



OPANAL
Agency for the Prohibition of Nuclear Weapons in Latin America and the Caribbean

General Conference

Doc. CG/13/2021

**Financial Statements and Opinion of the External
Auditor as of December 2020**

Annexed: CAAP/12/2021Rev.

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

**REPORT ON THE REVIEW OF THE
FINANCIAL STATEMENTS**

December 31, 2020

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Contadores Certificados y Asesores de Negocios

Report of the Independent Auditor

To the General-Secretary of the Agency for the Prohibition of Arms Nuclear Weapons in Latin America and the Caribbean.

Opinion

We have audited the financial statements of the **Agency for the Prohibition of Nuclear Weapons in Latin America and the Caribbean (the Agency)**, which includes the financial statements as of December 31, 2020 and 2019, the state of activity and the Statement of shareholders' equity for the year ended on that date, as well as explanatory notes to the financial statements that include a summary of the significant accounting policies. The financial statements have been prepared in accordance with the accounting rules contained in the "Financial Regulations" of the OPANAL and in addition, in accordance with the Mexican Financial Reporting Rules.

In our view, the accompanying financial statements reasonably present, in all material respects, the financial situation of the **Agency for the Prohibition of Nuclear Weapons in Latin America and the Caribbean**, as of 31 December 2020 and 2019, as well as its result and changes in equity for the years ended on those dates, in accordance with the accounting rules on financial information established in the "Financial Regulation" and, in addition, with the Mexican Financial Reporting Standards and internal control that the Secretariat deems necessary to allow the preparation of financial statements free of material impropriety, due to fraud or error.

Foundation of opinion

We have conducted our audit in accordance with the Mexican Financial Reporting Standards and internal control that the Secretariat deems necessary to allow the preparation of financial statements. Our responsibilities under these standards are described below in the **Auditor's Responsibilities section in connection with the audit of the financial statements** of this report. We are independent of the Agency, in accordance with the ethical requirements, contained in the Code of Professional Ethics of the Mexican Institute of Public Accountants (Code of Professional Ethics), applicable to our audit of financial statements in Mexico, and we have fulfilled the other ethical responsibilities in accordance with the Code of Professional Ethics. We believe that the audit evidence we have obtained, provides a sufficient and adequate basis for our opinion.

Responsibilities of the Secretariat and those responsible for the Agency's administration in relation to financial statements

The Secretariat is responsible for the preparation and reasonable presentation of financial statements, in accordance with the accounting rules on financial reporting set out in the "Financial Regulations" and, in addition, with the Information Standards Mexican Financial and internal control that the Secretariat deems necessary to allow the preparation of financial statements free of material deviation due to fraud or error.

In the preparation of the financial statements, the Secretariat is responsible for submitting to the organs of the OPANAL-Council and General Conference an assessment of the status of the accounting equity and the financial resources made available to the OPANAL, to continue as International Agency and achieve the purposes for which it was created, by revealing, as appropriate, the issues relating to the active Agency and using the ongoing business accounting principle unless the "Agency Secretariat" intends to liquidate the Agency or to cease operations, or there is no other realistic alternative.

The General-Secretary of the Agency is responsible for overseeing the Agency's financial reporting process.

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Auditor's responsibilities in relation to auditing financial statements

Our goals are to obtain reasonable assurance that the financial statements as a whole are free of material impropriety, due to fraud or error, and to issue an audit report containing our opinion. Reasonable security is a high degree of security, but does not guarantee that an audit conducted in accordance with the International Auditing Standards will always detect a material impropriety when it exists. Inaccuracies may be due to fraud or error and are considered material, if individually or in aggregate, they can reasonably be expected to influence the decisions of the Member States of the Agency on the basis of the financial statements.

As part of an audit in accordance with the accounting rules on financial reporting set out in the "Financial Regulations" and, in addition, with the Mexican Financial Reporting Standards and internal control that the Secretariat considers necessary to allow the preparation of financial statements, we apply our professional judgment and maintain an attitude of professional skepticism throughout the audit. Also:

- We identify and assess the risks of material deviation in the financial statements, due to fraud or error, design and apply audit procedures to respond to those risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material deviation due to fraud is higher than in the case of material impropriety due to error, as fraud may involve collusion, forgery, deliberate omissions, intentionally wrongful statements or circumvention of internal control.
- We gain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate according to the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Internal Control of the Agency.
- We assess the appropriateness of the accounting policies applied and the reasonableness of the accounting estimates and the corresponding information disclosed by the Secretariat.
- We conclude on the appropriateness of the use by the Secretariat of the accounting principle of "business" underway and, with the audit evidence obtained, conclude on whether or not there is a material deviation related to facts or conditions that may generate significant doubts about the Agency's ability to continue as an Ongoing Entity. If we conclude that there is material uncertainty, we are required to draw attention in our audit report to the corresponding information disclosed in the financial statements or, if such disclosures are not appropriate, to express an opinion Modified. Our findings are based on the audit evidence obtained to date from our audit report. However, future events or conditions may cause the Agency to cease to be a running business.
- We assess as a whole presentation, structure and content of financial statements, including disclosed information, and whether the financial statements represent the underlying transactions and facts in a manner that achieves reasonable presentation.
- We communicate to the General Secretary of the Agency, among other issues, the scope and timing of the audit and the significant findings of the audit, as well as any significant deficiencies in the internal control that we identified in the audit.

Kind regards
Vieyra Mota y Asociados, S.C.

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

Mexico City, June 10, 2021

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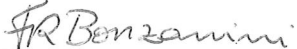
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AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS IN LATIN AMERICA AND THE CARIBBEAN - note 1
BALANCE SHEET
December 31, 2020 and 2019
(United States dollars - note 2 a)

ASSETS	2020	2019	LIABILITIES	2020	2019
ASSETS			CURRENT		
Cash	\$ 109,978	\$ 212,554	Accounts payable (note 7)	\$ 80,409	\$ 38,580
Reserve Fund (note 2 b)	375,650	398,870	Unearned contributions (note 7)	1,805	6,142
Accounts receivable (note 2 d y 4)	1,079,800	800,552	Accrued liabilities (note 7)	206,721	104,890
Donations for a particular purpose (note 2 b)	<u>50,678</u>	<u>1,340</u>	Tax payable (note 7)	967	1,136
TOTAL ASSETS	<u>1,616,106</u>	<u>1,413,316</u>	TOTAL LIABILITIES	<u>289,902</u>	<u>150,748</u>
 PROPERTY PLANT AND EQUIPEMENT			 OWNERS' EQUITY		
Transport, Computer, and Fourniture equipment (58,399	58,062	Reserve Fund (note 8)	375,650	398,870
Depreciation (note 2 c and 5)	(44,873)	(37,458)	Retained earnings-not in budget (note 10)	955,241	868,385
Security deposits (note 6)	<u>4,687</u>	<u>4,687</u>	Inventory tangible assets (note 2 c and 5)	13,526	20,604
TOTAL PROPERTY PLANT AND EQUIPEMENT	<u>18,213</u>	<u>25,291</u>	TOTAL OWNER'S EQUITY	<u>1,344,417</u>	<u>1,287,859</u>
 TOTAL	 \$ <u>1,634,319</u>	 \$ <u>1,438,607</u>	TOTAL	 \$ <u>1,634,319</u>	 \$ <u>1,438,607</u>

The accompanying notes are part of this financial statement

Under protest to tell the truth, we declare that the financial statements and their notes are reasonably correct and are the responsibility of the issuer



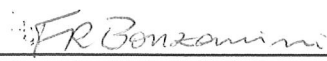
Ambassador Flavio Roberto Bonzanini
General Secretary

**AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS IN LATIN AMERICA AND
THE CARIBBEAN - note 1
INCOME STATEMENT
for the period ending December 31st, 2020 and 2019
(United States dollars - note 2 a)**

	2020	2019
Income from contributions (Appendix 6)		
Current period	\$ 118,501	\$ 142,301
Contributions not received (note 2 a)	298,488	274,688
	<u>416,989</u>	<u>416,989</u>
Expenses General fund (Appendix 5)		
Personal-staff	247,279	251,996
External services	9,663	2,863
Operative expenses	73,388	90,934
	<u>330,330</u>	<u>345,793</u>
NET INCOME FROM GENERAL FUND	\$ 86,659	\$ 71,196
Other Income		
Interest income	107	46
Realized exchange rate gain	-	-
	<u>107</u>	<u>46</u>
Other expenses		
Bank fees	1,218	1,262
Realized exchange rate loss	7,854	348
Tax paid (IVA)	-	-
Transfer to the Reserve Fund	14,000	14,000
	<u>23,072</u>	<u>15,610</u>
BALANCE OTHER INCOME OVER OTHER EXPENSES	\$ (22,965)	\$ (15,564)
NET INCOME	\$ 63,694	\$ 55,632

The accompanying notes are part of this financial statement

Under protest to tell the truth, we declare that the financial statements and their notes are reasonably correct and are the responsibility of the issuer



Ambassador Flavio Roberto Bonzanini
General Secretary

AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS IN LATIN AMERICA AND THE CARIBBEAN - note 1
OWNERS' EQUITY (note 2 b and 10)
for the period ending December 31st, 2020 and 2019
(United States dollars - note 2 a)

	Reserve Fund (note 2 a)	Special Recovery Fund	Retained earnings-not in budget (note 10)	Inventory tangible assets	Total
Owners'equity period ending 31st of December 2018	\$ 408,064	-	806,249	27,317 \$	1,241,630
<u>2019</u>					
Plus:					
Purchase of furniture and transportation equipment	-	-	-	984	984
Replacement for theft and loss of assets, net	-	-	-	113	113
Decrease Reserve fund	(9,194)	-	-	-	(9,194)
Less:					
Reclassification of the special recovery fund	-	-	-	-	-
Depreciation for the year 2019	-	-	-	(7,810)	(7,810)
Correction to reserves 2018	-	-	6,504	-	6,504
Plus:					
Balance General fund	-	-	71,196	-	71,196
Balance other income/expenses	-	-	(15,564)	-	(15,564)
Owners'equity period ending 31st of December 2019	398,870	-	868,385	20,604	1,287,859
<u>2020</u>					
Plus:					
Purchase of furniture and computer equipment	-	-	-	336	336
Replacement for theft and loss of assets, net	-	-	-	-	-
Decrease Reserve fund	(23,220)	-	-	-	(23,220)
Less:					
Reclassification of the special recovery fund	-	-	23,162	-	23,162
Depreciation for the year 2020	-	-	-	(7,414)	(7,414)
Correction to reserves 2019	-	-	-	-	-
Plus:					
Balance General fund	-	-	86,659	-	86,659
Balance other income/expenses	-	-	(22,965)	-	(22,965)
Owners'equity period ending 31st of December 2020	\$ 375,650	\$ -	\$ 955,241	\$ 13,526	\$ 1,344,417

The accompanying notes are part of this financial statement

Under protest to tell the truth, we declare that the financial statements and their notes are reasonably correct and are the responsibility of the issuer

FR Bonzanini

Ambassador Flavio Roberto Bonzanini
General Secretary



OPANAL

Organismo para la Proscripción de las Armas Nucleares en la América Latina y el Caribe

Comisión de Cuotas y Asuntos Administrativos y de Presupuesto - CCAAP

OPANAL Agency for the Prohibition of Nuclear Weapons in Latin America and the Caribbean Committee on Contributions, Administrative and Budgetary Affairs

Accounting Policies and Notes to Financial Statements
December 31, 2020 and 2019
Figures are expressed in US dollars

1. Constitution and object

OPANAL is an intergovernmental organization established by the "Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean" (Treaty of Tlatelolco), to ensure compliance with the obligations of the Treaty. The Treaty of Tlatelolco was signed on February 14, 1967 in Mexico City and came into effect on April 25, 1969.

Obligations defined in Article 1 of the Treaty of Tlatelolco states:

1. The Contracting Parties undertake to use exclusively for peaceful purposes the nuclear material and facilities which are under their jurisdiction, and to prohibit and prevent in their respective territories:
 - a. The testing, use, manufacture, production or acquisition by any means whatsoever of any nuclear weapons, by the Parties themselves, directly or indirectly, on behalf of anyone else or in any other way, and
 - b. The receipt, storage, installation, deployment and any form of possession of any nuclear weapons, directly or indirectly, by the Parties themselves, by anyone on their behalf or in any other way.
2. The Contracting Parties also undertake to refrain from carrying out, promoting or authorizing, directly or indirectly, the testing, use, manufacture, production, possession or control of any nuclear weapon or from participating in it in any way.

OPANAL is responsible for convening and holding regular or extraordinary meetings between Member States relating to the purposes, measures and procedures determined in the Treaty of Tlatelolco and for overseeing compliance with the obligations under that legal instrument.

The States in the Treaty of Tlatelolco and therefore, OPANAL members are: Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominica, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, San Kitts and Nevis, Santa Lucia, San Vicente and Las Granadinas, Suriname, Trinidad and Tobago, Uruguay and Venezuela.

Article 8 of the Treaty of Tlatelolco establishes as OPANAL's principal organs, the General Conference, the Council and the Secretariat. Also establishing in Articles 9, 10 and 11 the structure and functions of each body.

Article 11, paragraph 1 of the Treaty of Tlatelolco, states that the OPANAL Secretariat shall consist of a General Secretary, who shall be the highest official of the Agency, and the staff required by it (local employees).

2. Top accounting policies

The financial statements were prepared in accordance with the dispositions, set out in OPANAL's financial regulation (Doc. Inf.01/2019). In cases where the financial regulations are not covered under accounting recognition, International Accounting Standards for the Public Sector have been chosen, emitted by the Accountants International Federation (AIF) and developed by the International Public Sector Accounting Standards Board (IPSASB).

The main accounting policies and criteria followed by OPANAL in the preparation of its financial statements are summarized below.

A. Preparation base

Under the Financial Regulations, OPANAL keeps its accounting records in United States dollars (USD). However, most expenses are delivered in Mexican Pesos (MXN). The conversion to USD of the transactions in national currency is made using the weighted exchange rate, except for payroll payments, for which the exchange rate of the 14th day of the month or the immediate business day before that day, is used.

The Agency operates with two funds and other revenues:

- I. The General Fund
- II. The Reserve Fund
- III. Other income

I. General Fund (Appendix 5)

The Financial Regulations (Doc. Inf.01/2019) in Article 11 defines the General Fund and its implementation.

The General Fund contains the resources from the fees paid for the execution of the budget. The General Fund may contain other incomes in accordance with article 32, among which are the reserved amounts.

As of December 31, 2019, the reserved amounts had a balance of USD \$ 46,505.40 (USD \$26,505.40 are destined to replace assets and USD \$12,074.72 as reserve to the purchase of the Agency's vehicle), that amount increased in January 2020 due to the transfer of USD \$10,000.00 as provision of expenses, to transfer and installation the new General Secretary, and USD \$4,000.00 as accrual to purchase a vehicle. On the other hand, in the course of 2020, it decreased by USD \$45,116.63, that amount was transferred to the General Fund to cover the budget expenses. As of December 31, 2020, the balance of reserved amounts is USD \$15,388.77, of which USD \$6,080.12 are the provision to purchase the Agency's vehicle and USD \$ 9,308.65 to transfer and installing the General Secretary.

II. Reserve Fund

The Reserve Fund and its uses are subject to Article 12 of the Financial Regulation.

The purpose of the Reserve Fund is to ensure that OPANAL does not stop working due to insufficient collection of its quotas.

The Reserve Fund comprises the resources that exceed the amounts necessary to finance the budget.

Efforts will be made to ensure that the Reserve Fund reaches an amount equivalent to the total of the annual quotas of the Member States. The Reserve Fund may be used temporarily to:

- a) Financing the Budget in the event that there are not sufficient resources in the General Fund. The General Secretary has to notify the Council of the transfers made;
- b) Finance necessary expenses not foreseen in the Budget, by authorization of the General Conference or the Council, which will previously consider the CCAAP report on the situation of the Reserve Fund and the reason for such expenses.

In the event that the Reserve Fund is reduced to less than 50% of the total annual quotas of the Member States, the General Secretary may include in the Budget a proposal request to replenish the Reserve Fund in accordance with the provisions of Article 12, paragraph 2.

In the event that the Reserve Fund substantially exceeds the total of the annual quotas of the Member States, the General Secretary shall propose to the Council to transfer resources from the Reserve Fund to the General Fund.

The Reserve Fund as of December 31, 2019 had a balance of USD \$360,290.14. In 2020, decreased by USD \$58 due to bank commissions.

As of December 31, 2020, this Fund has a balance of USD \$ 360,232.14.

III. Other income

Other income from:

a) Donations or inheritances;

Mexico made two bank deposits in December 2020, one of MXN \$1,000,000.00 (USD \$ 49,850.49) for refurbishment of a possible new OPANAL's headquarters, or to support the rent of the headquarters. And MXN\$ 802,248.00 (USD \$ 40,000.00) for the 2021 Summer School.

The funds from the Government of the Netherlands for the Internship Program was USD \$1267.18 as January 2020. In February the Netherlands made a bank deposit of USD \$11,980 to support the same program in 2021. The amount as of December 31, 2020 is USD \$ 13,247.18.

b) Resources resulting from the disposal of property;

c) Unidentified bank deposits;

d) Bank interest.

The amounts from other income will be integrated into the General Fund or the Reserve Fund at the discretion of the General Secretary, who must inform the CCAAP.

B. Agency bank accounts

Currently the Agency has six bank accounts, three in HSBC and three in Scotiabank Inverlat. These accounts contain:

- **General Fund:**

- HSBC Bank, account in mexican pesos No. 4018671016: intended for the expenses established in the budget. Balance as of December 31, 2020, USD \$99,304.25.

- HSBC Bank, account in american dollars No. 199312100: intended for the quota collection and for the expenditure established in the budget. Balance as of December 31, 2020, USD \$8,190.18.
- Scotiabank Bank, account in mexican pesos No. 104194809: used for the expenses established in the budget. Balance as of December 31, 2020, USD \$431.33.
- Account in american dollars No. 107272022: destined for the collection of quotas and to carry out the expenses established in the Budget. The balance as of December 31, 2020, is USD \$1,860.93.
- **Reserve Fund and Reserved Amounts:**
 - Scotiabank Bank, account in american dollars No. 107270887. Balance as of December 31, 2020, is USD \$375,649.91 (USD \$360,232.14 of the Reserve Fund and USD \$15,417.77 of Reserved Amounts).
- **Donations for a particular purpose:**
 - HSBC bank account in mexican pesos No. 4059454249 contains the funds from the Government of Mexico to bring about the Summer School on disarmament and non-proliferation. Balance as of December 31, 2020, USD \$50,677.53 (MXN \$973,626.80).

C. Permanent Equipment (Fixed Asset)

The cost of acquisition of assets and depreciation are recorded annually by applying the maximum percentages authorized by the Income Law Tax. The additions (purchases), the removals of the equipment that is no longer used, and the depreciation are recorded in Equity (See Note 5).

D. Pending collection contributions (Appendix 6)

Generally, represents unpaid contributions to OPANAL by the State members.

E. Income

Income is recorded when any Member State of OPANAL pays its annual contribution established in the Scale of Quotas, which is approved by the General Conference each year, or when it comes from other income (see Note III)

F. Conversion of balances from national currency to dollars

The conversion of balances of national currency to US dollars was carried out by dividing the balances as of December 31, 2020 in national currency with the December 2020 weighted exchange rate (USD \$19.71 pesos per dollar).

3. Cash

The available amounts to cover the Agency's operations, under the budget were, as of 31 December 2020 and 2019, as follows:

		<u>2019</u>	<u>2020</u>
Petty cash	USD\$	(13)	191
HSBC Bank No. 4018671016 (MXN)		107,136	99,304
HSBC Account No. 0199312100 (USD)		24,803	8,190
Banco Scotiabank S.A. No. 00104194809 (MXN)		1,308	432
Scotiabank Account No. 00107272022 (USD)		79,320	1,861
	USD\$	<u>212,554</u>	<u>109,978</u>

The Reserve Fund is in the Scotiabank account– 0889 and in the HSBC-4249 account which are not part of the above-mentioned cash (point III).

4. Pending collection contributions (Appendix 6)

As of December 31, 2019, and 2020 (See Note 14.c), as it follows:

		<u>2019</u>	<u>2020</u>
Receivable contributions as of December 31, 2019 / 2020	USD\$	689,080	794,410
Unpaid budget contributions for 2019 / 2020		274,518	292,345
Fee recovery contributions for 2019 and earlier		(169,357)	(13,098)
Raised for next economic years		(4,608)	(1,804)
Applied balances in favour of previous years		4,777	6,142
	USD\$	<u>794,410</u>	<u>1'077,995</u>

5. Assets

As of December 31, 2019, and 2020 the balances are USD \$20,604 and USD \$13,526 respectively explained as follows:

	<u>2019</u>	<u>2020</u>
Transport equipment	USD\$ 22,574	22,574
Computer equipment	11,953	11,953
Furniture and equipment	<u>23,535</u>	<u>23,872</u>
	58,062	58,399
Depreciation	<u>(37,458)</u>	<u>(44,873)</u>
	<u>USD\$ 20,604</u>	<u>13,526</u>

The depreciation only for the years 2019 and 2020 was USD \$7,810 and USD \$7,414 respectively, which was applied to the equity.

6. Security deposits

The balance as of December 31, 2020, is USD \$3,931 for a month's rent with Mr. Federico Mendoza Mirassou (Second clause and second paragraph of the Headquarters Lease), USD \$74 for Pegaso (mobile phone service) and USD \$682 for ADT (alarm service of the building).

7. Accounts payable

The balance, as of December 31, 2020, is USD \$289,902. They are explained as follows:

- i. USD \$967.00, IMSS, SAR, INFONAVIT corresponding to the month of December to be paid in January 2021;
- ii. USD \$42,244 amount corresponding to the "asset replenishment" ledger account;
- iii. USD \$193,474 balance in favor of the SRE-Mexico for the Summer School 2021, and for another possible headquarters of the Agency, or rental assistance of the same,
- iv. USD \$13,247 corresponds to the balance in favor of the Netherlands for the internship program.
- v. USD \$1,805 to Costa Rica, Nicaragua and Saint Kits and Nevis
- vi. USD \$38,165 provision to transfer and installation of the General Secretary and pending payments for 2020.

8. Reserve Fund and Reserved Amounts

The resources of these funds are in Scotiabank account No. 107270887. Its balance as of December 31, 2020 is USD \$375,650 and is explained as follows:

	<u>2019</u>	<u>2020</u>
Reserve Fund and Reserved amounts as of December 31, 2019/2020	USD\$ 408,064	398,870
Bank fees	(29)	(58)
Expenses on Reserved amounts	(23,204)	(37,162)
Transfer to Reserved amounts	14,000	14,000
Earned interest	39	-
Reserve Fund as of December 31, 2019/2020	USD\$ <u>398,870</u>	<u>375,650</u>

9. Transfer of Reserved Amounts (Appendix 2)

In January 2020, USD \$10,000.00, were transferred from the Scotiabank account- dollars-001072722022 to the Scotiabank account- dollars -107270887, as provision for the installation of the General Secretary, and USD \$4,000.00 as provision to the purchase of a vehicle.

In February, were debited from the General Secretary expenses account USD \$500, as extra costs on the moving of the former General Secretary Luiz Filipe de Macedo Soares and USD \$58 from the Reserve Fund corresponding to bank commissions.

In May, USD \$162 were debited from the General Secretary relocation and installation expense account, the moving expenses of the former General Secretary Luiz Filipe de Macedo Soares.

In November, USD \$4,500 of amounts reserved, were transferred to the General Fund to pay budgetary expenses.

In December, USD \$32,000 of reserved amounts were transferred to the General Fund to meet suppliers and payroll payments.

10. Non-budget items (Appendix 3)

The "unexpired budget items" are the accounting result of the difference between the approved budget and the expenses executed in the year. The annual approved budget (which corresponds to the total contributions according to the scale of quotas), is an authorization granted by the General Conference to the General Secretary of the OPANAL, to establish the ceiling of expenses, organized by titles, sections and chapters.

However, not all members are up to date with their contributions, therefore the General-Secretary executes the budget by moving the revenue from contributions for the current year from previous years and from future years.

Given the uncertainty generated by the out-of-date payments received by the Agency, a "saving" effort is made. That "saving" is called "unexercised items" and is an amount for accounting purposes only.

The balance of unexercised items for 2019 and 2018 is USD \$216,195 and USD \$178,829, respectively.

At the end of each financial year, the "savings" from "unexercised items" are added to the cumulative amounts of previous years. The "savings" in 2020 only, were USD \$72,659. The balance accumulated as of December 31, 2020 is USD \$388,901.

11. Other products and income

This section records the cancellation of expenses (bank fees and foreign exchange losses) and the financial products (interest earned) for each financial year. Income that differs from the quotas approved by the General Conference are also recorded as long as they are not donations for a specific purpose, in accordance with Article 8 of the Financial Regulations, (example: unidentify fees, and by decision of the Commission of Quotas and Administrative and Budgetary Affairs (CCAAP) were posted as "other revenue").

The balance as of December 31, 2019 and 2020 is USD \$9,023 and USD \$111,679 respectively.

12. Agreements between the Government of Mexico and the OPANAL - Extra budget income

Since 2015, the Government of Mexico and OPANAL have had an agreement to co-sponsor the Summer School on Nuclear Disarmament and Non-Proliferation. In the agreement, the Government of Mexico determines the amount needed for the Summer School- depending on the amount remaining from last edition and the amount to be used in the current year. The Mexican government deposits in OPANAL's bank account this amount. OPANAL undertakes to make the purchase of plane tickets for the participants, the payment of meals and per diem and the payments of materials and some supplies to bring about the course. The agreement describes that in the event that expenses exceed the budget (deposit amount), the Government of Mexico undertakes to reimburse the Agency, otherwise, if there is a surplus, it would be reserved for future editions of the Summer School.

In 2018, the balance of the Summer School was USD \$1,264.00 which was reserved for the 2019 edition. The participation of the OPANAL's Secretariat was made through an agreement with the Government of Mexico by exchange of notes. From the Mexican Foreign Affairs Secretary, it was the note number 2927 dated April 4th, 2018 and from OPANAL, the note number was S-253/2018 dated May 7th, 2018.

On December 31, 2019, the Government of Mexico deposited to the agency (MXN \$948,215) USD \$50,000 for the summer school of the year 2020.

On December 31, 2020, the Government of Mexico deposited MXN \$802,248.00 (USD \$40,000) in the OPANAL account for the summer school of 2021.

The balance as of December 31, 2020 is MXN \$1,775,875 (USD \$91,264)

Note: *These resources are reported as donations for a specific purpose, in accordance with Article 8 of the Financial Regulations, and they are not part of the General Fund.*

13. Special Recovery Fund (Appendix 3)

In 2008, the Agency experienced an economic crisis generated by low incomes and increased expenses, so the General Conference decided to establish a Special Recovery Fund.

The Special Recovery Fund aimed to group in a single fund the Non-exercised Items, the contributions to the Agency and the Operations Fund, so that the Balance sheet reflects the reality of the Agency.

This account includes the recovery of contributions from State members prior to 1999, as well as the remaining balances for contributions from the Agency, mainly from funds already extinct: Pension Fund and Retire, and Fund of Operations.

In 2017 a discount of USD \$11,494 was made in favour of the Santa Lucia's debt. As of December 31, 2017, the balance in this ledger account is USD \$559,919. With the aim of showing the actual operation of the funds currently held by the OPANAL, the Special Recovery Fund joins the remainder of "Non-exercised items" (see note 9) as of 2018, which as of December 31, 2019 was USD \$868,385. Valued for accounting purposes only.

14. Loss on changes (Appendix 2)

The Agency's accounting is posted in US Dollars (USD). However, most of the expenses are made in Mexican pesos (MXN). Every month the Agency tries to post the expenses as accurately as possible, using the weighted exchange rate.

The difference between the types of exchange rates generates the need for a monthly adjustment which makes up an exchange rate loss (see Appendix 2).

15. Budget situation as of December 31, 2020

a) Income:

	<u>2019</u>	<u>2020</u>
Budgeted revenue from contributions of the year	USD\$ 416,989	416,989
Implementation balance in favor of contributions from previous years	-	-
Contributions charged of the year	<u>(142,301)</u>	<u>(118,501)</u>
Balance accounts receivable State members from budget income	<u>USD\$ 274,668</u>	<u>298,488</u>

As of December 31, 2020, USD \$298,488, equivalent to 71.58% of the contributions budgeted had not been received.

b) Expenses:

	<u>2019</u>	<u>2020</u>
Expenses budget of the year	USD\$ 416,989	416,989
Budget exercised	<u>(359,793)</u>	<u>(344,330)</u>
Budget balance	<u>USD\$ 57,196</u>	<u>72,659</u>

Appendix 5 provides a summary of the budgeted items compared to the exercised amounts, as of December 31, 2020.

16. State members report on the payment of contributions

The situation of the State members of the Agency with regard to the payment of their dues as of 31 December 2020 is as follows:

a) Up to date on the payment of contributions:

Bahamas, Barbados, Bolivia, Costa Rica, Cuba, Guatemala, Jamaica, México, Nicaragua, Panamá, Saint Kitts & Nevis.

With balance in favor for the year 2020 and later:

Costa Rica, Nicaragua y Saint Kitts & Nevis.

b) Countries with late payment:

El Salvador, Haiti and Saint Vincent and the Grenadines are the three existing historical debtors as of December 31, 2020.

The debt of these Member States as of December 31, 2020, increased to USD \$300,587, made up of USD \$130,243 owed by El Salvador, USD \$130,938 owed by Haiti and USD \$39,406 owed by San Vicente and the Grenadines.

Antigua and Barbuda have a pending payment of theirs 2012 to 2020 dues with a cumulative debt as of December 31st, 2020 of USD \$13,009.

Trinidad and Tobago, and Venezuela have not paid theirs dues from 2015 to 2020, generating a cumulative debt as of December 31, 2020 of USD \$50,790 and USD \$239,877 respectively.

Suriname, presents a debt since 2016, as of December 31, 2020 it is of USD \$7,715.00


While Colombia owes since 2017, its accumulated debt is USD \$83,396.00.

Dominica owe its quotas from 2018 to 2020, for a total of USD \$4,629.00.

Argentina, Brazil, Chile, Honduras, Paraguay and the Dominican Republic, owe part or the full payment of 2020, for a total of USD \$357,450

17. Authorization of the issuance of the financial statements

The emission of the accompanying financial statements was authorized on June 10, 2021, by Ambassador Flavio Roberto Bonzanini, General Secretary, consequently these do not reflect the events that occurred after that date and are subject to the approval of the General Conference of OPANAL.



Ambassador Flavio Roberto Bonzanini
General Secretary

**AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS IN LATIN AMERICA AND THE
CARIBBEAN - note 1
INCOME STATEMENT
BUDGET VS REAL EXPENSE
for the period ending 31st of December 2020
(United States dollars - note 2 a)**

General Funs Account	for the period ending December 31st, 2020		
	Budget	Real	Variation + (-)
Income			
Contributions of the year	\$ 416,989	\$ 118,501	\$ 298,488
Not received contrinutions	-	298,488	(298,488)
Total income General fund	\$ 416,989	\$ 416,989	\$ -
Expenses General fund			
Salaries	189,120	184,829	4,291
Social Security	5,000	3,801	1,199
Infonavit	5,300	4,544	756
Gratifications	53,800	53,778	22
Medical Insurance S.G.	8,000	327	7,673
Representation	2,400	-	2,400
Travel expenses	9,000	-	9,000
Passages	8,000	-	8,000
Water consumption rights	150	83	67
Financial services	1,200	-	1,200
Postal service	300	133	167
Telephone service	1,600	1,578	22
Website and email	250	105	145
Fees	16,245	9,505	6,740
Electricity	1,060	816	244
Insurance	1,300	988	312
Gasoline and lubricants	2,500	2,200	300
Maintenance on transport equipment	600	374	226
Office supplies	2,944	1,958	986
Sanitary material and cleaning	-	-	-
Headquarters rent	76,870	61,547	15,323
Miscellaneous expenses	16,450	3,365	13,085
Unforeseen	900	399	501
Reserve for vehicule change	4,000	4,000	-
Provision for transfer and installation GS	10,000	10,000	-
	\$ 416,989	\$ 344,330	\$ 72,659
(-) Bank fees/other expenses	-	1,218	(1,218)
Total expenses General fund	\$ 416,989	\$ 343,112	\$ 73,877
Net income from General fund	\$ -	\$ 73,877	\$ (73,877)

FR Bonzanini
Ambassador Flavio Roberto Bonzanini
General Secretary

**AGENCY FOR THE PROHIBITION OF NUCLEAR WEAPONS IN LATIN
AMERICA AND THE CARIBBEAN - note 1
CONTRIBUTIONS TO RECEIVE FROM STATE MEMBERS
for the period ending December 31st, 2020**

(United States dollars - note 2 a)

Country	Account receivable- Contributions as of Dec, 31, 2020	Contributions of 2020	From previous years
Antigua y Barbuda	\$ 13,009	\$ 1,543	\$ 11,466
Argentina	133,436	66,718	66,718
Bahamas	-	-	-
Barbados	-	-	-
Belice	1,543	1,543	-
Bolivia	-	-	-
Brasil	171,382	85,691	85,691
Chile	41,698	20,849	20,849
Colombia	83,396	20,849	62,547
Costa Rica (1)	-	-	-
Cuba	-	-	-
Dominica	4,629	1,543	3,086
Ecuador	5,004	5,004	-
El Salvador	130,243	1,668	128,575
Grenada	1,401	1,401	-
Guatemala	-	-	-
Guyana	1,296	1,296	-
Haiti	130,938	1,543	129,395
Honduras	3,118	1,543	1,575
Jamaica	-	-	-
México	-	-	-
Nicaragua (2)	-	-	-
Panamá	-	-	-
Paraguay	3,434	3,127	307
Perú	8,554	8,554	-
Republica Dominicana	4,382	4,170	212
Saint Kitts y Nevis (3)	-	-	-
St Vicente y Granadinas	39,406	1,543	37,863
Saint Lucia	211	211	-
Suriname	7,715	1,543	6,172
Trinidad y Tobago	50,790	8,465	42,325
Uruguay	5,838	5,838	-
Venezuela	239,877	47,703	192,174
Undentified contributions	(1,501)	-	(1,501)
Total	\$ 1,079,799	\$ 292,345	\$ 787,454

FR Bonzanini

Ambassador Flavio Roberto Bonzanini
General Secretary

- (1) Payment for future contributions US\$ 260.50
(2) Payment for future contributions US\$ 1.00
(3) Payment for future contributions US\$ 1,543.00