

**PART V**

**INSTITUTE OF NUTRITION OF  
CENTRAL AMERICA AND PANAMA**



**INSTITUTE OF NUTRITION OF CENTRAL AMERICA AND PANAMA**

**INSTITUTE OF NUTRITION OF CENTRAL AMERICA AND PANAMA  
ADMINISTERED BY THE PAN AMERICAN HEALTH ORGANIZATION  
STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDING 31 DECEMBER 2004  
(expressed in US dollars)**

	Reference	Regular Budget and Working Capital Fund	Trust Funds Table 22	Special Funds Table 18.1	Subtotal INCAP
<b>INCOME</b>					
Assessed contributions	Table 21	378,700	-	-	378,700
Voluntary contributions					
INCAP program activities		-	1,026,054	-	1,026,054
Non-INCAP program activities		-	-	232,632	232,632
Other income					
Revenue-producing activities		75,052	-	100,811	175,863
Funds received under					
interorganization arrangements		-	-	-	-
Allocation from other funds		-	-	342,015	342,015
Income for services rendered		-	-	319,589	319,589
Interest income		15,916	-	38,347	54,263
Currency exchange differential		(7,511)	-	-	(7,511)
Other/Miscellaneous		48,083	-	-	48,083
<b>TOTAL INCOME</b>		<u>510,240</u>	<u>1,026,054</u>	<u>1,033,394</u>	<u>2,569,688</u>
<b>EXPENDITURE</b>					
International health program		504,189	1,126,842	313,144	1,944,175
Other purposes		-	-	782,402	782,402
<b>TOTAL EXPENDITURE</b>		<u>504,189</u>	<u>1,126,842</u>	<u>1,095,546</u>	<u>2,726,577</u>
<b>EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>					
		6,051	(100,788)	(62,152)	(156,889)
Provision for delays in collection of assessed contributions	Table 21	(97,800)	-	-	(97,800)
Payment of assessed contributions for prior years	Table 21	<u>91,749</u>	<u>-</u>	<u>-</u>	<u>91,749</u>
<b>NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>					
		-	(100,788)	(62,152)	(162,940)
Savings on or cancellation of prior periods' obligations		-	-	-	-
Other project adjustments		-	(1,965)	-	(1,965)
Transfer to/from other funds		-	-	-	-
<b>TOTAL CHANGES IN FUND BALANCES</b>		-	(102,753)	(62,152)	(164,905)
<b>FUND BALANCES, 1 JANUARY 2004</b>		<u>1,000,000</u>	<u>567,335</u>	<u>3,216,760</u>	<u>4,784,095</u>
<b>FUND BALANCES, 31 DECEMBER 2004</b>		<u>1,000,000</u>	<u>464,582</u>	<u>3,154,608</u>	<u>4,619,190</u>

**INSTITUTE OF NUTRITION OF CENTRAL AMERICA AND PANAMA  
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STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDING 31 DECEMBER 2004  
(expressed in US dollars)**

PAHO	Sub-total 2004	Eliminations	Total 2004	
				<b>INCOME</b>
-	378,700	-	378,700	Assessed contributions
				Voluntary contributions
-	1,026,054	-	1,026,054	INCAP program activities
-	232,632	-	232,632	Non-INCAP program activities
				Other income
-	175,863	(57,651)	118,212	Revenue-producing activities
				Funds received under
1,263,130	1,263,130	-	1,263,130	interorganization arrangements
-	342,015	-	342,015	Allocation from other funds
-	319,589	(69,013)	250,576	Income for services rendered
-	54,263	-	54,263	Interest income
-	(7,511)	-	(7,511)	Currency exchange differential
-	48,083	-	48,083	Other/Miscellaneous
<u>1,263,130</u>	<u>3,832,818</u>	<u>(126,664)</u>	<u>3,706,154</u>	<b>TOTAL INCOME</b>
				<b>EXPENDITURE</b>
1,263,130	3,207,305	(126,664)	3,080,641	International health program
-	782,402	-	782,402	Other purposes
<u>1,263,130</u>	<u>3,989,707</u>	<u>(126,664)</u>	<u>3,863,043</u>	<b>TOTAL EXPENDITURE</b>
				<b>EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>
-	(156,889)	-	(156,889)	
				Provision for delays in collection
-	(97,800)	-	(97,800)	of assessed contributions
-	91,749	-	91,749	Payment of assessed contributions
				for prior years
				<b>NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>
-	(162,940)	-	(162,940)	
				Savings on or cancellation of prior
-	-	-	-	periods' obligations
-	(1,965)	-	(1,965)	Other project adjustments
-	-	-	-	Transfer to/from other funds
				<b>TOTAL CHANGES IN FUND BALANCES</b>
-	(164,905)	-	(164,905)	
				<b>FUND BALANCES, 1 JANUARY 2004</b>
-	4,784,095	-	4,784,095	
				<b>FUND BALANCES, 31 DECEMBER 2004</b>
<u>-</u>	<u>4,619,190</u>	<u>-</u>	<u>4,619,190</u>	

**INSTITUTE OF NUTRITION OF CENTRAL AMERICA AND PANAMA  
ADMINISTERED BY THE PAN AMERICAN HEALTH ORGANIZATION  
SPECIAL FUNDS  
STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDING 31 DECEMBER 2004  
(expressed in US dollars)**

	<u>Staff Provident Fund</u>	<u>Endowment Fund</u>	<u>Special Fund for Program Support Costs</u>
<b>INCOME</b>			
Assessed contributions			
Voluntary contributions			
INCAP program activities	-	-	-
Non-INCAP program activities	232,632	-	-
Other income			
Revenue-producing activities	-	-	-
Funds received under interorganization arrangements	-	-	-
Allocation from other funds	-	-	-
Income for services rendered	250,576	-	69,013
Interest income	33,254	5,093	-
Currency exchange differential	-	-	-
Other/Miscellaneous	-	-	-
<b>TOTAL INCOME</b>	<u>516,462</u>	<u>5,093</u>	<u>69,013</u>
<b>EXPENDITURE</b>			
International health program	-	-	209,238
Other purposes	531,014	1,885	-
<b>TOTAL EXPENDITURE</b>	<u>531,014</u>	<u>1,885</u>	<u>209,238</u>
<b>EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>	<b>(14,552)</b>	<b>3,208</b>	<b>(140,225)</b>
Provision for delays in collection of assessed contributions	-	-	-
Payment of assessed contributions for prior years	-	-	-
<b>NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>	<b>(14,552)</b>	<b>3,208</b>	<b>(140,225)</b>
Other project adjustments	-	-	-
Transfer to/from other funds	-	-	-
<b>TOTAL CHANGES IN FUND BALANCES</b>	<b>(14,552)</b>	<b>3,208</b>	<b>(140,225)</b>
<b>FUND BALANCES, 1 JANUARY 2004</b>	<b>1,864,849</b>	<b>357,007</b>	<b>180,418</b>
<b>FUND BALANCES, 31 DECEMBER 2004</b>	<u><u>1,850,297</u></u>	<u><u>360,215</u></u>	<u><u>40,193</u></u>

**INSTITUTE OF NUTRITION OF CENTRAL AMERICA AND PANAMA  
ADMINISTERED BY THE PAN AMERICAN HEALTH ORGANIZATION  
SPECIAL FUNDS  
STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDING 31 DECEMBER 2004  
(expressed in US dollars)**

<u>Special Fund for INCAP Services</u>	<u>Provision for Personnel Entitlements</u>	<u>Total 2004</u>	
			<b>INCOME</b>
			Assessed contributions
-	-	-	Voluntary contributions
-	-	232,632	INCAP program activities
			Non-INCAP program activities
100,811	-	100,811	Other income
			Revenue-producing activities
-	-	-	Funds received under
-	342,015	342,015	interorganization arrangements
-	-	319,589	Allocation from other funds
-	-	38,347	Income for services rendered
-	-	-	Interest income
-	-	-	Currency exchange differential
-	-	-	Other/Miscellaneous
<u>100,811</u>	<u>342,015</u>	<u>1,033,394</u>	<b>TOTAL INCOME</b>
			<b>EXPENDITURE</b>
103,906	-	313,144	International health program
-	249,503	782,402	Other purposes
<u>103,906</u>	<u>249,503</u>	<u>1,095,546</u>	<b>TOTAL EXPENDITURE</b>
(3,095)	92,512	(62,152)	<b>EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>
-	-	-	Provision for delays in collection of assessed contributions
-	-	-	Payment of assessed contributions for prior years
(3,095)	92,512	(62,152)	<b>NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE</b>
-	-	-	Other project adjustments
-	-	-	Transfer to/from other funds
(3,095)	92,512	(62,152)	<b>TOTAL CHANGES IN FUND BALANCES</b>
24,742	789,744	3,216,760	<b>FUND BALANCES, 1 JANUARY 2004</b>
<u>21,647</u>	<u>882,256</u>	<u>3,154,608</u>	<b>FUND BALANCES, 31 DECEMBER 2004</b>

**INSTITUTE OF NUTRITION OF CENTRAL AMERICA AND PANAMA  
ADMINISTERED BY THE PAN AMERICAN HEALTH ORGANIZATION  
STATEMENT OF ASSETS, LIABILITIES, AND RESERVES AND FUND BALANCES  
AS OF 31 DECEMBER 2004  
(expressed in US dollars)**

	<u>2004</u>	<u>2003</u>
<b>ASSETS</b>		
Cash and term deposits (Table 20)	3,340,592	3,386,563
Accounts receivable		
Quota contributions due from Members (Table 21)	198,867	192,816
Provision for delays in collection of assessed contributions (Table 21)	(198,867)	(192,816)
Sundry debtors	5,089	382
Balance due from the Pan American Health Organization for interorganization funding activities	1,302,544	1,426,472
Supplies inventory	11,817	10,921
Land	171,714	171,714
<b>TOTAL ASSETS</b>	<u><u>4,831,756</u></u>	<u><u>4,996,052</u></u>
<b>LIABILITIES</b>		
Quota contributions received in advance	148	693
Accounts payable	40,704	39,550
<b>TOTAL LIABILITIES</b>	<u><u>40,852</u></u>	<u><u>40,243</u></u>
<b>RESERVES AND FUND BALANCES</b>		
Staff Provident Fund	1,850,297	1,864,849
Endowment Fund	360,215	357,007
Trust Funds (Table 22)	464,582	567,335
Special Fund for Program Support Costs	40,193	180,418
Special Fund for INCAP Services	21,647	24,742
Provision for Personnel Entitlements	882,256	789,744
Working Capital Fund	1,000,000	1,000,000
<b>TOTAL FUND BALANCES</b>	<u><u>4,619,190</u></u>	<u><u>4,784,095</u></u>
Equity in Land	171,714	171,714
<b>TOTAL RESERVES AND FUND BALANCES</b>	<u><u>4,790,904</u></u>	<u><u>4,955,809</u></u>
<b>TOTAL LIABILITIES, AND RESERVES AND FUND BALANCES</b>	<u><u>4,831,756</u></u>	<u><u>4,996,052</u></u>

**INSTITUTE OF NUTRITION OF CENTRAL AMERICA AND PANAMA  
ADMINISTERED BY THE PAN AMERICAN HEALTH ORGANIZATION  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDING 31 DECEMBER 2004  
(expressed in US dollars)**

	<u>2004</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net excess (shortfall) of income over expenditure (Table 18)	(162,940)
(Increase) decrease in sundry debtors	(4,707)
(Increase) decrease in supplies inventory	(896)
Increase (decrease) in contributions or payments received in advance	(545)
Increase (decrease) in accounts payable	1,154
Less: Interest income	<u>(54,263)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>(222,197)</u>
<b>CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES:</b>	
(Increase) decrease in interorganization funding balance receivable	123,928
Add: Interest income	<u>54,263</u>
<b>NET CASH FROM INVESTING AND FINANCING ACTIVITIES</b>	<u>178,191</u>
<b>CASH FLOWS FROM OTHER SOURCES:</b>	
Other project adjustments	<u>(1,965)</u>
<b>NET CASH FROM OTHER SOURCES</b>	<u>(1,965)</u>
<b>NET INCREASE (DECREASE) IN CASH AND TERM DEPOSITS</b>	(45,971)
<b>CASH AND TERM DEPOSITS at 1 JANUARY 2004</b>	<u>3,386,563</u>
<b>CASH AND TERM DEPOSITS at 31 DECEMBER 2004</b>	<u><u>3,340,592</u></u>



**EXPLANATORY NOTES TO FINANCIAL STATEMENTS**  
(expressed in US dollars)

1. **Mission Statement**

INCAP is an institution specializing in food and nutrition, whose mission is to support the efforts of its Member Countries by providing them with technical cooperation in order to reach and maintain food and nutrition security for their populations, through its basic functions of Research, Information and Communication, Technical Cooperation, Training and Development of Human Resources, and Mobilization of Financial and Nonfinancial Resources in support of its mission.

2. **Cash and Term Deposits**

Balances are almost totally in US Dollars in fixed term deposits, and the main breakdown of this balance is as follows:

	<u>2004</u>
Bank and fixed term deposits held by INCAP	489,008
Petty cash held by INCAP	1,287
Fixed term deposits held by PAHO on INCAP's behalf	<u>2,850,297</u>
<b>Total</b>	<b><u><u>3,340,592</u></u></b>

3. **Expenditure**

The total expenditure, before eliminations, for the international health program total expenditure incurred by INCAP on or its behalf during the biennium is as follows:

Expense Category	Regular Budget <u>INCAP</u>	Trust Funds <u>INCAP</u>	Special Funds <u>INCAP</u>	Regular Budget <u>PAHO</u>	<u>Total</u>
Personnel	271,239	470,663	154,418	1,139,079	2,035,399
Duty travel	14,338	18,240	-	24,405	56,983
Contractual services	98,958	244,633	21,414	3,921	368,926
Fellowships and seminars	44,761	112,262	12,529	20,533	190,085
General operation expenses	56,733	148,738	99,379	69,242	374,092
Supplies and equipment	18,160	75,247	13,450	5,950	112,807
Program support costs	-	57,059	11,954	-	69,013
<b>Total:</b>	<b><u><u>504,189</u></u></b>	<b><u><u>1,126,842</u></u></b>	<b><u><u>313,144</u></u></b>	<b><u><u>1,263,130</u></u></b>	<b><u><u>3,207,305</u></u></b>

**INSTITUTE OF NUTRITION OF CENTRAL AMERICA AND PANAMA  
ADMINISTERED BY THE PAN AMERICAN HEALTH ORGANIZATION  
STATEMENT OF QUOTA CONTRIBUTIONS DUE FROM MEMBERS  
2004 ASSESSMENTS AND PRIOR YEARS  
(expressed in US dollars)**

<u>Member</u>	<u>Year</u>	<u>Amount Due</u>	<u>Collected</u>	<u>Balance Due 31 December 2004</u>
Belize	2004	18,700	18,700	-
		<u>18,700</u>	<u>18,700</u>	<u>-</u>
Costa Rica	2004	50,400	-	50,400
	2002-2003	100,800	-	100,800
	2000-2001	44,538	44,271	267
		<u>195,738</u>	<u>44,271</u>	<u>151,467</u>
El Salvador	2004	61,200	61,200	-
		<u>61,200</u>	<u>61,200</u>	<u>-</u>
Guatemala	2004	112,700	112,700	-
		<u>112,700</u>	<u>112,700</u>	<u>-</u>
Honduras	2004	37,400	37,400	-
	2002-2003	78	78	-
		<u>37,478</u>	<u>37,478</u>	<u>-</u>
Nicaragua	2004	44,600	44,600	-
		<u>44,600</u>	<u>44,600</u>	<u>-</u>
Panama	2004	53,700	6,300	47,400
		47,400	47,400	-
		<u>101,100</u>	<u>53,700</u>	<u>47,400</u>
<b>Total</b>		<u><u>571,516</u></u>	<u><u>372,649</u></u>	<u><u>198,867</u></u>
<hr/> <b>Amounts consist of:</b>				
Contributions for 2004		378,700	280,900	97,800
Contributions for prior years		192,816	91,749	101,067
		<u><u>571,516</u></u>	<u><u>372,649</u></u>	<u><u>198,867</u></u>

**INSTITUTE OF NUTRITION OF CENTRAL AMERICA AND PANAMA  
ADMINISTERED BY THE PAN AMERICAN HEALTH ORGANIZATION  
STATEMENT OF TRUST FUNDS  
AS OF 31 DECEMBER 2004  
(expressed in US dollars)**

<u>Source of Funds</u>	<u>Project Reference</u>	<u>Balance 1 January 2004</u>	<u>Funds Received</u>	<u>Project Expenditure</u>	<u>Project Adjustments</u>	<u>Balance 31 December 2004</u>
<b>I. GOVERNMENT FINANCING</b>						
<b>DENMARK</b>						
The risk approach in nutrition intervention	NUT-885	1,992	-	-	1,418	3,410
<b>GUATEMALA</b>						
Feasibility study of productive projects for food-nutrition security in five microregions of rootless population in Guatemala	NUT-413	(27,302)	-	-	-	(27,302)
<b>UNITED STATES OF AMERICA</b>						
U.S. Department of Agriculture Food Security as Related to Gender in Mesoamerica. (Workshop)	NUT-448	74,626	-	51,855	-	22,771
Assuring an accurate risk assessment for corn products in the USA and Central America	NUT-453	14,903	-	14,830	-	73
<b>II. INTERNATIONAL ORGANIZATIONS</b>						
<b>EMORY UNIVERSITY</b>						
Early Nutrition, Human Capital, and Economic Productivity	NUT-441	(35,520)	190,355	175,886	-	(21,051)
<b>FAO</b>						
Feasibility study on the long-term welfare effects of commercialization of agriculture among smallholders in the central Highlands of Guatemala	NUT-457	-	25,000	24,997	-	3
Case studies on school gardening and nutrition education in four countries in Central America and the Caribbean	NUT-458	-	7,000	1,508	-	5,492
<b>IDRC</b>						
Development and Validation of a community based strategy for reduction of dengue and diarrhea risks in urban ecosystem on the Guatemalan border with southern Mexico	NUT-456	-	94,349	58,844	-	35,505

<u>Source of Funds</u>	<u>Project Reference</u>	<u>Balance 1 January 2004</u>	<u>Funds Received</u>	<u>Project Expenditure</u>	<u>Project Adjustments</u>	<u>Balance 31 December 2004</u>
<b>IEA</b>						
Body composition and daily expenditure of older adults living en rural Guatemala	NUT-461	-	4,500	-	-	4,500
<b>IDRC - MI</b>						
Assuring the quality of food fortification programs in the open market economy of Central America	NUT-427	315	-	-	(315)	-
Evolution of national blindness in Guatemala and its association with the program of sugar fortification with Vitamin A	NUT-443	4,075	1,073	4,074	(1)	1,073
Iron and folic acid fortification of nixtamalized maize during milling at community mills: Technology development and economic feasibility	NUT-449	49,611	-	46,868	(2,743)	-
<b>INCAP</b>						
Experimental farm	NUT-130	245	9,304	7,148	-	2,401
<b>JOHNS HOPKINS UNIVERSITY</b>						
Evaluation of an oral vaccine to prevent travelers diarrhea due to enterotoxigenic E.Coli	NUT-428	(60,001)	112,935	30,842	-	22,092
<b>PAN AMERICAN HEALTH ORGANIZATION</b>						
Prevalence of diabetes mellitus, high blood pressure, and their risk factors in the Municipality of Villa Nueva	NUT-454	1,033	-	-	(1,033)	-
<b>THE WORLD BANK</b>						
Early Nutrition, Human Capital, and Economic Productivity	NUT-437	9,650	55,000	9,542	-	55,108
<b>SICA - CENTRAL AMERICAN INTEGRATION SYSTEM</b>						
Food and nutrition security in development processes in postponed communities of Central America	NUT-426	92	-	92	-	-
Food and nutrition security in development neglected in displaced communities of Central America	NUT-439	4,531	-	3,160	478	1,849
Central American program to support small enterprises headed by women, producers of foods, with emphasis in nutritionally enriched foods	NUT-444	126,333	240,350	259,362	192	107,513

<u>Source of Funds</u>	<u>Project Reference</u>	<u>Balance 1 January 2004</u>	<u>Funds Received</u>	<u>Project Expenditure</u>	<u>Project Adjustments</u>	<u>Balance 31 December 2004</u>
<b>UNICEF</b>						
Fortified food evaluation (salt with iodine, sugar with vitamin A), in sentinel schools	NUT-452	16,493	-	15,231	-	1,262
<b>UNIVERSITY OF CALIFORNIA</b>						
Beef as a source of vitamin B-12, iron, and zinc to improve development of infants fed low amounts of animal products	NUT-447	42,570	168,750	168,626	-	42,694
<b>III. PRIVATE AND PUBLIC SECTOR</b>						
<b>W.K. KELLOGG FOUNDATION</b>						
Design and implementation of a microregional development program in Carchá, A.V	NUT-429	4,925	-	2,598	-	2,327
Systematization and Dissemination of Experiences learned through projects of the Human Nutrition Initiative	NUT-434	4,572	-	2,681	39	1,930
Promoting health in young people within the Framework of Food and Nutrition Security in local development processes	NUT-438	11,869	95,818	105,712	-	1,975
Center for training and development of proper technologies and ecotechnologies	NUT-446	318,379	-	132,068	-	186,311
Facilitating emotional development of children by providing training for parents and teachers in Central American and Caribbean countries	NUT-459	-	21,620	10,918	-	10,702
Development of nutrition education within primary school curricula, training of teachers, and development of educational materials	NUT-850	3,944	-	-	-	3,944
		<u>567,335</u>	<u>1,026,054</u>	<u>1,126,842</u>	<u>(1,965)</u>	<u>464,582</u>

Balance at 31 December 2004 is represented by:

Receipts in excess of expenditure accumulated on projects held in trust by INCAP

512,935

Expenditure funded by INCAP in excess of receipts incurred on projects

(48,353)

464,582

**PAN AMERICAN HEALTH ORGANIZATION**  
**Pan American Sanitary Bureau, Regional Office of the**  
**WORLD HEALTH ORGANIZATION**  
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