Budget for 2011	19
Budgetary Situation as of December 31, 2011	20

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

We have examined the enclosed financial statements of the Agency for the Prohibition of Nuclear Weapons in Latin America and the Caribbean (OPANAL) and the related balance sheet as of December 31, 2011, and the statement of income and expenditures, the statement of changes in shareholders' equity, and the statement of cash flows of the General Fund for the year then ended, including bank statements "A", "B", "C", and "D" attached, and a summary of the significant accounting policies.

The administration of OPANAL is in charge of preparing the financial statement enclosed pursuant to the provisions regarding the reporting of financial information set forth in the Financial Regulations of OPANAL, and the internal controls that the Administration deems necessary to allow for the preparation of the financial statements without material weaknesses arising from fraud or error.

Our responsibility is to express an opinion on the financial statements attached based on our audit. Our audit was carried out based on International Audit Standards. These standards require that we meet ethics requirements, and that we plan and execute the audit in order to be reasonably certain that the financial statements are free of material misstatements.

An audit implies the application of procedures to obtain audit evidence of amounts and information disclosed in the financial statements. Selected procedures depend on the judgment of the auditor, including the risk assessing of material misstatements in the financial statements due to fraud or error. When assessing risks the auditor keeps into consideration relevant internal controls when the Agency prepares financial statements in order to design audit procedures that are appropriate under the circumstances, and not to express an opinion on the effectiveness of the Agency's internal controls. An audit also includes assessing the appropriateness of applied accounting policies and the reasonability of accounting estimates made by the Administration of OPANAL, as well as the assessment of the global presentation of financial statements.

We think that the audit evidence that we have obtained provide us with a sufficient and appropriate basis for our audit opinion.

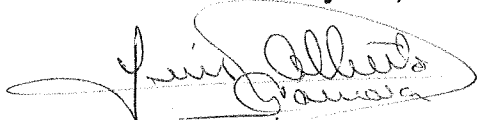
T: +52 (55) 5901 3900 | F: +52 (55) 5901 3925 | www.pkfmexico.com

PKF México Williams y Cía., S.C. | Ejército Nacional 904 Piso 12 | Col. Polanco los Morales | 11510 México, D.F.

In our opinion, with the exception of payable accounts that Member States have yet to paid to OPANAL in the amount of USD\$683,015.99, the accompanying financial statements, which are expressed in US Dollars as indicated by the Financial Regulations reasonably¹ present the financial situation of OPANAL as of December 31, 2011 and the corresponding application of budget entries approved for 2011.

Without any effect on our opinion, these financial statements have been prepared to allow OPANAL to meet the financial information provisions established in the Financial Regulations. In those cases where the Financial Regulations do not cover accounting recognitions, it was decided to use the International Public Sector Accounting Standards, IPSAS, developed by the International Public Sector Accounting Standard Board (IPSASB). Therefore, financial statements may not be appropriate for any other purpose.

PKF México Williams y Cía., S.C.



Luis Alberto Cámara Puerto, CPA
Partner

Mexico City,
June 8, 2012

¹ For audit opinion purposes, the term "reasonably" means the criteria used by auditors to assess, by means of applicable procedures and audit testing, if evidence obtained is sufficient both in terms of quantity and quality to support their conclusions whether financial statements are free of material misstatements (significant errors).



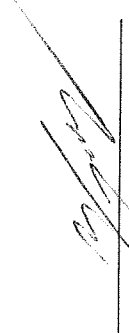
AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS IN LATIN AMERICA AND THE CARIBBEAN (OPANAL)
BALANCE SHEET AS OF DECEMBER 31, 2011 AND 2010
(US DOLLARS)
(SEE NOTES 1 AND 2)


	<u>ASSETS</u>		<u>LIABILITIES</u>	
	2011	2010	2011	2010
Available assets (See Note 2.b)				
Cash in Mexican pesos	US \$ 8,785.86			
Cash in US dollars	137,398.43	2,231.37	US \$ 49,498.98	US \$ 24,715.00
Petty cash	440.85	159,966.16	1,430.17	1,793.60
Other accounts receivable	0.00	320.86	50,929.15	26,508.60
	US \$ 146,625.14	US \$ 162,518.39	2,249.14	1,058.85
Restricted Funds (See Notes 2.c and 7)			2,109.74	1,880.55
Reserve Subfund	434,717.99	455,372.27	55,288.03	29,448.00
Peaceful Uses of Nuclear Energy Fund	14,804.15	308.45	449,522.14	456,264.97
Permanent Equipment (See Notes 2.d and 5)	12,347.94	15,471.67	455,956.52	103,330.93
Security Deposits	3,400.00	3,400.00	308.45	763,779.05
			41,070.27	15,471.67
			62,260.66	
			93,457.39	
			684,295.69	
			12,347.95	
			(683,015.98)	(731,223.84)
TOTAL ASSETS	US \$ 611,895.22	US \$ 637,070.78	US \$ 556,607.19	US \$ 607,622.76
			611,895.22	637,070.76

EQUITY

Restricted Funds: (see Note 2.c y 7):	434,717.99	455,956.52
Reserve Subfund	14,804.15	308.45
Peaceful Uses of Nuclear Energy Fund		
General Fund: (See Note 8):		
Unused items from the budget	32,787.30	41,070.27
Other income	60,670.09	62,260.66
Special Recouping Fund: (See Note 9)		
Equity Fund (See Note 2.e)	684,295.69	763,779.05
Pending contributions (See Note 2.f):		
Accounts receivable	12,347.95	15,471.67
Subtotal Equity	(683,015.98)	(731,223.84)
TOTAL LIABILITIES AND EQUITY	US \$ 556,607.19	US \$ 607,622.76
	611,895.22	637,070.76

The accompanying notes are an integral part of these financial statements.


 Luis Alberto Cárdena Puerto, CPA
 External Auditor


 Fernando García Quintero
 Accountant



AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS IN LATIN AMERICA AND THE CARIBBEAN (OPANAL)
GENERAL FUND - INCOME STATEMENT AND EXPENDITURES
FOR YEARS 2011 AND 2010
(US DOLLARS)
(SEE NOTES 1 AND 2)

	<u>2011</u>	<u>2010</u>
Budgeted Income from Contributions - Years	US\$ 324,000.00	US\$ 324,000.00
Incurred expenses from January 1 to December 31, 2011 and 2010		
EXPENDITURES		
1.1 Salaries	US \$ 160,138.76	US \$ 174,818.89
1.2 Professional Fees(Special Remuneration)	8,361.10	4,805.99
1.3 Welfare contributions and benefits ⁽¹⁾	65,414.47	60,247.60
2.1 Leases and services	48,865.19	51,061.94
Acquisition and maintenance of equipment, furniture		
2.2 and others	8,311.84	5,373.58
2.3 Travel and moving expenses of the Secretary-General	0.00	1,972.74
2.4 Office expenditures	14,171.40	8,747.88
2.5 Various expenditures	1,789.33	370.07
3.1 General Conference	0.00	1,680.15
3.2 Official representations ⁽²⁾	22,563.73	11,746.27
3.3 Other activities	<u>2,437.96</u>	<u>1,855.53</u>
	<u>332,053.78</u>	<u>322,680.64</u>
Total of justified over expenditure with regards to 100% of the income for 2011 and the unused budget as of December 31, 2010.	US\$ <u>(8,053.78)</u>	US\$ <u>1,319.36</u>

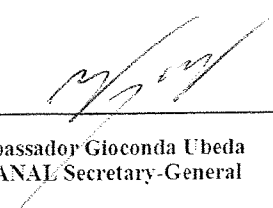
Justified Over Expenditure:

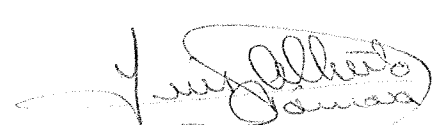
45th Anniversary of Tlatelolco Treaty (Commemoration and International Seminar)	\$ 8,961.97 ⁽¹⁾
Travel expenses and per diem for official mission	\$ 8,313.73 ⁽²⁾

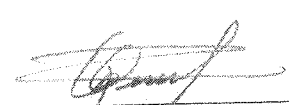
⁽¹⁾ On December 8, 2011, the CCAAP, during its 94th meeting, duly noted the savings made by the Secretariat-General, and adopted that such surplus was transferred to cover expenses related to the 45th Anniversary of the Treaty of Tlatelolco. The decision was reported to Members of the Council during their 263rd meeting held on December 11, 2011. The decision was adopted and the amount totaled USD\$8,961.97.

⁽²⁾ During its 93rd meeting held on October 4, CCAAP Members approved the participation of the Secretary-General in several multilateral forums, which were not included in the budget. They decided that the Council should state their opinion on that regard. During meetings 262nd and 263rd, held on October 13 and December 11, 2011, respectively, the Members of the Council approved the surplus of USD\$8,313.73 in Travel Expenses and Per Diem during the official mission of the Secretary-General.

The accompanying notes are an integral part of these financial statements.


Ambassador Gioconda Ubeda
OPANAL Secretary-General


Luis Alberto Cámara Puerto, CPA
External Auditor


Fernando García Quintero
Accountant



AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS IN LATIN AMERICA AND THE CARIBBEAN (OPANAL)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

(US DOLLARS)
 (SEE NOTES 1 AND 2)

	RESTRICTED FUNDS		GENERAL FUND		Special Recovery Fund	Equity Fund	Pending Contributions:	Total Equity
	Sub-Fund	FUPEN	Unused Items	Other Products				
Balances as of December 31, 2009	US\$ 474,705.49	US\$ 7,617.73	US\$ 38,195.25	US\$ 66,381.65	US\$ 763,779.05	US\$ 966.60	US\$ (747,842)	US\$ 603,804
2010 Financial movements								
Interests earned	416.90							416.90
Approval to purchase a vehicle for the use of the Agency (OPANAL)	(16,880.12)							(16,880.12)
Approval to make the first payment (80%) on account of OPANAL Documentary.	(2,285.75)							(2,285.75)
Expenditure incurred on account of the second online course "Nuclear Issues".		(7,309.28)						(7,309.28)
Unused items as of December 31, 2010			2,875.02					2,875.02
Uncollected Contributions in FY 2010 budget							(68,762.07)	(68,762.07)
Recovery of Contributions from 2009 and prior years.							67,461.93	67,461.93
Collection of Advance payments of contributions for 2011 and subsequent years							17,918.19	17,918.19
Acquisition of Fixed Assets						16,979.59		16,979.59
Deletion of Fixed Assets						(1.00)		(1.00)
Application of depreciation in fiscal year 2010						(2,473.52)		(2,473.52)
Application of other products from fiscal year 2010 based on item 9.01 of the Financial Provisions.				(4,120.99)				(4,120.99)
Balances as of December 31, 2010	US\$ 455,956.52	308.45	41,070	62,260.66	US\$ 763,779.05	US\$ 15,471.67	US\$ (731,223.84)	US\$ 607,622.78
2011 Financial movements								
Interests earned	448.78							448.78
VAT reimbursement from Honda vehicle purchase	3,396.94							3,396.94
Payment of 20% balance (Documentary in English)	(584.25)							(584.25)
Transfer to HSBC account (FUPEN), online course delivered in English	(24,500.00)							(24,500.00)
Transfer to HSBC account (FUPEN), online course delivered in English		24,500.00						24,500.00
Interests earned		4.98						4.98
Payment of duties (online course delivered in English)		(10,000.00)						(10,000.00)
Payment order issue fees and expenses		(8.00)						(8.00)
VAT on payment order issue fees and expenses		(1.28)						(1.28)
Unused items as of December 31, 2011								
Cancellation of 80% of the debt of Bolivia (See Note 11.d)					(79,483.36)			(79,483.36)
Uncollected Contributions in FY 2011 budget							79,483.36	(80,981.32)
Recovery of Contributions from 2010 and prior years.							(80,981.32)	44,940.18
Collection of Advance payments of contributions for 2012 and subsequent years							44,940.18	4,765.64
Acquisition of Fixed Assets						1,469.40		1,469.40
Deletion of Fixed Assets						(8.00)		(8.00)
Application of depreciation in fiscal year 2011						(4,585.12)		(4,585.12)
Application of other products from fiscal year 2011 based on item 9.01 of the Financial Provisions.								
BALANCES AS OF DECEMBER 31, 2011	US\$ 434,717.99	US\$ 14,804.15	US\$ 32,787.30	US\$ 60,670.09	US\$ 684,295.69	US\$ 12,347.95	US\$ (683,015.98)	US\$ 556,607.19

The accompanying notes are an integral part of these financial statements.

[Signature]
 Ambassador Ghiselda Ubeña
 OPANAL Secretary-General

[Signature]
 Luis Alberto Cámara Puerto, CPA
 External Auditor

[Signature]
 Fernando García Quintero
 Accountant

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



GENERAL FUND - CASH FLOW STATEMENT

FOR YEARS 2011 AND 2010

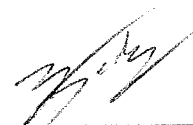
(US DOLLARS)

(SEE NOTES 1 AND 2)


OPERATING ACTIVITIES

	<u>2011</u>	<u>2010</u>
Collection of Member States' Contributions	US\$ 249,897.80	US\$ 255,237.93
Payments to employees	(160,138.76)	(181,238.34)
Fees (Special Remunerations)	(8,361.10)	(4,805.99)
Payment of taxes and social security benefits	(65,414.47)	(61,328.73)
Payment of leases and services	(31,865.19)	(27,261.94)
Payment of acquisition and maintenance of equipment, furniture and others	(8,300.00)	(5,373.58)
Payment of travel and moving expenses of the Secretary General	-	(1,972.74)
Payment of office expenses	(13,603.30)	(9,337.81)
Payment of various expenses	(1,789.33)	(370.07)
Payment of General Conference expenses	-	(1,680.15)
Payment of Official Representations	(22,563.73)	(11,746.27)
Payment of Other Activities	(3,460.99)	(1,855.53)
Net cash deficit from operating activities	(65,599.07)	(51,733.22)
Recovery of Contributions from 2010 and prior years.	44,940.18	-
Collection of Advance payments of contributions for 2012 and subsequent years	4,765.64	-
Recovery of Contributions from 2009 and prior years.	-	67,461.93
Collection of Advance payments of contributions for 2011 and subsequent years	-	17,918.19
CASH		
Cash (decrease) increase for the period	(15,893.25)	33,646.90
Cash balance at the beginning of the year	162,518.39	128,871.49
Balance at the end of the year	US\$ 146,625.14	US\$ 162,518.39


The accompanying notes are an integral part of these financial statements.



 Ambassador Gioconda Ubeda
 OPANAL Secretary-General



 Luis Alberto Cámara Puerto, CPA
 External Auditor



 Fernando Garcia Quintero
 Accountant

AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS
IN LATIN AMERICA AND THE CARIBBEAN (OPANAL)
ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011
(Figures expressed in US dollars)

1. INCORPORATION AND ACTIVITY

OPANAL (Agency for the Prohibition of Nuclear Weapons in Latin America and the Caribbean) is an inter-governmental agency created by the Treaty of Tlatelolco to ensure compliance with the provisions of that Treaty. The Treaty was ratified on February 14, 1967, and has been in force since April 25, 1969.

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, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Saint Lucia, Suriname, Trinidad and Tobago, Uruguay, and Venezuela.

2. SIGNIFICANT ACCOUNTING POLICIES

Financial statements were prepared based on provisions for presenting financial information set forth in OPANAL Financial Regulations. In those cases where the Financial Regulations do not cover accounting recognitions, it was decided to use the International Public Sector Accounting Standards, IPSAS, developed by the International Public Sector Accounting Standard Board (IPSASB).

The most significant accounting policies and criteria followed by OPANAL while preparing its financial statements are summarized below:

a) Preparation basis

OPANAL keeps its accounting records in dollars. The conversion of Domestic Currency to US Dollars takes place monthly by dividing the amount by the applicable exchange rate in effect on the first working day of each month of the fiscal year.

- b) **Available**
This is the cash available in banks and general cashier, plus interests earned in bank accounts to cover the normal transactions of the Agency:
- Bank account in mexican pesos, HSBC Bank, Master Account No.4018671016.
 - Special account in US dollars, HSBC Bank, No. 199312100.
- c) **Restricted Funds**
Restricted funds² have limited availability. Only the General Conference, or, if the case may be, the Council, by recommendation of the Committee on Contributions Administrative and Budgetary Matters (CCAAP), may approve the use of these funds. The General Conference established the Restricted Funds. On November 19, 2008, the General Conference approved the reactivation of the Reserve Sub-Fund and the Peaceful Uses of Nuclear Energy Fund by means of Resolution CG/E/Res. 508 (E-XIX-08). (See Note 7).
- d) **Permanent Equipment**
Permanent equipment is booked at acquisition cost. Depreciation is booked annually by applying the maximum percentages approved by the Mexican Income Tax Law. Purchases, the deletion of idle equipment, and depreciation are booked against the Equity Fund (See Note 5).
- e) **Equity Fund**
Purchases and deletions of permanent equipment, and their depreciation, are booked in this account.
- f) **Pending Contributions**
In general terms, pending contributions are fees that Member States have yet to pay to OPANAL (See Notes 4 and 11.e)
- g) **Revenue Recognition**
Revenue recognition is booked when Member State fees are collected, not accrued.
- h) **Balance conversion to US dollars**
The conversion of domestic currency accounts to US Dollars was performed by dividing balances as of December 31, 2011, by the exchange rate in force on December 1, 2011 (\$13.6100 pesos to a dollar).

3. **CASH**

Cash to cover standard Agency transactions includes cash available in the general cashier in the amount of \$440.85 and deposits in two bank accounts in HSBC Bank, in Master Account No. 4018671016 in the Mexican peso equivalent of US\$8,785.86, and in the Special Account in Dollars No. 199312100 in the amount of US\$137,398.43. In January 2009, two bank accounts were opened to deposit Restricted Funds arising from the Reserve Sub-Fund (HSBC Bank, Special Account in Dollars No.

² Article 55, item b of the General Standards to Govern the Operations of the General Secretariat of OPANAL states the following: "Special expenditures not provided for in the budget. Such expenditures must be authorized by the General Conference or, when it is not in session, by the Council, which shall first hear a report on the condition of the Reserve Subfund and the reasons for such expenditures from the CCAAP".

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

70031350019) for US\$434,717.99 and Peaceful Uses for Nuclear Energy Fund (HSBC Bank, Special Account in Dollars No. 7003134905) for US\$14,804.15. (See Note 7). Based on article 7.01 "Deposits and Investments" of the Financial Regulations: "The General Secretary will appoint the bank, or banks, where the Funds of the Agency will be deposited, and will be authorized to invest part of such funds in Titles and/or Securities guaranteed by the Institutions that, in his opinion, are solvent and reliable, taking into consideration the ultimate goal of the Funds".

4. OUTSTANDING CONTRIBUTIONS TO BE COLLECTED

As of December 31, 2011 (See Note 11.e) this heading is integrated as follows:

	<u>2011</u>
Before December 31, 2010	US\$ 613,884.23
Unpaid fees from 2011 budget	74,102.20
Credit balance for 2012 and later	<u>(4,970.44)</u>
	US\$ 683,015.99

5. PERMANENT EQUIPMENT

As of December 31, 2011 amount to US\$12,347.94, which is integrated as follows:

	<u>2011</u>
Transportation equipment	US\$ 16,880.12
Computer equipment	10,561.93
Office furniture and equipment	<u>20,668.49</u>
	48,110.54
Accrued depreciation	<u>(35,762.60)</u>
	US\$ 12,347.94

Depreciation in 2011 was US\$4,585.12, which was booked against the Equity Fund.

6. ACCOUNTS PAYABLE

The balance as of December 31, 2011, is integrated by office leasing, US\$40,800.00; Social Security Service, Retirement Fund, and Housing Fund, US\$1,258.89; Withheld Taxes, US\$171.28; and others (Telephone and Copier expenses), US\$8,698.98.

7. RESTRICTED FUNDS

As of December 31, 2011, they amounted to US\$449,522.14 and are integrated as follows:

- a) Reserve Sub-Fund: The Subfund was reactivated by applying 95% of Unused Items of Fiscal Years 2007, 2008, and 2009 (See Statement of Account D). Resources from the Reserve Subfund are deposited in Special Accounts in Dollars No. 7003135001 (checking account) from HSBC Bank.

	<u>2011</u>
Reserve Sub-Fund as of December 31, 2010	US\$ 455,372.27
Interests gained	448.78
VAT reimbursement (Honda car purchase)	3,396.94
Transfer to HSBC account (FUPEN) – Online English course	<u>(24,500.00)</u>
Reserve Subfund as of December 31, 2011	<u>US\$ 434,717.99</u>

- b) Peaceful Uses of Nuclear Energy Fund (FUPEN): It was reactivated by means of the restitution of voluntary contributions from Member States. Originally, the Fund had more than 5% of the surplus of the 2007 budget year in banks. The FUPEN is a Restricted Fund that includes the surplus of fiscal years 2007, 2008, and 2009. Resources from FUPEN are deposited in HSBC Bank Special Account in Dollars No. 7003134905.

	<u>2011</u>
Peaceful Uses of Nuclear Energy Fund as of December 31, 2010	US\$ 308.45
Transfer to HSBC account (FUPEN), online English course	24,500.00
Interests gained	4.98
Payment order (Online English Course, Fees)	(10,000.00)
Payment order issuance fee and expenses	(8.00)
Vat on payment order issuance fee and expenses	<u>(1.28)</u>
Peaceful Use of Nuclear Energy Fund as of December 31, 2011	<u>US\$ 14,804.15</u>

The Secretary General will discuss specific topics of interest with the Member States in order to plan a schedule in coordination with the Council, and develop projects to be funded by the FUPEN.

8. GENERAL FUND

This Fund consists mainly of contributions from Member States³. The Fund will be used to finance ordinary services of the Agency and special projects. All the obligations and expenses based on the budget of the Agency will be charged to this Fund.

9. SPECIAL RECOUPING FUND

The General Conference, through Resolution CG/E/Res.508 (E-XIX-08) "Reactivation and Restructuring of Items that Compose the Peaceful Uses of Nuclear Energy Fund", paragraph 3, decided to create a Special Recouping Fund that combines contributions from the Agency, write-offs of the Working Capital Fund, and Unused Items.

a) Contributions from the Agency:

The Personnel Regulation approved in August 1973 states that the Staff Pensions and Retirement Fund will consist of personnel contributions, contributions not covered by Member States in prior years, and contributions made by the Agency. As of December 31, 1997, the aforementioned Regulations were no longer in full force and effect. The balance of contributions of the Agency as of that date was capitalized to the Fund of Peace Uses of Nuclear Energy Fund.

b) Contribution from Working Capital Fund Write-Offs:

The balance of the Working Capital Fund as of December 31, 1999 was allocated to the Peaceful Uses of Nuclear Energy Fund. The balance consisted of contributions from Member States and unpaid contributions as of that date. The Working Capital Fund consisted of the equivalent of the 10% of the General Fund budget in proportions assigned for the payment of contributions to the General Fund. This Fund was to be used to finance the amounts approved in the budget while contributions from Member States to the General Fund were collected.

c) Unused Items:

This was integrated by accrued fees that Member States did not contribute to the General Fund on time but until the Fiscal Year 2000, and by contributions not made to the Operations Fund, and the Personal Pension and Retirement Funds, which were current until 1999.

As of December 31, 2011, the total amount of the Special Recouping Fund amounted to US\$684,295.69.

³ Pursuant to Article 3.01 of the Financial Regulations, and Article 55 of the General Standards to Govern the Operations of the General Secretariat of the OPANAL

10. BUDGETARY SITUATION AS OF DECEMBER 31, 2011

a) Income:

	<u>2011</u>
Income from contributions budgeted for the year	US\$ 324,000.00
Credit balance of contributions from prior years	-
Contributions collected for the year	<u>249,897.80</u>
Balance pending to be collected from Member States for budgeted income	<u>US\$ 74,102.20</u>

As of December 31, 2011, US\$74,102.20 or 23% of the contributions budgeted for 2011 had not been paid as detailed on page 1 of Account Statement "B".

b) Expenditure:

	<u>2011</u>
Expenditures budgeted for the year	US\$ 324,000.00
Used	<u>332,053.78</u>
Budget deficit	<u>US\$ 8,053.78</u>

Account Statement "C" includes a summary of the budgeted items vs. amounts used for the same items as of December 31, 2011.

11. MEMBER STATE CONTRIBUTION PAYOUT REPORT

The situation of Member States situation on the payment of contributions as of December 31, 2011 is as follows:

- a) **Up to date in contribution payments:**
Bahamas, Chile, Colombia, Cuba, Ecuador, Guyana, Jamaica, Nicaragua, and Panama.
- b) **Credit balance for 2012:**
Antigua and Barbuda, Bahamas, Cuba, Guyana, Nicaragua and Panama.
- c) **Up to date with balances from the payment of bank fees:**
Argentina, Belize, Bolivia, Brazil, and Mexico.
- d) **With tiered-payment program:**
 - The Government of Paraguay requested a tiered-payment program to pay off its debt, which amounted to US\$91,848.76 as of December 31, 2009. On its 249th Meeting held on April 8, 2010, the Council approved a 50% discount on the due balance as of December 31, 2009 based on Resolution CG/Res.497 (XX-07) paragraph 1b) "Discount Program for the Payment of Recouping Fund Contributions", and on a spirit to reach an agreeable resolution for all. The Government of Paraguay already made a first payment of 30%, or US\$13,777.31, plus its 2010 contribution in the amount of US\$2,430.00. The balance will be paid in annual payments tiered over five years plus annual contribution. Upon completion, Paraguay's debt will be extinguished. The Government of Paraguay paid contributions in advance to be applied in the coming years in the amount of US\$14,643.89. The payment of the 2011 fee for US\$2,430.00 was applied against advance fee payments.
 - The Government of Bolivia participated in Resolution 492 (E-XVIII) and Resolution 463 Paragraph C; "Annual Payments Tiered over Five Years Program" 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 bound to pay the remaining 20% of US\$19,870.84 over five years in annual payments of US\$3,974.17 plus applicable fees for that year. Upon completion, Bolivia's debt will be extinguished. Based on the approved payment plan of 20% of Bolivia's debt (US\$99,354.24), US\$3,974.17 were paid as part of the fifth and last 20% installment (US\$19,870.84) and the 2011 annual fee (US\$1,198.80). A discount of 80% for US\$79,483.36 was applied against the Special Recovery Fund (See Note 9).

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

e) Account Statement of Member States as of
December 31, 2011:

Member States	Excess contributions paid for 2012 and subsequent years	Pending contributions (to be paid)		Total contributions
		From the 2011 budget	Prior to December 31, 2010	
	US\$	US\$	US\$	US\$
Antigua and Barbuda(b)	(204.80)	-	-	(204.80)
Argentina (c)	-	12.00	12.00	24.00
Bahamas (a) (b)	(92.00)	-	-	(92.00)
Barbados	-	50.00	-	50.00
Belize (c)	-	12.00	-	12.00
Bolivia (d)	-	10.00	-	10.00
Brazil (c)	-	-	12.00	12.00
Chile (a)	-	-	-	-
Colombia (a)	-	-	-	-
Costa Rica (b)	-	37.00	-	37.00
Cuba (a) (b)	(62.00)	-	-	(62.00)
Dominica	-	1,198.80	24,993.63	26,192.43
Dominican Republic	-	3,240.00	136,504.50	139,744.50
Ecuador (a)	-	-	-	-
El Salvador	-	1,296.00	114,662.33	115,958.33
Grenada	-	1,198.80	26,044.86	27,243.66
Guatemala	-	3,240.00	3,240.00	6,480.00
Guyana (a) (b)	(1,387.55)	-	-	(1,387.55)
Haiti	-	1,198.80	116,525.67	117,724.47
Honduras	-	1,198.80	2,437.60	3,636.40
Jamaica (a)	-	-	-	-
Mexico (c)	-	12.00	-	12.00
Nicaragua (a) (b)	(184.06)	-	-	(184.06)
Panama(a) (b)	(3,040.03)	-	-	(3,040.03)
Paraguay (d)	-	-	65,857.56	65,857.56
Peru	-	8,424.00	60,591.00	69,015.00
San Kitts y Nevis	-	1,198.80	18,063.06	19,261.86
St. Vicente and the Grenadines	-	1,198.80	24,993.63	26,192.43
Saint Lucia	-	1,198.80	16,289.99	17,488.79
Suriname	-	1,198.80	3,608.40	4,807.20
Trinidad and Tobago(a)	-	6,577.20	-	6,577.20
Uruguay	-	4,536.00	12.00	4,548.00
Venezuela	-	37,065.60	36.00	37,101.60
	<u>(4,970.44)</u>	<u>74,102.20</u>	<u>613,884.23</u>	<u>683,015.99</u>

- (a) See Note 11.a
(b) See Note 11.b.
(c) See Note 11.c.

12. OTHER BUSINESS

Labor Liabilities:

The accumulated seniority premium payments to which employees are entitled have been estimated and recorded against items not used as of December 31, 2011 and total an estimated US\$2,109.74. In accordance with the Mexican Federal Labor Law, employees are entitled to receive a Seniority Premium of 12 days of salary per each year of service as long as they have a minimum seniority of 15 years, taking as a basis the equivalent of two current minimum salaries.

13. AUTHORIZATION TO ISSUE FINANCIAL STATEMENTS

The Secretary General of OPANAL, Ambassador Gioconda Ubeda Rivera, approved the issuing of the accompanying financial statements on June 8, 2012.



AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS
IN LATIN AMERICA AND THE CARIBBEAN (OPANAL)
FY 2011 INCOME BUDGET
(US DOLLARS)


Budget Income for 2011 from
Contributions applied to the General Fund US \$ 324,000.00

Income from Contributions from January 1 to December 31, 2011


	US \$	
ANTIGUA AND BARBUDA	1,198.80	(b)
ARGENTINA	51,828.00	(c)
BAHAMAS	3,240.00	(a) (b)
BARBADOS	1,148.80	
BELIZE	1,186.80	(c)
BOLIVIA	1,188.80	(c) (d)
BRAZIL	66,582.00	(c)
CHILE	16,200.00	(a)
COLOMBIA	16,200.00	(a)
COSTA RICA	2,393.00	
CUBA	2,689.20	(a) (b)
DOMINICA	0.00	
ECUADOR	3,888.00	(a)
EL SALVADOR	0.00	
GRENADA	0.00	
GUATEMALA	0.00	
GUYANA	1,198.80	(a) (b)
HAITI	0.00	
HONDURAS	0.00	
JAMAICA	1,198.80	(a)
MEXICO	72,888.00	(c)
NICARAGUA	1,198.80	(a) (b)
PANAMA	3,240.00	(a) (b)
PARAGUAY	2,430.00	(d)
PERU	0.00	
DOMINICAN REPUBLIC	0.00	
SAINT KITTS AND NEVIS	0.00	
SAINT VINCENT AND THE GRENADINES	0.00	
SAINT LUCIA	0.00	
SURINAME	0.00	
TRINIDAD AND TOBAGO	0.00	
URUGUAY	0.00	
VENEZUELA	0.00	
	<u>249,897.80</u>	

PENDING CONTRIBUTIONS AS OF DECEMBER 31, 2011 US \$ 74,102.20


- (a) See Note 11.a.
- (b) See Note 11.b.
- (c) See Note 11.c.
- (d) See Note 11.d.



Ambassador Gioconda Ubeda
OPANAL Secretary-General



Luis Alberto Cámara Puerto, CPA
External Auditor



Fernando García Quintero
Accountant



**AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS
IN LATIN AMERICA AND THE CARIBBEAN (OPANAL)
INCOME FROM CONTRIBUTIONS PRIOR TO 2011**

(US DOLLARS)

Net balance of accounts receivable as of December 31, 2010 US \$ 731,223.86

Income received from contributions in 2010 and prior years

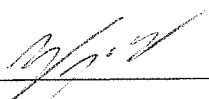
	US \$	
ANTIGUA Y BARBUDA	0.00	
ARGENTINA	0.00	
BAHAMAS	0.00	
BARBADOS	25.00	
BELIZE	0.00	
BOLIVIA	83,501.53 (d)	
BRAZIL	0.00	
CHILE	0.00	
COLOMBIA	19.80	
COSTA RICA	0.00	
CUBA	2,688.80	
DOMINICA	0.00	
ECUADOR	0.00	
EL SALVADOR	0.00	
GRENADA	0.00	
GUATEMALA	0.00	
GUYANA	0.00	
HAITI	0.00	
HONDURAS	1,158.80	
JAMAICA	0.00	
MEXICO	0.00	
NICARAGUA	0.00	
PANAMA	0.00	
PARAGUAY	-2,430.00 (d)	
PERU	0.00	
DOMINICAN REPUBLIC	0.00	
SAINT KITTS AND NEVIS	0.00	
SAINT VINCENT AND THE GRENADINES	0.00	
SAINT LUCIA	0.00	
SURINAME	0.00	
TRINIDAD AND TOBAGO	0.00	
URUGUAY	0.00	
VENEZUELA	<u>37,053.60</u>	<u>122,017.53</u>

PENDING CONTRIBUTIONS AS OF DECEMBER 31, 2011


US \$ 609,206.33 (1)

(d) See Note 11.d.

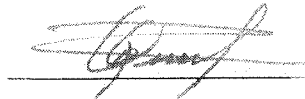
(1) The balance in accounts receivable includes the advance payment of Member States' Contributions in prior years.



Ambassador Gioconda Ubeda
OPANAL Secretary-General



Luis Alberto Cúnara Puerto, CPA
External Auditor



Fernando Garcia Quintero
Accountant



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

Balance of accounts receivable in US dollars as of December 31, 2010:

ANTIGUA Y BARBUDA	US \$	(1,403.60)
ARGENTINA		12.00
BAHAMAS		(102.00)
BARBADOS		25.00
BELIZE		0.00
BOLIVIA		83,501.53 (d)
BRAZIL		12.00
CHILE		0.00
COLOMBIA		19.80
COSTA RICA		(704.69)
CUBA		2,688.80
DOMINICA		24,993.63
ECUADOR		0.00
EL SALVADOR		114,662.33
GRANADA		26,044.86
GUATEMALA		3,240.00
GUYANA		(4.72)
HAITI		116,525.67
HONDURAS		3,596.40
JAMAICA		0.00
MEXICO		0.00
NICARAGUA		(182.86)
PANAMA		(2,280.03)
PARAGUAY		63,427.56
PERÚ		60,591.00
DOMINICAN REPUBLIC		136,504.50
SAINT KITTS AND NEVIS		18,063.06
SAINT VINCENT AND THE GRENADINES		24,993.63
SAINT LUCIA		16,289.99
SURINAME		3,608.40
TRINIDAD AND TOBAGO		0.00
URUGUAY		12.00
VENEZUELA		37,089.60
		<hr/>
Debit balance from contributions receivable as of December 31, 2010		731,223.86
Budgeted income from contributions for 2011		<hr/> 324,000.00
SUBTOTAL		1,055,223.86

Less

For the year 2011

Income from January 1 to December 31, 242,994.70

Before the year 2011

Income from January 1 to December 31, 2011 44,940.18

Countries with credit balance for 2012 and subsequent years

Bahamas	92.00		
Cuba	62.00		
Guyana	1,387.55		
Nicaragua	184.06		
Panama	3,040.03	<hr/>	292,700.52
		4,765.64	

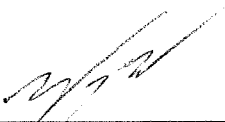
With installment plan:

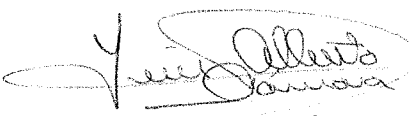
Bolivia ^(d) 79,507.36

AS OF DECEMBER 31, 2011:

US \$ 683,015.98

(d) See Note 11.d.


Ambassador Gioconda Ubeda
OPANAL Secretary-General


Luis Alberto Cámara Puerto, CPA
External Auditor


Fernando García Quintero
Accountant



**AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS
IN LATIN AMERICA AND THE CARIBBEAN (OPANAL)
FY 2011 EXPENDITURE BUDGET
(Figures expressed in US Dollars)**

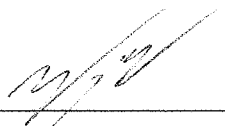
	Budget approved for 2011	Used from Jan 1, 2011 to Dec 31, 2011	Budget to be used
TITULO I: Personnel Salaries and Benefits			
Salaries	160,070.00	160,138.76	(68.76)
Professional Fees	8,300.00	8,361.10	(61.10)
Welfare contributions and benefits	65,690.00	65,414.47 (1)	275.53
TOTAL	234,060.00	233,914.33	145.67
TITULO II: Administrative Expenditures			
Leases and services	48,800.00	48,865.19	(65.19)
Acquisition and maintenance of equipment, furniture and others	8,300.00	8,311.84	(11.84)
Travel and moving expenses of the Secretary-General	0.00	0.00	0.00
Office expenditures	14,140.00	14,171.40	(31.40)
Various expenditures	1,450.00	1,789.33	(339.33)
TOTAL	72,690.00	73,137.76	(447.76)
TITULO III: Meetings, Conferences, and Others events			
General conference	0.00	0.00	0.00
Official representations	14,250.00	22,563.73 (2)	(8,313.73)
Other activities	3,000.00	2,437.96	562.04
TOTAL	17,250.00	25,001.69	(7,751.69)
GRAN TOTAL	\$ 324,000.00	\$ 332,053.78	(8,053.78) (1)


Justified Over Expenditure:

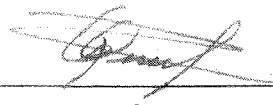
45th Anniversary of Tlatelolco Treaty (Commemoration and International Seminar)	\$ 8,961.97 (1)
Travel expenses and per diem for official mission	\$ 8,313.73 (2)

(1) On December 8, 2011, the CCAAP, during its 94th meeting, duly noted the savings made by the Secretariat-General, and adopted that such surplus was transferred to cover expenses related to the 45th Anniversary of the Treaty of Tlatelolco. The decision was reported to Members of the Council during their 263rd meeting held on December 11, 2011. The decision was adopted and the amount totaled USD\$8,961.97.

(2) During its 93rd meeting held on October 4, CCAAP Members approved the participation of the Secretary-General in several multilateral forums, which were not included in the budget. They decided that the Council should state their opinion on that regard. During meetings 262nd and 263rd, held on October 13 and December 11, 2011, respectively, the Members of the Council approved the surplus of USD\$8,313.73 in Travel Expenses and Per Diem during the official mission of the Secretary-General.


Ambassador Gioconda Ubeda
OPANAL Secretary-General


Luis Alberto Cámara Puerto, CPA
External Auditor

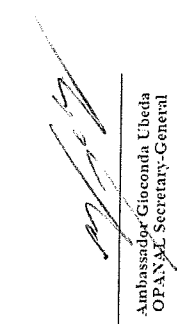

Fernando García Quiatero
Accountant

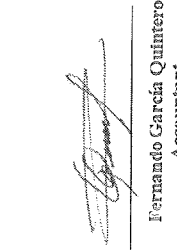
AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS IN LATIN AMERICA AND THE CARIBBEAN (OPANAL)
BUDGET SITUATION - EXPENDITURE AS OF DECEMBER 31, 2011

Unused Items

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
EXPENDITURES											
Expenditure budget for the year	US \$ 324,000.00	US \$ 324,000.00	US \$ 324,000.00	US \$ 324,000.00	US \$ 324,000.00	US \$ 324,000.00	US \$ 302,490.00	US \$ 302,490.00	US \$ 300,000.00	US \$ 300,000.00	US \$ 300,000.00
Used	332,053.78	322,680.64	191,236.78	181,995.83	199,181.09	282,226.74	285,994.88	310,002.00	283,450.69	284,139.88	280,395.11
Write-off of security deposit (Lomas de Chapultepec Headquarters)											2,500.00
Provision for leasing Headquarters				(3,944.40)	40,800.00	10,200.00	20,400.00		34,000.00		
Provision for severance payments				(1,255.41)	23,578.22	500.00	600.00		7,000.00		
Provision for seniority premium	(229.19)	(1,555.66)	3,300.00	710.00	50,663.37	6,887.45					
Discounts from contributions				147.66							
Afore / INFONAVIT fees											
Budget (exceeded) to be used	US \$ (8,282.97)	US \$ 2,875.02	US \$ 129,463.22	US \$ 147,203.98	US \$ 8,919.66	US \$ 24,185.81	US \$ (4,504.88)	US \$ (7,512.00)	US \$ (24,450.69)	US \$ 3,360.12	US \$ 39,604.89
Cancellation against other products											
Transfer of Unused Items to the Reserve Sub-Fund and the FUPEN (1)					(8,919.66)			7,512.00			
5% transfer to the FUPEN (1)				(7,360.20)							
95% transfer to the Reserve Sub-Fund (1)				(139,843.78)							
5% transfer to the FUPEN (1)			(6,473.16)								
95% transfer to the Reserve Sub-Fund (1)			(122,990.06)								
Transfer of accrued balance of unused items.	41,070.27	38,195.25	38,195.25	38,195.25	38,195.25	14,009.44	18,514.32	18,514.32	42,965.01	39,604.89	
Balance of the reserve fund as of December 31	US \$ 32,787.30	US \$ 41,070.27	US \$ 38,195.25	US \$ 38,195.25	US \$ 38,195.25	US \$ 38,195.25	US \$ 14,009.44	US \$ 18,514.32	US \$ 18,514.32	US \$ 42,965.01	US \$ 39,604.89

(1) The transfer of unused items at the closing of Financial Years 2007, 2008, and 2009 was performed to comply with Resolution CG/ERes-508 (XIX-08) "Reactivation and Restructuring of Items that comprise the Peaceful Uses of Nuclear Energy Fund" and the Council Resolution C/Res-46 "Increase of the Reserve Sub-Fund and the Peaceful Uses of Nuclear Energy Fund". It was adopted that the full amount of surplus deposited in the bank, will be transferred to the Reserve Sub-Fund (95%) and the FUPEN (5%).


Luis Alberto Cámara, Puerto, CPA
 External Auditor


Fernando García Quintero
 Accountant