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**UNITED NATIONS CHILDREN'S FUND**

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**FINANCIAL REPORT AND ACCOUNTS**

**for the year 1965**

*and*

**REPORTS OF THE BOARD OF AUDITORS**

**GENERAL ASSEMBLY**  
**OFFICIAL RECORDS : TWENTY-FIRST SESSION**  
**SUPPLEMENT No. 6A (A/6306/Add.1)**

*4000*

**UNITED NATIONS**

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**GENERAL ASSEMBLY**

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SUPPLEMENT No. 6A (A/6306/Add.1)



**UNITED NATIONS**

*New York, 1966*

#### NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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## LETTER OF TRANSMITTAL

26 May 1966

Sir,

I have the honour to transmit to you the financial statements relating to the United Nations Children's Fund with respect to the financial year ended 31 December 1965 and to the Greeting Card Fund for the period ended 31 August 1965. These statements have been examined and certified by the Board of Auditors.

In addition to the above, and in accordance with the relevant resolution of the General Assembly, I have the honour to present the reports of the Board of Auditors with respect to the above Accounts.

Accept, Sir, the assurance of my highest consideration.

(Signed) Mushtaq AHMAD  
*Chairman of the Board of Auditors*

The President of the General Assembly  
of the United Nations  
New York



**Part I**

**UNITED NATIONS CHILDREN'S FUND**





## FOREWORD

Over the years the field of UNICEF activities has expanded and the information given in the financial report and accounts has been increased considerably to present more fully the financial and statistical aspects of this expansion.

At this time it is considered desirable to revise the form of presentation of the report from that of recent years. The financial report and statements of UNICEF for the nineteenth financial period (calendar year 1965) are submitted herewith and are now shown in three main sections.

The first section is the financial report and statements. The financial report outlines in summary form the salient points of the 1965 financial operations. The statements and supporting schedules are shown on similar lines to those presented in past years.

The second section contains notes on the financial statements which provide supplementary information to statements I and II (following the sequence of the headings on these statements), and to statement III.

Thirdly, the appendices give statistical and other data concerning UNICEF's activities in 1965, which although not forming part of the financial statements, have been included in the financial report in past years for information purposes.

## **A. FINANCIAL REPORT AND STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1965**

1. The financial statements of the United Nations Children's Fund (UNICEF) for the nineteenth financial period, which ended on 31 December 1965, comprise the following principal statements along with supporting schedules:

- I. Statement of assets and liabilities as at 31 December 1965;
- II. Statement of income and expenditure for the year ended 31 December 1965;
- III. Statement of 1965 budgetary authorizations, obligations incurred and unobligated balances of authorizations, administrative costs and costs of operational services for the year ended 31 December 1965.

### **SUMMARY**

2. In 1965 income from all sources amounted to \$33.0 million, a net increase of \$0.1 million over 1964. Government contributions amounted to \$26.0 million, an increase of \$0.4 million over 1964, and represented 78.9 per cent of the total income for the year. Income from non-governmental sources (21.1 per cent of the total income) fell by \$0.3 million due mainly to a reduction in funds from Freedom-from-Hunger campaigns.

3. Total expenditure in 1965 amounted to \$30.3 million compared with \$39.8 million in 1964, a reduction of \$9.5 million. Expenditure in any year depends in the first place on the allocations made the previous year. Consequently the level of allocations in 1964, at \$37 million, which was lower than in 1962 and 1963, made natural a decline in expenditure in 1965. Moreover, for reasons of economy, stocks in the Copenhagen packing and assembly centre were decreased and field offices were asked to exercise care in not calling forward supplies in advance of the date at which they would be required by the development of projects. The decline was accelerated by the suspension of UNICEF co-operation with projects in Indonesia at its request. A number of projects were delayed by shortage of local funds due to anti-inflation programmes, or budgetary difficulties arising from low export prices, etc. Furthermore, UNICEF, in order to use certain currencies, changed some of its procurement to sources with a longer delivery date, and thus some payments have been carried over to 1966.

4. In 1965 net administrative costs were \$2.3 million (as compared with \$2.0 million in 1964) and net operational services costs were \$4.0 million (as compared with \$3.7 million in 1964). In addition a number of Governments made cash contributions to UNICEF totalling \$0.8 million to help meet the local costs of UNICEF field offices. The 1965 net administrative costs amounted to 7.59 per cent of the net total expenditures, as compared with 5.21 per cent in 1964 and 5.33 per cent in 1963.

5. At 31 December 1964 the Operating Fund had been reduced to \$25.2 million, approximating the accepted target level laid down by the Executive Board. By 31 December 1965, the Operating Fund had increased to \$27.9 million as a result of lower expenditures in 1965. The amount of \$27.9 million was still, however, within the accepted range set by the Executive Board.

6. Net allocations in 1965, approved by the Executive Board at its session in June totalled \$32.4 million, of which \$21.9 million required financing from future income (1966 and later). At the end of the June 1965 Executive Board session there were formal commitments outstanding for future allocation amounting to \$28.1 million (this compared with \$26.2 million in outstanding commitments at the end of 1964).

## Assets and liabilities as of 31 December 1965\*

ASSETS		LIABILITIES	
	\$		\$
Cash on hand, in transit and at banks (including deposits against irrevocable letters of credit totalling \$258,098.19) .....	6,460,563.07	Accounts payable and other unliquidated obligations .....	2,326,446.00
Investments at cost (schedule A) .....	11,120,580.93	Trust funds—Governments (schedule C) .....	4,201,477.24
Custodial investments (UNRWA) .....	217,476.17	UNRWA agency procurement account .....	299,998.72
Deposits with governmental agencies and suppliers .....	2,446,334.05	Reserve for insurance .....	200,000.00
Accounts receivable, advances, deposits, etc. ....	3,485,271.93	Operating Fund:	
Advance to Greeting Card Fund .....	403,832.42	Unexpended balances of approved allocations <sup>a</sup> .....	49,734,106.75
Contributions receivable from Governments (schedule B) ...	10,757,756.77	Part thereof to be financed from future income .....	21,870,213.37
	<u>34,891,815.34</u>		<u>27,863,893.38</u>
			<u>34,891,815.34</u>

CERTIFIED CORRECT

(Signed) W. G. MIDDELMANN  
ComptrollerAPPROVED  
(Signed) Henry R. LABOUISSIE  
Executive Director

\* See section B below, note on statement I, paras. 7-18.

<sup>a</sup> In addition, formal commitments approved by the Executive Board against future income amount to \$28,118,800 against which no allocations have yet been made.

## Income and expenditure for the year ended 31 December 1965\*

	\$	\$	\$
<i>Income</i>			
Contributions from Governments, including receivables (schedule D) .....		26,055,718.54	
Private contributions (including organized campaigns) ....		3,743,834.30	
<i>Other income</i>			
Contributions from Greeting Card Fund .....	2,000,000.00		
Income from investments .....	514,806.44		
Staff assessment plan .....	647,181.97		
Agency procurement commission .....	20,000.00		
Miscellaneous income .....	316,895.66		
Nobel Peace Prize Award .....	54,651.16		
	<u>3,553,535.23</u>		
<i>Less: difference in exchange</i>	<u>347,766.34</u>	<u>3,205,768.89</u>	<u>33,005,321.73</u>
<i>Expenditure (schedule E)</i>			
Supplies and equipment .....		18,584,058.30	
Fellowships and training grants .....	3,135,758.31		
Project personnel .....	1,147,934.10		
Other non-supply assistance .....	<u>513,273.13</u>	<u>4,796,965.54</u>	
Operational services .....		<u>4,500,049.94</u>	
		<u>27,881,073.78</u>	
Administrative costs .....		<u>2,456,846.05</u>	<u>30,337,919.8:</u>
<i>Excess of income over expenditure</i> .....			<u><u>2,667,401.9</u></u>
CERTIFIED CORRECT			APPROVE
(Signed) W. G. MIDDELMANN		(Signed) Henry R. LABOUISE	
Comptroller		Executive Directi	

\* See section B below, note on statement II, paras. 19-25.

*Statement III. Budgetary authorizations, obligations incurred and unobligated balances of authorizations, etc.  
appears overleaf*

**Budgetary authorizations, obligations incurred and unobligated costs of operational services for the**

	<i>Budgetary authorizations</i>		
	<i>Original appropriation</i> \$	<i>Subsequent section transfers</i> \$	<i>Revised appropriation</i> \$
<i>Part</i>			
<b>I. INTERNATIONAL STAFF COSTS</b>			
Salaries, wages and common staff costs .....	3,864,000.00	30,000.00	3,894,000.00
<b>II. LOCAL COSTS</b>			
(a) <i>New York Headquarters</i>			
Salaries, wages and common staff costs .....	986,900.00	(500.00)	986,400.00
Other expenses and permanent equipment .....	338,200.00	9,000.00	347,200.00
	<u>1,325,100.00</u>	<u>8,500.00</u>	<u>1,333,600.00</u>
(b) <i>Field offices</i>			
1. <i>East Asia and Pakistan (Bangkok)</i>			
Salaries, wages and common staff costs .....	124,200.00	1,000.00	125,200.00
Other expenses and permanent equipment .....	87,000.00	(1,100.00)	85,900.00
	<u>211,200.00</u>	<u>(100.00)</u>	<u>211,100.00</u>
2. <i>South Central Asia (New Delhi)</i>			
Salaries, wages and common staff costs .....	74,000.00	22,700.00	96,700.00
Other expenses and permanent equipment .....	16,400.00	(200.00)	16,200.00
	<u>90,400.00</u>	<u>22,500.00</u>	<u>112,900.00</u>
3. <i>Europe and North Africa</i>			
Salaries, wages and common staff costs .....	512,700.00	(19,100.00)	493,600.00
Other expenses and permanent equipment .....	152,100.00	17,600.00	169,700.00
	<u>664,800.00</u>	<u>(1,500.00)</u>	<u>663,300.00</u>
4. <i>Africa, South of the Sahara</i>			
Salaries, wages and common staff costs .....	335,200.00	(75,300.00)	259,900.00
Other expenses and permanent equipment .....	183,300.00	(17,000.00)	166,300.00
	<u>518,500.00</u>	<u>(92,300.00)</u>	<u>426,200.00</u>

balances of authorizations—administrative costs and  
year ended 31 December 1965\*

Obligations incurred							
Administration			Operational services				Unobligated balances of revised authorizations \$
Liquidated by disbursements \$	Unliquidated \$	Total \$	Liquidated by disbursements \$	Unliquidated \$	Total \$	Total \$	
1,263,705.75	8,937.82	1,272,643.57	2,555,933.58	61,417.29	2,617,350.87	3,889,994.44	4,005.56
670,581.59	2,885.92	673,467.51	308,012.47	2,238.09	310,250.56	983,718.07	2,681.93
204,485.74	27,467.72	231,953.46	98,799.54	11,084.22	109,883.76	341,837.22	5,362.78
875,067.33	30,353.64	905,420.97	406,812.01	13,322.31	420,134.32	1,325,555.29	8,044.71
—	—	—	122,894.17	30.26	122,924.43	122,924.43	2,275.57
—	—	—	57,217.59	2,558.89	59,776.48	59,776.48	26,123.52
—	—	—	180,111.76	2,589.15	182,700.91	182,700.91	28,399.09
—	—	—	95,815.11	88.00	95,903.11	95,903.11	796.89
—	—	—	14,337.97	460.00	14,797.97	14,797.97	1,402.03
—	—	—	110,153.08	548.00	110,701.08	110,701.08	2,198.92
203,728.26	763.79	204,492.05	284,722.36	296.07	285,018.43	489,510.48	4,089.52
53,245.61	21,043.85	74,289.46	62,369.83	5,729.28	68,099.11	142,388.57	27,311.43
256,973.87	21,807.64	278,781.51	347,092.19	6,025.35	353,117.54	631,899.05	31,400.95
—	—	—	252,924.95	695.00	253,619.95	253,619.95	6,280.05
—	—	—	135,555.00	10,149.53	145,704.53	145,704.53	20,595.47
—	—	—	388,479.95	10,844.53	399,324.48	399,324.48	26,875.52



**Budgetary authorizations, obligations incurred and unobligate  
costs of operational services for th**

<i>Budgetary authorizations</i>			
	<i>Original appropriation \$</i>	<i>Subsequent section transfers \$</i>	<i>Revised appropriation \$</i>
5. <i>The Americas</i>			
Salaries, wages and common staff costs .....	166,100.00	40,500.00	206,600.00
Other expenses and permanent equipment .....	81,500.00	(7,300.00)	74,200.00
	<u>247,600.00</u>	<u>33,200.00</u>	<u>280,800.00</u>
6. <i>Eastern Mediterranean</i>			
Salaries, wages and common staff costs .....	98,000.00	700.00	98,700.00
Other expenses and permanent equipment .....	55,600.00	(1,000.00)	54,600.00
	<u>153,600.00</u>	<u>(300.00)</u>	<u>153,300.00</u>
TOTAL, PART II	<u>3,211,200.00</u>	<u>(30,000.00)</u>	<u>3,181,200.00</u>
TOTALS, PARTS I AND II			
Salaries, wages and common staffs costs	6,161,100.00	—	6,161,100.00
Other expenses and permanent equipment	914,100.00	—	914,100.00
	<u>7,075,200.00</u>	<u>—</u>	<u>7,075,200.00</u>

CERTIFIED CORRECT

(Signed) W. G. MIDDELMANN  
Comptroller

\* See section B below, note on statement III, paras. 26-34.

balances of authorizations—administrative costs and  
year ended 31 December 1965\*

Administration			Obligations incurred				Unobligated balances of revised authorizations \$
Liquidated by disbursements \$	Unliquidated \$	Total \$	Liquidated by disbursements \$	Unliquidated \$	Total \$	Total \$	
—	—	—	204,477.24	17.80	204,495.04	204,495.04	2,104.96
—	—	—	66,010.93	5,222.81	71,233.74	71,233.74	2,966.26
—	—	—	270,488.17	5,240.61	275,728.78	275,728.78	5,071.22
—	—	—	96,905.57	—	96,905.57	96,905.57	1,794.43
—	—	—	42,717.39	1,369.00	44,086.39	44,086.39	10,513.61
—	—	—	139,622.96	1,369.00	140,991.96	140,991.96	12,308.04
1,132,041.20	52,161.28	1,184,202.48	1,842,760.12	39,938.95	1,882,699.07	3,066,901.55	114,298.45
2,138,015.60	12,587.53	2,150,603.13	3,921,685.45	64,782.51	3,986,467.96	6,137,071.09	24,028.91
257,731.35	48,511.57	306,242.92	477,008.25	36,573.73	513,581.98	819,824.90	94,275.10
2,395,746.95	61,099.10	2,456,846.05	4,398,693.70	101,356.24	4,500,049.94	6,956,895.99	118,304.01

APPROVED  
(Signed) Henry R. LABOUISSSE  
Executive Director

SCHEDULE A

Investments as of 31 December 1965

	\$	Book value \$	Yield (per cent)
<b>DEPOSITS WITH BANKS</b>			
<i>Deposits at 7 days' notice, in US dollars</i>			
Chemical Bank New York Trust Company, New York .....	1,665,202.46		
Chase Manhattan Bank, New York .....	1,562,948.33		
Irving Trust Company, New York .....	1,205,596.25		
Bankers Trust Company, New York .....	1,137,425.41	5,571,172.45	4.00
<hr/>			
<i>Deposits in other currencies (due from January to March 1966)</i>			
Central Bank of India Ltd., New Delhi .....	1,574,968.50		
Bank of London and South America Ltd., London .....	1,239,061.15		
Bankers Trust Company, London .....	949,587.66		
Chase Manhattan Bank, Paris .....	357,142.86		
Morgan Guaranty Trust Company of New York, Paris .....	289,351.85		
Provincial Bank of Ireland Ltd., Dublin .....	50,406.05		
Creditanstalt Bankverein, Vienna .....	46,457.61		
Commonwealth Trading Bank of Australia, Sydney .....	33,602.16	4,540,577.84	4.99
<hr/>			
<b>INVESTMENTS IN STERLING</b>			
<i>United Kingdom Treasury Bills (91 days)</i>			
<i>(due from January to March 1966)</i>			
Due 3 January 1966 (£ 20,000) .....	55,531.14		
Due 15 January 1966 (£ 215,000) .....	593,994.45		
Due 28 February 1966 (£ 60,000) .....	165,822.11		
Due 28 March 1966 (£ 70,000) .....	193,482.94	1,008,830.64	5.36
<hr/>			
TOTAL INVESTMENTS		11,120,580.93	4.53
<hr/>			

## SCHEDULE B

## Contributions receivable from Governments as of 31 December 1965

Governments	To the central account		For local administrative costs of field offices for 1965	Total contributions receivable
	For years prior to 1965	For 1965		
	\$	\$	\$	\$
Afghanistan	—	4,000.00	22,000.00	26,000.00
Algeria	—	40,000.00	18,775.48	58,775.48
Belgium	—	200,000.00	—	200,000.00
Bolivia	—	5,000.00	—	5,000.00
Brazil	29,032.29	—	—	29,032.29
Chile	31,347.00	80,000.00	—	111,347.00
China	—	22,500.00	—	22,500.00
Congo (Leopoldville)	—	15,760.00	—	15,760.00
Costa Rica	4,421.05	25,578.95	—	30,000.00
Cyprus	—	1,999.24	—	1,999.24
Dahomey	5,000.00	—	—	5,000.00
Dominican Republic	60,000.00	—	—	60,000.00
Ecuador	—	10,016.51	—	10,016.51
Gabon	—	5,102.04	—	5,102.04
Haiti	10,000.00	—	—	10,000.00
India	—	—	83,020.96	83,020.96
Iran	5,000.00	—	—	5,000.00
Israel	—	40,000.00	—	40,000.00
Italy	128,000.00	224,000.00	—	352,000.00
Libya	—	4,200.50	—	5,200.50
Liechtenstein	—	1,500.00	—	1,500.00
Mali	—	3,265.31	4,897.96	8,163.27
Mauritius	—	4,052.92	—	4,052.92
Mexico	13.60	499,986.40	—	500,000.00
Nepal	—	1,000.00	—	1,000.00
New Zealand	—	208,565.07	—	208,565.07
Nigeria	—	42,005.04	—	42,005.04
Pakistan	—	136,436.93	—	136,436.93
Panama	—	15,000.00	—	15,000.00
Paraguay	70,000.00	20,000.00	—	90,000.00
Peru	—	29,850.74	—	29,850.74
Senegal	—	10,204.08	10,204.08	20,408.16
Syria	—	12,500.00	—	12,500.00
Thailand	—	77,032.62	—	77,032.62
Trinidad and Tobago	7,000.00	7,000.00	—	14,000.00
United States of America	187,813.00	8,332,675.00	—	8,520,488.00
Yemen	—	2,000.00	—	2,000.00
	<u>537,626.94</u>	<u>10,081,231.35</u>	<u>138,898.48</u>	<u>10,757,756.77</u>

# SCHEDULE C

## Trust funds—Governments—as of 31 December 1965

	<i>Contributions</i>		
	<i>To UNICEF-aided projects \$</i>	<i>To the local administrative and other costs of UNICEF field offices \$</i>	<i>Total \$</i>
Balances 1 January 1965	3,830,129.86	133,427.88	3,963,557.74
<i>Receipts</i>			
Funds received during year . . . . .	2,920,045.12	823,975.44	3,744,020.56
<b>TOTAL</b>	<u>6,750,174.98</u>	<u>957,403.32</u>	<u>7,707,578.30</u>
<i>Disbursements</i>			
Expenditures during year	2,730,121.83	765,937.39	3,496,059.22
Funds returned . . . . .	10,041.84	—	10,041.84
<b>TOTAL</b>	<u>2,740,163.67</u>	<u>765,937.39</u>	<u>3,506,101.06</u>
Balances 31 December 1965	<u>4,010,011.31</u>	<u>191,465.93</u>	<u>4,201,477.24</u>

SCHEDULE D

**Contributions from Governments to the central account (including contributions receivable) during the year ended 31 December 1965**

<i>Governments</i>	<i>Currency paid or pledged</i>	<i>US dollar equivalent</i>	<i>Cash contributions from Governments of UNICEF-assisted countries towards local administrative and other costs of UNICEF field offices (trust funds)</i> <i>US dollar equivalent</i>
Afghanistan	US dollars	10,000.00	27,000.00
Algeria	Dinars	40,000.00	32,083.98
Argentina	Pesos	56,179.78	
Australia	Pounds	537,634.41	
Austria	Schillings	97,434.55	
Belgium	Francs	200,000.00	
Bolivia	US dollars	5,000.00	
Brazil	Cruzeiros	94,444.44	17,559.24
British Caribbean Territories			
Antigua	Pounds sterling	175.02	
Bahamas	Pounds sterling	2,800.34	
Dominica	US dollars	54.71	
St. Vincent	Pounds sterling	437.55	
British Guiana	US dollars	889.71	
British Honduras	Pounds sterling	700.08	
Brunei	Pounds sterling	3,267.45	
Bulgaria	Leva	12,820.51	
Burma	Pounds sterling	56,006.72	57,958.84
Byelorussian Soviet Socialist Republic	Rubles	62,500.00	
Cameroon	Francs (CFA)	13,300.00	
Canada	US dollars	921,658.99	
Ceylon	Pounds sterling	14,701.76	4,199.91
Chad	Francs (CFA)	10,204.08	
Chile	US dollars	80,000.00	2,739.63
China	NT dollars	17,525.00	
	US dollars	5,000.00	
Colombia	US dollars	154,719.59	9,096.35
Congo (Brazzaville)	Francs (CFA)	14,285.71	
Congo (Leopoldville)	US dollars	21,760.00	
Costa Rica	US dollars	25,578.95	
Cuba	Contribution in kind (sugar)	70,000.00	
Cyprus	Pounds sterling	1,999.24	
Czechoslovakia	Koruny	69,444.44	
Dahomey	Francs (CFA)	6,934.00	
Denmark	Kroner	256,261.76	
Ecuador	US dollars	20,000.00	
Ethiopia	Dollars	18,136.38	1,870.00
Federal Republic of Germany	Deutschemarks	1,509,433.96	
Finland	Markkas	93,750.00	
France	Francs	1,109,183.67	
Gabon	Francs (CFA)	5,102.04	
Gambia	Pounds sterling	1,680.20	1,680.20
Greece	US dollars	69,000.00	
Guatemala	Quetzales	30,000.00	
Guinea	Francs (CFA)	22,179.59	
Holy See	US dollars	1,000.00	
Honduras	US dollars	20,000.00	
Hong Kong	Pounds sterling	4,375.52	1,806.22
Hungary	Forints	6,388.42	

SCHEDULE D (continued)

**Contributions from Governments to the central account (including contributions receivable) during the year ended 31 December 1965**

<i>Governments</i>	<i>Currency paid or pledged</i>	<i>US dollar equivalent</i>	<i>Cash contributions from Governments of UNICEF-assisted countries towards local administrative and other costs of UNICEF field offices (trust funds)</i> <i>US dollar equivalent</i>
Iceland	Kronur .....	10,651.16	
India	Rupees .....	839,983.20	153,086.94
Iran	US dollars .....	275,000.00	22,500.00
Iraq	US dollars .....	70,000.00	
Ireland	Pounds .....	15,009.30	
Israel	US dollars .....	40,000.00	
Italy	Lire .....	224,000.00	
Ivory Coast	Francs (CFA) .....	10,204.08	32,653.06
Jamaica	US dollars .....	9,800.00	
Japan	US dollars .....	236,200.00	
Jordan	Pounds sterling .....	5,600.67	
Kenya	East African shillings .....	2,801.12	
Kuwait	US dollars .....	10,000.00	
Laos	US dollars .....	1,000.00	
Lebanon	Pounds .....	14,698.28	
Liberia	US dollars .....	10,000.00	
Libya	Pounds sterling .....	16,802.01	
Liechtenstein	Swiss francs .....	1,500.00	
Luxembourg	Belgian francs .....	6,000.00	
Madagascar	Francs (CFA) .....	10,204.08	
Malawi	Pounds sterling .....	839.05	
Malaysia	Pounds sterling .....	51,129.47	10,850.26
Mali	Francs (CFA) .....	15,510.21	4,897.96
Mauritania	Francs (CFA) .....	4,081.63	
Mauritius	Rupees .....	4,052.92	
Mexico	US dollars .....	499,986.40	36,334.40
Monaco	French francs .....	2,040.82	
Morocco	US dollars .....	49,998.00	18,749.00
Nepal	Rupees .....	1,000.00	
Netherlands	Guilders .....	138,888.89	
New Zealand	Pounds .....	208,565.07	
Nicaragua	US dollars .....	10,000.00	
Niger	Francs (CFA) .....	8,163.26	
Nigeria	Pounds .....	42,005.04	
Norway	Kroner .....	451,905.79	
Pakistan	Rupees .....	98,698.03	
	Pounds sterling .....	37,738.90	136,436.93
Panama	US dollars .....	15,000.00	
Paraguay	US dollars .....	20,000.00	
Peru	Soles .....	89,552.24	
Philippines	Pesos .....	185,000.00	47,441.71
Poland	Zlotys .....	100,000.00	
Republic of Korea	Won .....	11,108.42	
	US dollars .....	5,000.00	16,108.42
Republic of Viet-Nam	Piastres .....	16,500.00	
	US dollars .....	8,500.00	25,000.00
Romania	Lei .....	25,000.00	
Saudi Arabia	US dollars .....	20,000.00	
Senegal	Francs (CFA) .....	10,204.08	10,204.08

**Contributions from Governments to the central account (including contributions receivable) during the year ended 31 December 1965**

<i>Governments</i>	<i>Currency paid or pledged</i>	<i>US dollar equivalent</i>	<i>Cash contributions from Governments of UNICEF-assisted countries towards local administrative and other costs of UNICEF field offices (trust funds) US dollar equivalent</i>
Sierra Leone	Pounds sterling .....	11,201.34	
Singapore	Pounds sterling .....	6,510.83	918.04
South Africa	Rands .....	50,293.39	
Spain	Pesetas .....	100,000.00	
Sudan	Pounds sterling .....	13,039.40	
Sweden	Kronor .....	1,003,875.97	
Switzerland	Francs .....	439,814.81	
Syria	Pounds .....	12,500.00	
Thailand	Contribution in kind (rice) .....	130,000.00	
	Bahts .....	75,000.00	205,000.00
			86,562.50
Togo	Francs (CFA) .....	8,163.27	4,081.63
Trinidad and Tobago	US dollars .....	7,000.00	
Tunisia	US dollars .....	19,700.00	14,503.63
Turkey	Liras .....	194,444.44	136,833.32
Uganda	East African shillings .....	11,204.48	
Ukrainian Soviet Socialist Republic	Rubles .....	125,000.00	
Union of Soviet Socialist Republics	Rubles .....	675,000.00	
United Arab Republic	Pounds .....	114,800.00	12,197.50
United Kingdom of Great Britain and Northern Ireland	Pounds sterling .....	1,120,134.42	
United Republic of Tanzania	East African shillings .....	5,602.24	
United States of America	Dollars .....	12,000,000.00	
Upper Volta	Francs (CFA) .....	8,163.26	
Yemen	US dollars .....	2,000.00	
Yugoslavia	Dinars .....	200,000.00	
Zambia	US dollars .....	8,400.00	
		<u>26,055,718.54</u>	<u>823,975.44</u>

NOTE: In addition to the cash funds as stated above, a number of Governments gave free services (Ethiopia, Guatemala, Nigeria, Pakistan, Republic of Korea, Thailand) valuation of which is not recorded in UNICEF financial accounts.



## Statement of allocations, expenditures, and balances

	Allocations		
	Balance 1 January 1965 (1) \$	Authorized in 1965 (2) \$	Total for 1965 and after (3) \$
AREA AND COUNTRY ASSISTANCE			
<i>Africa</i>			
Algeria	759,245.89	387,667.99	1,146,913.88
Basutoland	154,890.56	125,461.47	280,352.03
Bechuanaland		65,000.00	65,000.00
Burundi	56,930.42	39,653.51	96,583.93
Cameroon	78,771.02	1,380.87	80,151.89
Central African Republic	93,920.66	60,267.96	154,188.62
Chad	122,786.89	17,922.99	140,709.88
Comoro Islands	40,222.81	(4,863.50)	35,359.31
Congo (Brazzaville)	143,786.87	100,767.08	244,553.95
Congo (Democratic Republic of)	748,979.36	1,363.69	750,343.05
Dahomey	112,234.04	20,053.81	132,287.85
Ethiopia	611,370.56	412,364.68	1,023,735.24
Gabon	130,707.77	34,746.21	165,453.98
Gambia	12,428.55	51,858.67	64,287.22
Ghana	451,939.02	137,727.00	589,666.02
Guinea	171,839.20	70,584.44	242,423.64
Ivory Coast	297,934.24	168,744.91	466,679.15
Kenya	853,957.95	327,645.37	1,181,603.32
Liberia	37,602.05	54,798.49	92,400.54
Madagascar	881,460.16	27,826.60	409,286.76
Malawi	92,210.53	95,793.48	188,004.01
Mali	272,923.03	267,665.50	540,588.53
Mauritania	196,788.01	170,074.74	366,862.75
Mauritius	74,327.51	19,317.02	93,644.53
Morocco	759,181.56	363,717.32	1,122,898.88
Niger	154,094.63	65,446.63	219,541.26
Nigeria	1,071,351.31	376,842.47	1,448,193.78
Rwanda	116,128.52	75,247.19	191,375.71
St. Helena	234.02	1,034.08	1,268.10
Senegal	196,356.90	94,317.86	290,674.76
Seychelles	11,877.61	5,435.80	17,313.41
Sierra Leone	59,889.43	99,019.85	158,909.28
Somalia	283,059.18	184,937.01	467,996.19
Southern Rhodesia		50,000.00	50,000.00
Swaziland	135,551.92	12,082.36	147,634.28
Togo	40,884.65	108,777.76	149,662.41
Tunisia	532,812.13	360,913.47	893,725.60
Uganda	207,450.49	93,367.99	800,818.48
United Republic of Tanzania	454,719.36	144,973.74	599,693.10
Upper Volta	60,008.06	262,938.19	322,946.25
Zambia	235,998.28	90,337.47	326,335.75
Regional	997,024.15	73,131.58	1,070,155.73
AREA TOTAL	11,213,879.30	5,116,343.75	16,330,223.05
<i>Asia</i>			
<i>East Asia and Pakistan</i>			
Burma	674,183.26	486,075.91	1,160,259.17
Cambodia	152,029.00	175,614.15	327,643.15
China	1,219,486.35	525,644.91	1,745,131.26
Hong Kong	39,051.52	12,743.36	51,794.88
Indonesia	1,920,013.04	51,832.36	1,971,845.40
Laos	39,468.57	3,610.86	43,079.43
Malaysia	185,110.05	103,231.65	288,341.70
Pakistan	3,162,536.29	554,141.16	3,716,677.45

## allocations for the year ended 31 December 1965

*Expenditures*

<i>Supplies and equipment (4) \$</i>	<i>Fellowships and training grants (5) \$</i>	<i>Project personnel (6) \$</i>	<i>Other services (7) \$</i>	<i>Total (8) \$</i>	<i>Balances of allocations, 31 December 1965 (9) \$</i>
210,090.04	280,596.89			490,686.93	656,226.95
62,185.06	33,205.65	56,759.44		152,150.15	128,201.88
					65,000.00
16,418.47	14.00			16,432.47	80,151.46
12,017.46	4,955.97			16,973.43	63,178.46
16,946.15	660.00	28,192.88		45,799.03	108,389.59
15,269.47	29,653.87	6,555.30		51,478.64	89,231.24
5,038.75				5,038.75	30,320.56
30,613.52	28,800.93	25,129.09		84,543.54	160,010.41
15,098.81	24,582.20	139,436.70	50.00	179,167.71	571,175.34
27,757.80	6,449.06	8,276.09		42,482.95	89,804.90
232,770.32	150,762.48	83,236.44	175.63	466,944.87	556,790.37
11,598.63	2,850.00	33,434.50		47,883.13	117,570.85
20,065.61	1,657.28			21,722.89	42,564.33
29,941.84		6,588.24		36,530.08	553,135.94
65,476.02				65,476.02	176,947.62
144,298.34	14,515.85	15,066.71		173,880.90	292,798.25
369,597.57	156,593.57	32,405.51	17,462.09	576,058.74	605,544.58
16,200.84	10.26	3,888.56		20,099.66	72,300.88
213,649.05	830.00	10,671.79		225,150.84	184,135.92
21,853.83	23.11	2,731.55		24,608.49	163,395.52
113,207.74	142,928.23	8,344.92		264,480.89	276,107.64
60,278.89	27,182.14	6,111.09		93,572.12	273,290.63
49,603.10				49,603.10	44,041.43
477,589.83	148,408.35	21,950.27	410.36	648,358.81	474,540.07
31,798.73	29,664.79	22,254.54		83,718.06	135,823.20
193,546.67	34,332.01	56,665.77		284,544.45	1,163,649.33
65,133.69				65,133.69	126,242.02
1,107.74				1,107.74	160.36
67,651.53	8,220.39	3,058.31		78,930.23	211,744.53
8,562.65				8,562.65	8,750.76
36,905.50	14,738.76	3,145.74		54,790.00	104,119.28
126,987.12	77,802.60	152.82	398.74	205,341.28	262,654.91
					50,000.00
35,931.80	7,822.92	2,860.89		46,615.61	101,018.67
31,512.53	624.64			32,137.17	117,525.24
133,736.86	50,980.23	74,175.86	435.15	259,328.10	634,397.50
67,123.51	23,366.67	6,626.71		97,116.89	203,701.59
364,487.20	28,080.82	5,555.51		398,123.53	201,569.57
44,827.21	3,524.45	15,628.22		63,979.88	258,966.37
37,105.30	59,493.42	25,389.37		121,988.09	204,347.66
24,461.05	112,251.99	203,496.15		340,209.19	729,946.54
3,508,446.23	1,505,583.53	907,788.97	18,931.97	5,940,750.70	10,389,472.35
284,935.08	18,524.28			303,459.36	856,799.81
51,471.02	64,415.01	157.13		116,043.16	211,599.99
504,887.16	78,392.52	110,950.61	1,880.66	696,110.95	1,049,020.31
22,751.08	732.80			23,483.88	28,311.00
(25,204.03)	5,174.26	10,155.81	347.83	(9,526.13)	1,981,371.53
25,744.68	4,816.15	101.50		30,662.33	12,417.10
201,646.09				201,646.09	86,695.61
1,092,537.98	50,218.66	11,854.55	7,067.66	1,161,678.85	2,554,998.60

## Statement of allocations, expenditures, and balance

	<i>Allocations</i>		
	<i>Balance 1 January 1965 (1) \$</i>	<i>Authorized in 1965 (2) \$</i>	<i>Total for 1965 and after (3) \$</i>
<b>AREA AND COUNTRY ASSISTANCE (<i>continued</i>)</b>			
<i>Asia (continued)</i>			
Philippines .....	944,600.84	464,300.44	1,408,901.28
Republic of Korea .....	283,899.55	230,138.17	514,037.72
Republic of Viet-Nam .....	275,941.06	417,109.86	693,050.92
Singapore .....	8,099.58	11,347.38	19,446.96
Thailand .....	734,352.90	738,070.25	1,472,423.15
Tonga .....	20,195.86	(425.33)	19,770.53
Western Samoa .....	29,186.77	(296.18)	28,890.59
Pacific Islands Territories .....	54,541.47	103,801.73	158,343.20
Regional .....	104,499.70	(90,051.99)	14,447.71
AREA TOTAL	9,847,195.81	3,786,888.69	13,634,084.50
<i>South Central Asia</i>			
Afghanistan .....	410,804.20	678,908.55	1,089,712.75
Ceylon .....	136,948.15	149,429.01	286,377.16
India .....	8,391,495.01	4,943,663.64	13,335,158.65
Mongolia .....		104,000.00	104,000.00
Nepal .....	13,194.15	211,972.00	225,166.15
AREA TOTAL	8,952,441.51	6,087,973.20	15,040,414.71
<i>Eastern Mediterranean</i>			
Aden .....	71,396.12	65,389.04	136,785.16
Cyprus .....	128,367.30	4,025.67	132,392.97
Iran .....	860,086.42	1,327,154.81	2,187,241.23
Iraq .....	623,558.74	242,964.63	866,523.37
Israel .....	49,267.89	(33,376.35)	15,891.54
Jordan .....	285,388.05	447,421.30	732,809.35
Lebanon .....	56,579.38	35,892.19	92,471.57
Libya .....	154,853.44	34,948.14	189,801.58
Saudi Arabia .....	22,893.80	677.72	23,571.52
Sudan .....	284,472.36	138,991.24	423,463.60
Syria .....	107,796.36	5,947.63	113,743.99
Turkey .....	910,207.48	508,753.36	1,418,960.84
United Arab Republic .....	426,142.06	370,990.12	797,132.18
Yemen .....	44,570.94	145,073.09	189,644.03
AREA TOTAL	4,025,580.34	3,294,852.59	7,320,432.93
<i>Europe</i>			
Greece .....	219,089.86	9,983.11	229,072.97
Italy .....	26,302.20		26,302.20
Malta .....	33,000.00	901.28	33,901.28
Poland .....	333,393.71	143,140.32	476,534.03
Spain .....	306,423.27	254,588.74	561,012.01
Yugoslavia .....	423,878.43	7,824.36	431,702.79
AREA TOTAL	1,342,087.47	416,437.81	1,758,525.28
<i>The Americas</i>			
Argentina .....	558,424.67	68,600.19	627,024.86
Bolivia .....	238,586.48	98,445.08	337,031.56
Brazil .....	2,919,903.26	220,308.19	3,140,211.45
British Guiana .....	128,128.20	55,902.72	184,030.92

## allocations for the year ended 31 December 1965

Expenditures					Balances of allocations, 31 December 1965 (9) \$
Supplies and equipment (4) \$	Fellowships and training grants (5) \$	Project personnel (6) \$	Other services (7) \$	Total (8) \$	
647,144.73	22,699.33	9,561.61	5,691.29	685,096.96	723,804.32
125,975.44	35,947.50	2,429.23		164,352.17	349,685.55
227,225.08	25,202.82	597.93	2,109.39	255,135.22	437,915.70
21,543.72				21,543.72	(2,096.76)
680,026.60	61,810.13	3,058.45		744,895.18	727,527.97
16,466.19				16,466.19	3,304.34
9,610.84				9,610.84	19,279.75
42,609.84				42,609.84	115,733.36
(532.49)				(532.49)	14,980.20
3,928,839.01	367,933.46	148,866.82	17,096.83	4,462,736.12	9,171,348.38
349,285.91	9,997.58	141,991.13		501,274.62	588,438.13
103,914.22		3,200.18		107,114.40	179,262.76
3,442,501.82	139,142.55	89,658.42	6,518.29	3,677,821.08	9,657,337.57
669.35				669.35	103,330.65
10,526.85	1,084.96			11,611.81	213,554.34
3,906,898.15	150,225.09	234,849.73	6,518.29	4,298,491.26	10,741,923.45
35,080.02	30,712.17			65,792.19	70,992.97
7,402.84				7,402.84	124,990.13
1,372,106.85	11,342.47	3,868.06	1,789.62	1,389,107.00	798,134.23
529,706.88	5,180.62		309.80	535,197.30	331,326.07
	5,478.82			5,478.82	10,412.72
213,419.80	714.84	21,001.79	252.94	235,389.37	497,419.98
11,327.49	1,588.07		6,879.09	19,794.65	72,676.92
72,191.02	3,814.25	3,269.06		79,274.33	110,527.25
7,313.68				7,313.68	16,257.84
40,822.62	113,357.01	2,831.82		157,011.45	266,452.15
57,577.31				57,577.31	56,166.68
488,034.19	77,377.69	30,043.34	950.42	596,405.64	822,555.20
174,550.33	16,602.07	23,695.31		214,847.71	582,284.47
19,563.50	6,487.24			26,050.74	163,593.29
3,029,096.53	272,655.25	84,709.38	10,181.87	3,396,643.03	3,923,789.90
88,339.64	1,075.60	1,802.60		91,217.84	137,855.13
	4,816.00		57.07	4,873.07	21,429.13
9,726.21	1,801.25			11,527.46	22,373.82
224,126.11	181.55			224,307.66	252,226.37
42,747.57	24,473.67	9,068.84	6,177.12	82,467.20	478,544.81
96,836.80	650.98		4,630.54	102,118.32	329,584.47
461,776.33	32,999.05	10,871.44	10,864.73	516,511.55	1,242,013.73
149,120.19	18,582.24			167,702.43	459,322.43
71,278.23	46,211.59	21,832.63		139,322.45	197,709.11
86,934.44	75,698.53	26,311.00	373.77	189,317.74	2,950,893.71
31,325.07				31,325.07	152,705.85

## Statement of allocations, expenditures, and balances of

	Allocations		
	Balance 1 January 1965 (1) \$	Authorized in 1965 (2) \$	Total for 1965 and after (3) \$
AREA AND COUNTRY ASSISTANCE (continued)			
The Americas (continued)			
British Honduras	23,066.15	24,629.81	47,695.96
Chile	751,922.32	(6,794.72)	745,127.60
Colombia	1,004,866.77	627,198.21	1,632,064.98
Costa Rica	388,588.30	134,346.38	522,934.68
Cuba	149,831.81	8,306.30	158,138.11
Dominican Republic	210,621.90	262,530.71	473,152.61
Ecuador	263,755.64	326,557.67	590,313.31
El Salvador	424,199.49	38,168.09	462,367.58
Guatemala	664,469.56	158,560.83	823,030.39
Haiti	459,437.17	59,005.47	518,442.64
Honduras	262,734.40	158,410.24	421,144.64
Jamaica	170,787.79	(54,094.12)	116,693.67
Mexico	976,699.96	2,115,191.78	3,091,891.74
Nicaragua	617,368.97	72,784.51	690,153.48
Panama	275,956.28	258,494.67	534,450.95
Paraguay	373,762.15	451,151.53	824,913.68
Peru	992,195.41	160,862.70	1,153,058.11
Surinam	23,904.17	25,539.80	49,443.97
Trinidad and Tobago	75,723.09	(7,319.11)	68,403.98
Uruguay	101,066.86	2,511.71	103,578.57
Venezuela	55,439.34	183,102.70	238,542.04
British Caribbean Territories:			
Antigua		3,276.92	3,276.92
Barbados	6,328.94	15,568.38	21,897.32
Dominica	9,708.89	10,639.63	20,348.52
Grenada	28,791.70	4,565.90	33,357.60
Montserrat	23,219.19	3,706.13	26,925.32
St. Kitts-Nevis-Anguilla	22,389.91	7,289.20	29,679.11
St. Lucia	35,977.03	5,842.78	41,819.81
St. Vincent	2,717.91	3,490.05	6,207.96
Turks and Caicos Islands		1,143.49	1,143.49
Regional	685,548.52	308,196.61	993,745.13
AREA TOTAL	12,926,122.23	5,806,120.43	18,732,242.66
Undistributed charges	(8,294,009.01)		(8,294,009.01)
TOTAL FOR ALL AREAS	40,013,297.65	24,508,616.47	64,521,914.12
GENERAL ASSISTANCE			
Country planning and programme development	267,020.39		267,020.39
Development of protein-rich foods for children	182,666.32	100,000.00	282,666.32
Fellowships—Calcutta Training Centre	26,071.60		26,071.60
International Children's Centre, Paris and Paediatric Training (United Kingdom and Poland)	472,112.95	415,000.00	887,112.95
Nutrition and dairy training	367,129.98	234,000.00	601,129.98
Nutrition personnel	371,766.61	(576,590.93)	(204,824.32)
Planning for children and youth in national develop- ment and related activities	(4,176.98)	239,357.64	235,180.66
Freight on milk	843,085.51	(394,377.13)	448,708.38
Freight on supplies	1,330,452.04	899,363.65	2,229,815.69
Emergencies	50,034.41	43,996.40	94,030.81
Operational services	2,484,642.33	4,638,157.67	7,122,800.00
ADMINISTRATIVE COSTS	1,234,562.74	2,325,837.26	3,560,400.00
TOTALS	47,638,665.55	32,433,361.03	80,072,026.58

## allocations for the year ended 31 December 1965

Supplies and equipment (4) \$	Expenditures				Balances of allocations, 31 December 1965 (9) \$
	Fellowships and training grants (5) \$	Project personnel (6) \$	Other services (7) \$	Total (8) \$	
17,588.20				17,588.20	30,107.76
24,950.03	22,432.05	12,739.64	(570.70)	59,551.02	685,576.58
522,096.38	140,350.05	30,982.32		693,428.75	938,636.23
158,450.27	17,455.31	27,063.74		202,969.32	319,965.36
150,514.80				150,514.80	7,623.31
92,172.77	3,356.60			95,529.37	377,623.24
321,834.57	39,675.55	10,071.69		371,581.81	218,731.50
77,953.76	3,945.82	2,692.49		84,592.07	377,775.51
163,879.63	44,650.31	3,660.16	4.40	212,194.50	610,835.89
299,065.11	3,060.44			302,125.55	216,317.09
51,428.92	22,351.92	1,297.66	204.04	75,282.54	345,862.10
5,167.07	15,261.08			20,428.15	96,265.52
1,408,066.07	56,714.56			1,464,780.63	1,627,111.11
184,784.08	19,591.42	13,913.20		218,288.70	471,864.78
227,239.55	14,222.17	6,393.57		247,855.29	286,595.66
166,371.05	21,340.91	18,922.11		206,634.07	618,279.61
322,784.15	53,315.37	28,657.64		404,757.16	748,300.95
37,858.39				37,858.39	11,585.58
23,573.54	345.00	8,885.84		32,804.38	35,599.60
27,105.29				27,105.29	76,473.28
33,483.26				33,483.26	205,058.78
3,276.92				3,276.92	
6,133.71				6,133.71	15,763.61
6,571.24				6,571.24	13,777.28
26,463.94				26,463.94	6,893.66
18,065.98				18,065.98	8,859.34
17,402.88	1.04			17,403.92	12,275.19
30,137.38	7.21			30,144.59	11,675.22
3,490.05				3,490.05	2,717.91
1,143.49				1,143.49	
21,349.96	132,500.38	111,961.20		265,811.54	727,933.59
4,789,060.37	751,069.55	325,384.89	11.51	5,865,526.32	12,866,716.34
(1,083,999.45)	(40,250.23)	(400,001.68)	11,885.83	(1,512,365.53)	(6,781,643.48)
18,540,117.17	3,040,215.70	1,312,469.55	75,491.03	22,968,293.45	41,553,620.67
4,586.75	1,773.14	84,172.47		90,532.36	176,488.03
34,835.76	29,759.65	6,567.54	33,183.43	104,346.38	178,319.94
					26,071.60
	33,072.91	1,011.04	400,000.00	434,083.95	453,029.00
2,074.26	62,722.13	23,095.61	4,598.67	92,490.67	508,639.31
	(31,785.22)	(321,498.18)		(353,283.40)	148,459.08
2,444.36		42,116.07		44,560.43	190,620.23
					448,708.38
					2,229,815.69
					94,030.81
			4,500,049.94	4,500,049.94	2,622,750.06
			2,456,846.05	2,456,846.05	1,103,553.95
18,584,058.30	3,135,758.31	1,147,934.10	7,470,169.12	30,337,919.83	49,734,106.75

## B. NOTES ON THE FINANCIAL STATEMENTS

### Note on statement I. Assets and liabilities

#### ASSETS

7. *Cash on hand, in transit and at banks.* At 31 December 1965 these funds totalled \$6,460,563 (\$6,937,059 at 31 December 1964) including deposits against irrevocable letters of credit amounting to \$258,098, and funds held in special bank accounts and administered on behalf of UNRWA amounting to \$86,721. The UNICEF cash funds totalling \$6,373,842 (\$6,215,507 in 1964) included holdings in United States currency of \$744,899 and in other convertible currencies of \$797,233. The remaining holdings of \$4,831,710 were in forty-three currencies either non-convertible or with limited convertibility, requiring UNICEF to use these for procurement, freight and other expenditures in the relevant countries on lines which have been established over many years. Funds in currencies other than United States dollars were converted in the accounts at rates of exchange in effect at 31 December 1965 as established by the United Nations.

8. *Investments.* At 31 December 1965 UNICEF investments amounted to \$11,120,581 (compared with \$10,777,467 at 31 December 1964) and consisted of 91 days United Kingdom Treasury Bills (\$1,008,831) and time deposits with banks as listed in schedule A (\$10,111,750). Of this total, \$5,571,172 was in deposits in United States currency and \$5,549,409 in twelve other currencies. The average yield on investments during the year was 4.53 per cent, as compared with 3.68 per cent in 1964; income from investments and other interest-bearing bank accounts in 1965 amounted to \$514,806 as compared with \$600,473 in 1964.

9. *Custodial investments.* At 31 December 1965 these amounted to \$217,476 and consisted of funds held in trust by UNICEF on behalf of UNRWA, and placed on deposit with banks at interest until needed.

10. *Deposits with governmental agencies and suppliers.* These deposits amounted to \$2,446,334 at 31 December 1965, compared with \$3,462,237 at 31 December 1964, and included \$2,951 in respect of UNRWA funds. UNICEF funds (\$2,443,383) consisted of deposits with governmental procurement agencies in Australia, Canada, Japan and New Zealand totalling \$1,987,405, deposits with private concerns in the United States of America and Europe (\$220,820) and interest-bearing deposit with National Provident Fund in New Zealand (\$235,158).

11. *Accounts receivable, advances, deposits, etc.* These amounted to \$3,485,272 at 31 December 1965 compared with \$2,931,763 at 31 December 1964. The main items included in the total were, in round figures, (a) contributions collected by UNICEF Committees (United States \$1,800,000, Canada \$375,000), (b) Freedom-from-Hunger Campaign income in New Zealand (\$208,500), (c) amounts advanced to Governments and United Nations organizations for fellowships and other projects (\$585,000) and (d) freight and insurance claims (\$140,000).

12. *Advance to the Greeting Card Fund.* Advances totalling \$403,832 were made during the latter part of 1965 to cover additional production and promotion costs of the Greeting Card Fund over its working capital. Repayment will be made in 1966 from the proceeds of sales of the 1965 campaign. In view of increasing sales, after the closure of the Greeting Card Fund accounts for the period to 30 April 1966, a review of its working capital will be made to establish future needs.

13. *Contributions receivable from Governments.* The total of \$10,757,757 at 31 December 1965 (as compared with \$8,771,877 at 31 December 1964) included the sum of \$8,520,488 payable by the Government of the United States of America, against which UNICEF held at 31 December 1965 an irrevocable letter of credit in the amount of \$3,299,715 and received a further irrevocable letter of credit in February 1966 in the amount of \$3,376,769.

#### LIABILITIES

14. *Accounts payable and unliquidated obligations.* These amounted to \$2,326,446 at 31 December 1965 compared with \$2,811,915 at 31 December 1964. Of this sum approximately \$1,150,000 was payable in United States dollars. The main items included in the total were, in round figures, (a) accounts payable for supplies and equipment shipped, and freight thereon (\$1,120,000), (b) amounts due to Governments and governmental agencies (\$338,600), (c) amounts due to the United Nations and related agencies (\$338,800), (d) amounts owed to staff member under the Tax Equalization Fund (\$210,500), and (e) budgetary obligations outstanding (\$162,400).

15. *Trust funds—Governments.* The funds amounted to \$4,201,477 at 31 December 1965 as compared with \$3,963,558 at 31 December 1964. They consisted of unexpended balances of contributions made to UNICEF by assisted Governments (a) towards the implementation of UNICEF-aided projects for additional imported supplies and equipment and (b) towards the local administrative and related costs of UNICEF field offices. Schedule C gives a summary of the year's transactions for these two groups of funds.

16. *UNRWA agency procurement account.* The balance of this account at 31 December 1965 was \$299,999 compared with \$738,728 at 31 December 1964. It represents net funds made available to UNICEF by UNRWA for procurement operations on behalf of this agency under an agreement made in 1951. No UNICEF funds are

employed in these procurement operations. A fee of \$20,000 was paid by UNRWA to UNICEF in reimbursement of all costs incurred by UNICEF in the performance of these services in 1965.

17. *Reserve for insurance.* A reserve for insurance of \$200,000 was established in November 1950 when UNICEF adopted a policy of self-insurance. On the recommendation of the Board of Auditors the reserve was to be restored annually to the above level of \$200,000; a transfer of \$14,813 was required for this purpose in 1965. No major loss occurred during 1965. Disbursements towards general average contributions in 1965 totalled \$16,606 while balances returned to UNICEF in 1965 amounted to \$1,793.

18. *Operating Fund.* This fund represents the surplus of assets over liabilities and at 31 December 1964 amounted to \$25,196,491. The excess of income over expenditure in 1965 of \$2,667,402 brought the total of the Operating Fund to \$27,863,893 at 31 December 1965. Against the allocations for unfulfilled assistance at 31 December 1965 there were outstanding contractual commitments totalling \$6,203,300 for supplies and equipment, the deliveries of which had not been effected at this date. Of these commitments approximately \$2 million were payable in United States dollars.

## Note on statement II. Income and expenditure

### INCOME

19. Income from all sources in 1965 amounted to \$33,005,322 (\$32,881,566 in 1964), an increase of \$123,756 over the previous year.

20. The distribution of 1965 income by sources is shown below:

TABLE 1. UNICEF INCOME IN 1965 BY SOURCE

	Thousands of US dollars	Per cent of total
Government contributions .....	26,056	78.9
Private contributions .....	3,744	11.4
Other income (including proceeds from the Greeting Card Fund) .....	3,205	9.7
<b>TOTAL INCOME</b>	<b>33,005</b>	<b>100.0</b>

21. The table below shows the amount of the increase in UNICEF income each year since 1956:

TABLE 2. UNICEF INCOME FROM ALL SOURCES

(In thousands of US dollars)

	Income	Increase over previous year
1956 .....	19,819	—
1957 .....	20,716	897
1958 .....	23,008	2,292
1959 .....	23,820	812
1960 .....	25,767	1,947
1961 .....	27,945	2,178
1962 .....	29,697	1,752
1963 .....	32,130	2,433
1964 .....	32,882	752
1965 .....	33,005	123

22. *Contributions from Governments.* A total of 117 Governments contributed to UNICEF in 1965 as compared with 121 in 1964. A list of the contributing Governments is given in schedule D. The Government of the United States of America again contributed \$12 million; other Governments contributed \$14,055,719 in 1965, compared with \$13,598,006 in 1964. The contribution for 1965 of the Government of the United States of America remained unchanged from the previous year, subject to the condition that it should not exceed 40 per cent of the total amount of governmental contributions to UNICEF. The same contribution and condition will continue for the year 1966. In addition to contributions to the central account of UNICEF, a number of Governments contributed funds to a value of \$2.9 million for additional imported supplies and equipment for the implementation of UNICEF-aided projects in their own countries, and have also provided funds equivalent to a further \$0.8 million towards the local administrative and related costs of UNICEF field offices (schedule C).



23. *Private contributions.* In 1965 these totalled \$3,743,834 compared with \$4,136,848 in 1964. Principal sources were Hallowe'en collections (mainly in the United States of America and Canada) which realized \$2,450,414, Freedom-from-Hunger campaigns (mainly in New Zealand, United Kingdom and Australia) which produced \$854,398 during the year, collections through National Committees for special projects (\$50,786) and general purposes (\$285,877) and donations from groups and individuals totalling \$102,359.

24. *Other income.* Income from other sources amounted to \$3,205,769 compared with \$3,146,712 in 1964, and consisted of the following:

(a) *Proceeds from the Greeting Card Fund.* The sum of \$2,000,000 was transferred to UNICEF in 1965 from the net profits of the 1964 campaign (\$2,167,365). This compared with a transfer in 1964 of \$1,700,000 from the net profits of the 1963 campaign (\$1,731,324).

(b) *Income from investments.* Income of \$514,806 was \$85,667 less than that received in 1964 (\$600,473), due to the decrease in the average of investment holdings in 1965 as compared with 1964. Apart from interest on United Kingdom Treasury Bills (\$32,701), this income was derived entirely from interest on deposit and other accounts with banks (\$482,105).

(c) *Income from staff assessment plan.* Net income from the staff assessment plan of \$647,182 constituted an increase of \$64,962 over the 1964 income of \$582,220.

(d) *Income from agency procurement commission.* In 1965 the amount reimbursed to UNICEF by UNRWA totalled \$20,000 of which \$4,500 was considered in reimbursement of administrative costs, and \$15,500 in reimbursement of costs of operational services.

(e) *Miscellaneous income.* This totalled \$316,896 in 1965 (as compared with \$590,665 in 1964) and consisted of (i) sundry commissions and discounts, \$86,703; (ii) proceeds of the sale of surplus property, \$165,967; (iii) cancelled administrative obligations of previous years and refunds related thereto, \$31,482; (iv) recoveries from carriers, \$17,333; and (v) sundry receipts and refunds, \$15,411.

(f) *"Difference in exchange".* This account showed a debit balance of \$347,766 (as compared with \$378,730 in 1964) due to the devaluation of some non-convertible currencies during the year.

#### EXPENDITURE

25. Expenditure in 1965 totalled \$30,337,920, a reduction of \$9,486,136. The following table gives the comparison of expenditures in summarized form for 1963, 1964 and 1965:

TABLE 3. COMPARISON OF EXPENDITURES BY MAIN CATEGORY<sup>a</sup>

	1963	1964 (in US dollars)	1965
Supplies and equipment (inclusive of freight) . . . .	28,457,343	28,980,676	18,584,058
Fellowships and training grants . . . . .	2,378,368	2,742,415	3,135,759
Project personnel . . . . .	1,674,464	1,241,634	1,147,934
Other non-supply assistance . . . . .	525,210	494,136	513,273
Operational services (gross) . . . . .	3,617,201	4,129,708	4,500,050
<b>TOTAL ASSISTANCE EXPENDITURE</b>	<b>36,652,586</b>	<b>37,588,569</b>	<b>27,881,074</b>
Administrative costs (gross) . . . . .	2,231,393	2,235,487	2,456,846
<b>TOTAL EXPENDITURE</b>	<b>38,883,979</b>	<b>39,824,056</b>	<b>30,337,920</b>

<sup>a</sup> Further details on programme expenditures are given in the appendix, tables 8 and 9, pages 30 and 31.

#### Note on statement III. Budgetary authorizations, obligations incurred and unobligated balances of authorizations—administrative costs and costs of operational services

26. Expenditure for 1965 for administrative and operational services costs on a "gross" basis totalled \$6,956,896 (compared with \$6,365,195 for 1964) as shown in statement III.

27. Operational services consist of (a) cost of personnel and related services of the food conservation operation; (b) cost of personnel and related services of area and country offices; and (c) cost of personnel and related services of the procurement and shipping operation.

28. To establish the "net" administrative and operational services costs, deductions must be made from the gross expenditure shown in statement III for net income from the staff assessment plan and from procurement commission paid to UNICEF.

29. The following table presents a summary of budgetary authorizations, obligations incurred both gross and net, and the unobligated balances of authorizations for each of the eight organizational budget units:

TABLE 4. BUDGETARY AUTHORIZATIONS—ADMINISTRATIVE COSTS AND COSTS OF OPERATIONAL SERVICES

	Budgetary authoriza- tions (\$)	Administra- tion (\$)	Operational services (\$)	Total (\$)	Ratio of obligations incurred to budgetary authorizations (percentage)	Un- obligated balances of author- izations (\$)
I. International staff costs .....	3,894,000	1,272,644	2,617,351	3,889,995	99.9	4,005
II. Local costs						
(a) New York Headquarters .....	1,333,600	905,421	420,134	1,325,555	99.4	8,045
(b) Field offices						
1. East Asia and Pakistan (Bangkok) .....	211,100	—	182,701	182,701	86.5	28,399
2. South Central Asia (New Delhi) ..	112,900	—	110,701	110,701	98.1	2,199
3. Europe and North Africa .....	663,300	278,781	353,118	631,899	95.3	31,401
4. Africa, South of the Sahara .....	426,200	—	399,324	399,324	93.7	26,876
5. The Americas .....	280,800	—	275,729	275,729	98.2	5,071
6. Eastern Mediterranean .....	153,300	—	140,992	140,992	91.9	12,308
TOTAL (gross)	<u>7,075,200</u>	<u>2,456,846</u>	<u>4,500,050</u>	<u>6,956,896</u>	<u>98.3</u>	<u>118,304</u>
Less:						
Staff assessment plan .....		(199,187)	(447,995)	(647,182)		
Agency procurement commission .....		(4,500)	(15,500)	(20,000)		
Obligations incurred (net) .....		<u>2,253,159</u>	<u>4,036,555</u>	<u>6,289,714</u>		

30. The unobligated balances of budgetary authorizations totalling \$118,304 have been cancelled.

31. Net total expenditure for 1965 (gross expenditure as shown in statement II, \$30,337,920, less income from staff assessment plan, \$647,182, and agency procurement commission, \$20,000) amounted to \$29,670,738. Net operational services expenditure of \$4,036,555 represented 13.60 per cent and administrative expenditure of \$2,253,159 7.59 per cent of the net total expenditure. The table below sets out a comparison with the years 1962, 1963 and 1964.

TABLE 5. RATIO OF EXPENDITURE ON ASSISTANCE, OPERATIONAL SERVICES AND ADMINISTRATION TO TOTAL EXPENDITURE

	1962		1963		1964		1965	
	\$	Per cent	\$	Per cent	\$	Per cent	\$	Per cent
Programme expenditure ..	25,263,745	84.48	33,035,385	86.25	33,458,861	85.39	23,381,024	78.81
Operational services (net)	2,761,403	9.24	3,223,344	8.42	3,682,918	9.40	4,036,555	13.60
	<u>28,025,148</u>	<u>93.72</u>	<u>36,258,729</u>	<u>94.67</u>	<u>37,141,779</u>	<u>94.79</u>	<u>27,417,579</u>	<u>92.41</u>
Administrative expenditure (net) .....	1,879,032	6.28	2,043,399	5.33	2,043,807	5.21	2,253,159	7.59
TOTAL	<u>29,904,180</u>	<u>100.00</u>	<u>38,302,128</u>	<u>100.00</u>	<u>39,185,586</u>	<u>100.00</u>	<u>29,670,738</u>	<u>100.00</u>

32. The exceptional rise in programme expenditure in 1963 and 1964, as a result of the Board's revision of UNICEF's financial policy, produced declines in the ratio of administrative expenditure to total spending, despite increases in salaries and related costs which resulted in higher absolute administrative expenses. Reduced over-all expenditures and further increases in salaries and related costs raised the ratio to a higher level in 1965 than it was in 1962.

33. The costs of operational services followed somewhat along the same lines and increased even further, partly as a consequence of the increased operational activities required for the new types of UNICEF-assisted projects.

34. *Ex gratia payments.* In accordance with the requirements of financial rule 110.13 the following statement is submitted:

On termination of the agreement between the Government of the Republic of Indonesia and UNICEF the Country Office of UNICEF in Djakarta was closed in February 1965 and thirty-four locally recruited staff

members were dismissed. In certain cases termination indemnities were paid for compassionate reasons in excess of those stipulated in the Staff Rules. The amount involved was non-convertible Indonesian rupiahs 4,800,000 which, at the operational rate of exchange at the time (I.Rup. 517.50 = \$US1.00), gave a United States dollars equivalent of \$9,275.36. The payments in question were made from funds held by the Djakarta Office from the sale of obsolete UNICEF supplies, the balance of which funds was handed over to the Indonesian Government on closure of the office.

(Signed) Henry R. LABOUISSSE  
*Executive Director*

18 March 1966

## Appendices

### I. Allocations

The table below gives a comparison in summary form of the allocations made by the Executive Board in the years 1963, 1964 and 1965 and the year-end balances of unfulfilled allocations:

TABLE 6  
(In US dollars)

	1963	1964	1965
Unfulfilled balances of allocations 1 January .....	38,833,003	26,779,626	47,638,665
Allocations made .....	27,944,681	61,500,271	33,708,385
Allocations cancelled .....	(1,114,079)	(817,176)	(1,275,023) <sup>a</sup>
	65,663,605	87,462,721	80,072,027
Less:			
Total expenditure .....	38,883,979	39,824,056	30,337,920
Unfulfilled balances of allocations 31 December ..	26,779,626	47,638,665	49,734,107

<sup>a</sup> E/ICEF/528/Rev.1, annex VI.

The following table gives a summary of 1965 allocations by programme and geographical area:

TABLE 7. SUMMARY OF ALLOCATIONS APPROVED BY THE EXECUTIVE BOARD IN 1965 BY PROGRAMME AND GEOGRAPHICAL AREA  
(In US dollars)

	Africa	East Asia and Pakistan	South Central Asia	Eastern Mediterranean	Europe	The Americas	Inter- regional	Total	Per cent
<b>LONG-RANGE AID</b>									
Health .....	1,699,793	2,667,662	3,457,458	2,293,501	40,835	4,542,233	15,000	14,716,482	62.72
Health services .....	1,398,793	1,721,662	1,988,458	776,384	40,000	883,500	15,000	6,823,797	29.08
Disease control .....	301,000	946,000	1,469,000	1,517,117	835	3,658,733	—	7,892,685	33.64
Malaria .....	75,000	35,000	268,000	1,352,000	—	3,658,000	—	5,388,000	22.97
BCG anti-tuberculosis vaccination .....	—	353,300	115,000	—	—	733	—	469,033	2.00
Other tuberculosis control .....	—	245,700	745,000	76,000	835	—	—	1,067,535	4.55
Trachoma .....	78,000	137,000	199,000	13,000	—	—	—	427,000	1.82
Leprosy .....	148,000	175,000	142,000	—	—	—	—	465,000	1.98
Other diseases .....	—	—	—	76,117	—	—	—	76,117	0.32
Nutrition .....	625,100	32,000	985,000	93,000	415,424	206,400	334,000	2,690,924	11.47
Applied nutrition .....	258,800	32,000	985,000	93,000	115,000	206,400	234,000	1,924,200	8.20
Milk conservation .....	366,300	—	—	—	300,424	—	—	666,724	2.84
High-protein food development ..	—	—	—	—	—	—	100,000	100,000	0.43
Family and child welfare .....	248,300	123,000	15,000	98,000	—	92,000	—	576,300	2.46
Education .....	1,832,900	467,000	1,101,000	233,000	14,000	393,000	—	4,040,900	17.22
Vocational training .....	141,800	—	222,000	—	35,000	—	—	398,800	1.70
Other .....	—	—	—	—	—	145,000	549,306	694,306	2.96
TOTAL, for long-range aid .....								23,462,785	100.00
<b>EMERGENCY AID</b> .....								345,073	1.47
								23,462,785	100.00
<b>FREIGHT</b> .....								3,100,000	
TOTAL, for programme aid .....								26,562,785	
Estimated operational services for second semester of 1965 and first semester of 1966 .....								4,733,850	
Estimated administrative costs for second semester of 1965 and first semester of 1966 .....								2,411,750	
								<b>GRAND TOTAL, ALLOCATIONS</b>	<b>33,708,385</b>

## II. Programme expenditures

The expenditures on programmes in 1965 amounted to \$23,381,024. The following table gives a breakdown of these expenditures by programme, as compared with expenditures in the two previous years:

TABLE 8. PROGRAMME EXPENDITURES BY PROGRAMME, 1963, 1964, 1965 (INCLUDING FREIGHT AS PART OF THE EXPENDITURE FOR THE RESPECTIVE PROGRAMMES)

	1963	1964	1965
<i>(In thousands of US dollars)</i>			
A. LONG-RANGE AID			
Health	19,099.5	22,493.8	16,288.3
Health services	10,050.1	11,797.1	7,966.6
Disease control			
Malaria:			
Campaigns	5,411.4	7,264.4	5,748.7
DDT production	102.9	—	—
BCG anti-tuberculosis vaccination	373.9	389.9	171.5
Other tuberculosis control	1,485.7	1,091.3	1,222.0
Yaws/VD	218.4	78.3	66.9
Trachoma	652.7	843.9	571.0
Leprosy	728.2	868.9	355.7
Polyvalent disease control	—	11.8	47.3
Other diseases	71.2	148.2	138.6
Production			
Penicillin	5.0	—	—
	9,049.4	10,696.7	8,321.7
Nutrition			
Child feeding	552.2	270.3	620.9
Applied nutrition	2,661.4	2,880.0	2,095.4
Milk conservation	3,385.0	2,298.0	1,175.1
High-protein food development	167.6	236.4	176.6
Other nutrition	2.3	8.3	4.1
	6,768.5	5,693.0	4,072.1
Family and child welfare	537.3	1,058.1	939.0
Education	958.8	2,161.7	2,799.2
Vocational training	208.7	396.8	287.1
Planning for children and youth	—	79.5	124.7
Country planning and programme development	66.6	119.7	91.0
TOTAL, long-range aid	27,639.4	32,002.6	24,601.4
B. EMERGENCY AID	713.2	602.8	292.0
TOTAL, long-range and emergency aid	28,352.6	32,605.4	24,893.4
C. UNDISTRIBUTED CHARGES	4,682.8	853.5	(1,512.4)
TOTAL PROGRAMME EXPENDITURES	33,035.4	33,458.9	23,381.0

By main types of supplies and services, these expenditures were as follows:

TABLE 9. PROGRAMME EXPENDITURES 1963, 1964, 1965 BY MAIN TYPE OF SUPPLY

	1963	1964	1965
<i>(In thousands of US dollars)</i>			
DDT	3,603.6	3,692.1	3,149.4
Dieldrin	147.9	5.1	2.0
Transport—vehicles	4,815.5	6,104.8	3,612.4
Vitamin A and D capsules and vitaminization of skim milk	653.3	574.0	396.8
Foods, miscellaneous	258.8	334.3	161.8

TABLE 9 (continued)

	1963	1964	1965
Penicillin .....	52.8	31.9	53.1
Textiles and blankets .....	56.9	80.6	(0.3)
Soap .....	140.3	73.8	90.3
Whole milk .....	150.7	136.4	49.7
Equipment and supplies (other than above)			
Health services and family and child welfare ....	4,953.3	6,403.3	4,069.1
Disease control .....	2,713.3	2,959.1	2,543.6
Milk conservation and high-protein food development .....	2,949.7	1,863.2	1,035.4
Education and vocational training .....	573.2	1,286.4	1,150.2
Miscellaneous .....	957.5	1,189.5	755.8
Advisory services .....	2,984.7	4,581.1	5,225.7
TOTALS, excluding freight	25,011.5	29,315.6	22,295.0
Undistributed charges .....	4,681.1	853.5	(1,512.4)
Freight:			
On powdered milk .....	970.9	711.0	944.4
On other supplies .....	2,371.9	2,578.8	1,654.0
TOTALS, including freight	33,035.4	33,458.9	23,381.0

### III. Bulk commodities

The main types of bulk commodities shipped in 1965 are given in the table below together with comparative figures for 1963 and 1964:

TABLE 10. BULK COMMODITIES (MAIN TYPES)

	1963	1964	1965
<i>(In thousands of pounds)</i>			
DDT (75 per cent and 100 per cent) .....	18,125.2	20,025.5	16,388.0
Dieldrin .....	170.2	4.5	76.1
Soap .....	2,101.0	1,023.2	1,010.6
Skim milk .....	36,397.1	18,441.6	15,221.7
Skim milk fortified .....	20,893.7	8,230.9	18,049.3
Whole milk .....	996.6	915.5	674.7
<i>(In thousands of capsules)</i>			
Vitamins A and D .....	314,757.5	359,781.0	175,475.0
<i>(In thousands of vials)</i>			
Penicillin .....	498.3	286.0	309.0

### IV. Milk

The quantities of powdered milk shown in table 10 above were supplied free to UNICEF for distribution through maternal and child welfare centres and schools, and are additional to the values of supplies and equipment sent to assisted countries as detailed in schedule E (except for the 31,032 pounds of purchased whole milk referred to below).

The United States Government provided 24,224,659 pounds of powdered skim milk and 9,046,300 pounds of vitamin fortified powdered skim milk from surplus stocks, free of cost at port of exit. Ocean freight on the milk (\$906,277) was paid by UNICEF as were the costs of vitaminizing 9,002,964 pounds of skim milk (\$162,708).

The Government of Switzerland donated, free ex plant, 639,778 pounds of powdered whole milk, the packing and freight costs for which (\$78,410) were paid by UNICEF. A further 3,900 pounds of powdered whole milk were received from funds collected in the United Kingdom for this purpose.

To complete programme requirements for powdered whole milk, 31,032 pounds were purchased in 1965.

### V. Internal matching

The provision by Governments of local funds, facilities, services, supplies, personnel and other resources for the execution of programmes aided by UNICEF is known as "internal matching". For allocations made by UNICEF in 1965 totalling \$33.7 million the assisted Governments undertook to spend \$78.7 million, as shown in the following table:

TABLE 11. INTERNAL MATCHING  
(In thousands of US dollars)

	UNICEF allocations	Internal matching by Governments
I. <i>Programme assistance</i>		
Africa .....	4,559	16,008
East Asia and Pakistan .....	3,298	9,602
South Central Asia .....	5,781	13,934
Eastern Mediterranean .....	2,993	12,352
Europe .....	505	1,985
The Americas .....	5,379	24,385
Assistance benefiting more than one region .....	4,048	400
	26,563	78,666
II. <i>Estimated operational services costs for second semester of 1965 and first semester of 1966 .....</i>	4,733	—
III. <i>Estimated administrative costs for second semester of 1965 and first semester of 1966 .....</i>	2,412	—
GRAND TOTAL	33,708	78,666

In 1965 for each dollar allocated by UNICEF, the assisted Governments spent, or agreed to spend at a later date, an average of \$2.33.

#### VI. Financial policy

For information purposes, set out below are the guidelines of the financial policy which was adopted by the Executive Board in June 1961 (E/ICEF/431, paras. 165-170) and reviewed in June 1963 (E/ICEF/469, para. 14), and January 1964 (E/ICEF/492, para. 172):

(a) \$25 million should be accepted as the target level for the operating fund (surplus of assets over liabilities), with the expectation that the amount would fluctuate between \$20 million and \$30 million.

(b) Outstanding commitments should not exceed \$30 million for any future year.

(c) Allocations in future should be based on resources foreseen up to the time of the next Board session, with any error of estimate to be corrected in the following period.

At its June 1965 session, the Executive Board decided it was no longer necessary to review annually its financial policies (E/ICEF/528/Rev.1, para. 31).

### C. REPORT OF THE BOARD OF AUDITORS

1. The Executive Director of the United Nations Children's Fund submitted the following statements for certification by the Board of Auditors:

- I. Statement of assets and liabilities;
- II. Statement of income and expenditure;
- III. Statement of budgetary authorizations, obligations incurred and unobligated balances of authorizations, administrative costs and costs of operational services.

2. The above statements for the year ended 31 December 1965 were examined as per our instructions and were found to be in accordance with the books and records of the Fund.

3. As stated in the Board of Auditors' report for 1964, the poor quality of DDT used by UNICEF for the malaria eradication programme has constituted a serious problem, both from a scientific and economic point of view. In 1965, an amount of \$5,388,000 was assigned by the Executive Board of UNICEF to the world malaria campaigns. The UNICEF Administration, after consultation with various specialized agencies, has now recognized the existence of this problem and is presently engaged in applying some of the necessary remedial measures, although these are reported not to have progressed "as fast as originally anticipated".

4. However, the Board considers that other measures should still be taken by the Administration in order to be in a position to evaluate the problem better and provide for its solution. The Board wishes to suggest that the following measures, among others, be considered:

(a) To agree with the Governments of all the assisted countries on a system of selective tests, through which the necessary suspensibility of the product can be ascertained at the time of its utilization in the field;

(b) To provide that utilization of the product be made within the manufacturers' guarantee period, so as to ensure the validity of claims that may be necessary to file with the producer of DDT.

5. The Board is appreciative of the co-operation received.

(Signed) Mushtaq AHMAD, *Pakistan*  
Agustin ALJURE, *Colombia*  
Roger PELTOT, *Belgium*





**Part II**  
**UNICEF GREETING CARD FUND**



## A. FINANCIAL REPORT FOR THE YEAR 1 SEPTEMBER 1964 TO 31 AUGUST 1965

### Summary

1. The financial statements of the UNICEF Greeting Card Fund for the financial year 1 September 1964 to 31 August 1965, covering the 1964 sales campaign, are presented herewith. They comprise the following statements:

- I. Statement of assets and liabilities as at 31 August 1965;
- II. Statement of income and expenditure for the financial year from 1 September 1964 to 31 August 1965;
- III. Statement of budgetary authorizations, obligations incurred and unobligated balances of authorizations for the financial year ended 31 August 1965.

2. As mentioned in previous reports, the Greeting Card Fund produces greeting cards and an engagement calendar from designs contributed by contemporary artists and illustrators of many nationalities. They acquaint people throughout the world with UNICEF, raise money for its assistance to child care programmes and exhibit to the public the designs of other countries. Many designs are related to children and reflect some of the common elements of the life of children everywhere. The cards and calendars are sold through the efforts of national committees and other voluntary agencies by mail order and direct sale.

3. In the 1964 campaign, sixteen different boxes were offered for sale containing a total of twenty-one new designs by fifteen artists. Approximately 37.8 million cards and 342,147 calendars were sold as compared with 30.6 million cards and 222,867 calendars sold in 1963. The 1964 campaign brought a net income of \$2.17 million (as compared with \$1.7 million in 1963). Preliminary estimates for the 1965 campaign indicate that 45 million cards and 400,000 calendars were sold, bringing a net income of \$2.8 million.

4. The following tabulation shows the volume of sales, gross income, costs and net income of the Greeting Card Fund over the three years 1962 to 1964:

TABLE 1. SALES, COSTS AND INCOME OF THE GREETING CARD FUND 1962-1964

Campaign year <sup>a</sup>	Number of cards sold (1)	Gross income <sup>b</sup> (less commission, duties and taxes) (2)	Costs of production, promotion and administration (3)	Net income (4)
		US dollars	US dollars	US dollars
1962 .....	26,415,000	2,623,051	1,010,168	1,612,883
1963 .....	30,575,000	2,973,982	1,242,658	1,731,324
1964 .....	37,768,000	3,707,317	1,539,952 <sup>c</sup>	2,167,365

<sup>a</sup> In these years, the "campaign year" ended on 31 August of the following calendar year.

<sup>b</sup> Includes: cards, the book "The Children Come Running" (see para. 16), engagement calendar (see paras. 2 and 16), interest on investments and other miscellaneous income (see para. 17).

<sup>c</sup> As the end-August 1965 inventory exceeded by \$33,259 the value of the inventory 12 months earlier, this amount has been deducted from the 1964 production costs.

5. The following table shows the breakdown of sales as between countries in 1962, 1963 and 1964 and the percentage of increase or decrease in sales in the 1964 campaign over that for 1963.

TABLE 2. SALES OF GREETING CARDS, BY AREA AND COUNTRY, 1962-1964

Country	1962		1963		1964		Increase of sales in 1964 over 1963 (per cent)
	Number of cards sold	Sales as per cent of total	Number of cards sold	Sales as per cent of total	Number of cards sold	Sales as per cent of total	
North America							
United States of America .....	10,556,988	40.0	12,615,400	41.3	16,152,420	42.8	28.0
Canada .....	2,360,935	8.9	3,782,904	12.4	4,501,367	11.9	19.0
Europe							
United Kingdom of Great Britain and Northern Ireland .....	2,971,663	11.3	2,898,749	9.5	3,084,581	8.2	6.4
Federal Republic of Germany ....	1,416,571	5.4	1,633,027	5.3	2,021,772	5.4	23.8

TABLE 2. (continued)

Country	1962		1963		1964		Increase of sales in 1964 over 1963 (per cent)
	Number of cards sold	Sales as per cent of total	Number of cards sold	Sales as per cent of total	Number of cards sold	Sales as per cent of total	
France .....	1,144,036	4.3	1,081,120	3.5	1,562,450	4.1	44.5
Denmark .....	697,264	2.6	890,442	2.9	1,127,667	3.0	26.6
Sweden .....	758,030	2.9	788,590	2.6	1,059,078	2.8	34.3
Netherlands .....	845,110	3.2	858,890	2.8	934,200	2.5	8.8
Switzerland .....	690,380	2.6	684,480	2.2	850,360	2.2	24.2
Norway .....	750,287	2.8	617,478	2.0	796,806	2.1	29.0
Other European countries .....	940,484	3.6	1,314,250	4.3	1,688,731	4.5	28.5
Australia and New Zealand .....	936,150	3.5	1,062,221	3.5	1,182,521	3.1	11.3
Asia .....	1,113,247	4.2	1,085,353	3.5	1,151,401	3.0	6.1
Middle and South America .....	691,533	2.6	848,343	2.8	1,088,371	2.9	28.3
Africa and Eastern Mediterranean ..	542,033	2.1	413,868	1.4	566,207	1.5	36.8
TOTALS	26,414,711	100.0	30,575,115	100.0	37,767,932	100.0	23.5

### Assets and liabilities as of 31 August 1965

#### ASSETS

6. Funds with banks amounted to \$13,820.
7. Investments consisted of a deposit of \$420,000 in a bank account, bearing interest at 4 per cent *per annum*.
8. Accounts receivable at 31 August 1965 totalled \$1,606,298, of which \$1,366,042 had been collected by December 1965.
9. Inventories of cards and books were valued at \$100,655 (cards \$93,610; books \$7,045), based on average production costs less depreciation.
10. Prepaid expenses amounted to \$980,397, of which \$980,087 was in respect of the 1965 campaign, and \$310 in respect of the 1966 campaign. The expenses for the 1965 campaign consisted of \$629,424 for the production of cards, \$76,251 for the production of calendars, \$152,141 for the printing of brochures, \$40,757 for duties and taxes and \$81,514 in miscellaneous costs (posters, promotion kits, other publicity material and certain equipment used for production purposes). The prepaid expenses for the 1966 campaign were in respect of paper and publicity material for the production of sample cards.

#### LIABILITIES

11. Accounts payable and other unliquidated obligations totalling \$21,771 comprised the following items:

	US dollars
(a) Refunds due to staff members for federal and state income taxes .....	7,124
(b) Obligations outstanding in respect of staff, production, and promotion and publicity costs .....	14,593
(c) Amounts due to sundry creditors .....	54

12. The surplus of assets over liabilities, \$3,099,400, consisted of the working capital of \$932,035 brought forward from the 1963 campaign, and the net profit of \$2,167,365 earned in the campaign under review. Under the authority of the Executive Director, a sum of \$2,000,000 was transferred in September 1965 to the general resources of UNICEF, leaving a balance of \$1,099,400 to be used as working capital for the 1965 campaign.

### Working capital and transfers to the general resources of UNICEF

13. At its September 1959 session, the Executive Board, on the recommendation of the Committee on Administrative Budget, authorized the Executive Director to finance the approved budget of the Greeting Card Fund from the net income of the previous year's campaign and to transfer to the general resources of UNICEF any surplus of income remaining over and above the authorized budgetary estimates. The Board also agreed that this procedure should be followed in subsequent years (E/ICEF/391/Rev.1, para. 197).

14. The table below shows, for the three years 1962 to 1964, the working capital at the beginning of each financial year, the net income during the year, transfers to the general resources of UNICEF and the working capital retained for the campaign in the following year.

TABLE 3. WORKING CAPITAL, NET INCOME AND TRANSFERS TO THE GENERAL RESOURCES OF UNICEF, 1962-1964

(In US dollars)

Campaign year	Working capital at beginning of the financial year (1)	Net income during the year (2)	Surplus of assets over liabilities at end of the financial year (column (1) plus (2)) (3)	Transfer to general resources of UNICEF <sup>a</sup> (4)	Working capital for following year (5)
1962 .....	687,828	1,612,883	2,300,711	1,400,000	900,711
1963 .....	900,711	1,731,324	2,632,035	1,700,000	932,035
1964 .....	932,035	2,167,365	3,099,400	2,000,000	1,099,400

<sup>a</sup> These amounts are shown in UNICEF accounts in the subsequent calendar year.

## Income and expenditure

### INCOME

#### *Income from sales of greeting cards*

15. During the 1964 campaign the equivalent of \$3,314,645 was realized from sales of cards in all countries (gross proceeds \$4,421,863, less commissions totalling \$1,107,218—or 25.04 per cent of the gross proceeds) for the 37,767,932 cards sold. The highest sales were in the United States of America (16,152,420 cards), Canada (4,501,367 cards) and the United Kingdom (3,084,581 cards). As in previous campaigns, the sale of greeting cards in the United States was the responsibility of the United States Committee for UNICEF, and the campaign in Canada was conducted by the National UNICEF Committee of the United Nations Association in Canada. In the United Kingdom, the 1964 campaign was the first to be conducted by the United Kingdom Committee for UNICEF. The campaign is conducted by national committees in many countries; in others, sales are made by the Greeting Card Fund directly. The able co-operation of the national committees and of a great number of voluntary organizations all over the world contributes greatly to the success of the campaigns.

#### *Income from sales of calendars and books*

16. During the 1964 campaign, the third edition of the engagement calendar was produced and sold. Sales were made primarily in the United States of America, Canada, the United Kingdom and the Netherlands and realized a total of \$428,576 (gross proceeds \$579,425, less commissions totalling \$150,849) for the 342,147 calendars sold. In view of the success of the engagement calendar sales for the third year, future plans call for its production as a continuing feature. Sales of the book *The Children Come Running*<sup>1</sup> continued in 1964 and realized a total of \$607 (gross proceeds \$895, less commissions totalling \$288) for the 707 books sold. The production costs and the proceeds of sale, are divided equally between the Greeting Card Fund and the Revolving Fund for UNICEF Public Information.

17. Interest on investments and other income totalled \$33,063, including:

(a) Interest on investments (\$11,873);

(b) Other income (\$21,190), consisting of income from the staff assessment plan (\$11,234) and sundry receipts (\$9,956).

### EXPENDITURE

18. About 44 per cent of the cost of production of the greeting cards was incurred for printing cards in sheet form and about 56 per cent for collating them with envelopes in boxes. During the 1964 campaign, 52,931,509 cards were printed as against 41,623,975 in 1963. Approximately 61 per cent were printed in the United States, 19 per cent in Denmark, 14 per cent in Canada, 4 per cent in the United Kingdom, and 2 per cent in Switzerland. Of the 40,300,220 cards collated, approximately 49 per cent were handled in the United States, 27 per cent in Denmark, 15 per cent in Canada and 9 per cent in the United Kingdom. Table 4 below shows the unit cost per card sold.

<sup>1</sup> This book, published in 1960, contains reproductions of greeting card designs sold over the years and a text contributed by Elizabeth Coatsworth.

TABLE 4. UNIT COST PER CARD SOLD, 1962-1964

(In US currency)

	1964 campaign		1963 campaign		1962 campaign	
	37,767,932 cards sold		30,575,115 cards sold		26,414,711 cards sold	
	Total expenditure <sup>a</sup> \$	Cost per card (cents)	Total expenditure <sup>a</sup> \$	Cost per card (cents)	Total expenditure <sup>a</sup> \$	Cost per card (cents)
Staff costs .....	144,125	0.38	170,891	0.56	143,790	0.54
Productions costs .....	805,342 <sup>b</sup>	2.13	637,342 <sup>c</sup>	2.08	519,720	1.97
Promotion costs and other expenses .....	412,270	1.09	323,684 <sup>d</sup>	1.06	295,736	1.12
	1,361,737	3.60	1,131,917	3.70	959,246	3.63

<sup>a</sup> Excluding payments of duties and taxes.<sup>b</sup> Consists of the value of inventory at 1 September 1964 (\$60,679), plus production costs for the period 1 September 1964 to 31 August 1965 (\$838,273), less the value of inventory at 31 August 1965 (\$93,610).<sup>c</sup> Consists of the value of inventory at 1 September 1963 (\$37,891), plus production costs for the period 1 September 1963 to 31 August 1964 (\$660,130), less the value of inventory at 31 August 1964 (\$60,679).<sup>d</sup> After deducting the value of the cost of posters (\$361) for promotion of the book *The Children Come Running*.

### Inventory as of 31 August 1965

19. As shown in tables 1 and 2 above, sales have increased substantially over the years. A broader selection of designs, combined with an increasing number of sales outlets, has resulted in large stocks spread throughout the world. At 31 August 1965, the total inventory amounted to 33,481,188 cards,<sup>2</sup> as compared with the inventory at 31 August 1964 of 21,170,663 cards. The major portion of the inventory was held in Europe and the United States. Losses in transit, shortages and free issues (samples) totalled 1,629,934 cards (approximately 2.2 per cent of the total cards to be accounted for). A total of 174,018 cards of old designs were found to be unmarketable and were destroyed. Inventories at 31 August 1965 were valued at \$100,655, of which \$93,610 was in respect to cards<sup>2</sup> and \$7,045 in respect of stocks of the book *The Children Come Running*. This valuation was based on average production costs less depreciation, which was taken at 80 per cent, reflecting an estimate that 20 per cent of the remaining cards may be sold in future campaigns.

### Contingent liabilities

20. At 31 August 1965, unfulfilled contracts placed with suppliers in regard to the 1965 campaign (\$219,424) and the 1966 campaign (\$185,493) totalled \$404,917.

### Budgetary authorizations, obligations incurred and unobligated balances of authorizations

21. The Executive Board at its session in June 1964 approved the budget estimates of the Greeting Card Fund for the twelve-month period 1 September 1964 to 31 August 1965, totalling \$1,400,850 (gross), and authorized the Executive Director to spend an additional amount of up to 15 per cent of the gross budget, if necessary, to meet unpredictable costs of production and distribution, should they occur (E/ICEF/500, para. 75). Owing to an increased expectation of sales of cards and calendars (see E/ICEF/AB/L.50, para. 12), it was necessary for the Executive Director to act on this authorization, and to increase the gross budget from \$1,400,850 to \$1,610,978. Obligations incurred during the financial year amounted to \$1,573,211 leaving unobligated balances of authorizations totalling \$37,767; the balance of the allocation is therefore no longer required and has been cancelled.

22. The approved budget for the 1964 campaign provided for sixteen established posts, nine in New York and seven in London. During the sales season, additional temporary staff was employed when the volume of sales warranted it.

(Signed) Henry R. LABOUISSÉ  
Executive Director

31 January 1966

<sup>2</sup> Apart from 2,240,780 cards in sheet form, printed in 1964 and prior years, recorded as of no value.

# B. FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 1 SEPTEMBER 1964 TO 31 AUGUST 1965

Statement I

## UNICEF Greeting Card Fund

### Assets and liabilities as of 31 August 1965

(In US dollars)

ASSETS		LIABILITIES	
	\$		\$
Cash on hand and at banks .....	13,819.95	Accounts payable and other unliquidated obligations .....	21,770.52
Investments .....	420,000.00	Working capital:	
		Balance as at 1 September 1964 .....	2,632,035.35
Accounts receivable:		Less: Transfer to UNICEF .....	1,700,000.00
UNICEF .....	1,041,076.41		932,035.35
UNICEF national committees .....	548,468.79	Add: Excess of income over expenditure for	
Miscellaneous .....	16,752.65	the financial year ended 31 August 1965	
		as per statement of income and expenditure	
Inventories .....	100,655.45	(statement II below) .....	2,167,364.84
Prepaid expenses .....	980,397.46		3,099,400.19
	3,121,170.71		3,121,170.71

CERTIFIED CORRECT  
(Signed) Stanley SROKA  
Comptroller

APPROVED  
(Signed) Henry R. LABOUISE  
Executive Director

### AUDIT CERTIFICATE

The above statement of assets and liabilities has been examined in accordance with our directions. We have obtained all the information and explanations that we have required, and we certify, as a result of the audit, that, in our opinion, the above statement is correct.

(Signed) Mushtaq AHMAD, Pakistan  
A. ALJURE, Colombia  
R. PELTOT, Belgium



## UNICEF Greeting Card Fund

Income and expenditure for the financial year 1 September 1964 to 31 August 1965

(In US dollars)

Proceeds of sale:		
Greeting cards .....	4,421,863.41	
Calendars .....	579,424.76	
Books .....	895.18	
	<hr/>	
	5,002,183.35	
Less commission .....	1,258,354.96	3,743,828.39
	<hr/>	
Cost of goods sold:		
Inventories—1 September 1964 .....	67,396.80	
Production costs .....	1,016,816.04	
	<hr/>	
	1,084,212.84	
Less inventories—31 August 1965 .....	100,655.45	983,557.39
	<hr/>	
		<hr/>
	<i>Gross profit on sales</i>	2,760,271.00
Staff costs .....	144,124.81	
Sales promotion costs and other expenses .....	412,269.81	
Duties and taxes .....	69,574.34	625,968.96
	<hr/>	
	<i>Net operating income</i>	2,134,302.04
Interest on investments .....	11,872.88	
Other income .....	21,189.92	33,062.80
	<hr/>	
	<i>Excess of income over expenditure</i>	<hr/> <hr/> 2,167,364.84

CERTIFIED CORRECT

(Signed) Stanley SROKA  
Comptroller

APPROVED

(Signed) Henry R. LABOUISSSE  
Executive Director

## AUDIT CERTIFICATE

The above statement of income and expenditure has been examined in accordance with our directions. We have obtained all the information and explanations that we have required, and we certify, as a result of the audit, that, in our opinion, the above statement is correct.

(Signed) Mushtaq AHMAD, Pakistan  
A. ALJURE, Colombia  
R. PELTOT, Belgium

## UNICEF Greeting Card Fund

**Budgetary authorizations, obligations incurred and unobligated balances of authorizations for the financial year ended 31 August 1965**

(In US dollars)

	Budgetary authorizations \$	Obligations incurred \$	Unobligated balances of authorizations \$
<i>Chapter I. Staff costs</i>			
Salaries and wages .....	135,150.00	129,398.47	5,751.53
Contributions, Staff Pension Fund .....	12,200.00	10,735.78	1,464.22
Dependency allowances .....	3,050.00	2,844.82	205.18
Contributions medical and social insurances .....	1,600.00	1,145.74	454.26
	<u>152,000.00</u>	<u>144,124.81</u>	<u>7,875.19</u>
<i>Chapter II. Production costs</i>			
Greeting cards .....	841,000.00	838,272.86	2,727.14
Calendars .....	180,000.00	178,543.18	1,456.82
	<u>1,021,000.00</u>	<u>1,016,816.04</u>	<u>4,183.96</u>
<i>Chapter III. Sales promotion costs and other expenses</i>			
Brochures printing .....	146,000.00	145,335.94	664.06
External and internal audit costs .....	8,000.00	8,000.00	—
Freight .....	96,600.00	94,965.03	1,634.97
Maintenance, operation and rental of premises .....	58,128.00	53,959.51	4,168.49
Miscellaneous .....	13,700.00	11,459.25	2,240.75
Office equipment .....	6,200.00	3,078.22	3,121.78
Other equipment .....	4,400.00	4,370.24	29.76
Packing and mailing services .....	2,500.00	2,161.44	338.56
Postage .....	9,200.00	8,669.78	530.22
Publicity and promotion .....	40,250.00	36,495.04	3,754.96
Stationery and office supplies .....	3,700.00	3,388.01	311.99
Storage .....	38,500.00	30,462.25	8,037.75
Telephone and cables .....	2,800.00	2,711.18	88.82
Travel on official business .....	8,000.00	7,213.92	786.08
	<u>437,978.00</u>	<u>412,269.81</u>	<u>25,708.19</u>
GRAND TOTAL	<u>1,610,978.00</u>	<u>1,573,210.66</u>	<u>37,767.34</u>

CERTIFIED CORRECT

(Signed) Stanley SROKA  
Comptroller

APPROVED

(Signed) Henry R. LABOUISSIE  
Executive Director

## AUDIT CERTIFICATE

The above statement of budgetary authorizations, obligations incurred and unobligated balances of authorizations has been examined in accordance with our directions. We have obtained all the information and explanations that we have required, and we certify, as a result of the audit, that, in our opinion, the above statement is correct.

(Signed) Mushtaq AHMAD, Pakistan  
A. ALJURE, Colombia  
R. PELTOT, Belgium

### C. REPORT OF THE BOARD OF AUDITORS

1. The Executive Director of the United Nations Children's Fund submitted the following statements for certification:

- I. Statement of assets and liabilities;
- II. Statement of income and expenditure;
- III. Statement of budgetary authorizations, obligations incurred and unobligated balances of authorizations for the financial year ended 31 August 1965.

2. As reported last year, a consultant expert on management undertook a study of the Fund's operation and structural organization. To this date, however, such study has been limited to a "review of UNICEF forecasting activity and United States Committee order handling procedures". The Board of Auditors, in its report for the period 1 September 1962-31 August 1963, had recommended the appointment of a committee of experts to undertake a detailed study of "all aspects of the Fund's operation".

The Greeting Card Fund has grown and developed into an important commercial enterprise which is bringing in substantial funds that are ultimately transferred to UNICEF. However, the Fund's present internal organization suffers from inadequate accounting systems and procedures, lack of proper stock control, deficiencies in the system of receipt and delivery of goods, a shortage of qualified personnel to attend to the various activities, and, in a number of cases, from poor observance of regulations in ordering payments without proper vouchers of delivery or of receipt of goods.

4. The Board is appreciative of the co-operation and assistance received from all UNICEF and Greeting Card Fund staff.

(Signed) Mushtaq AHMAD, *Pakistan*  
AGUSTIN ALJURE, *Colombia*  
Roger PELTOT, *Belgium*



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