

UNITED NATIONS
FUND FOR POPULATION ACTIVITIES

FINANCIAL REPORT
and
AUDITED FINANCIAL STATEMENTS
for the year ended 31 December 1979
and
REPORT OF THE BOARD OF AUDITORS

GENERAL ASSEMBLY

OFFICIAL RECORDS: THIRTY-FIFTH SESSION

SUPPLEMENT No. 5G (A/35/5/Add.7)



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UNITED NATIONS

New York, 1980

NOTE

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LETTERS OF TRANSMITTAL

30 April 1980

Sir,

Pursuant to financial regulation 15.1, as amended, I have the honour to submit the annual accounts of the United Nations Fund for Population Activities as at 31 December 1979, which I hereby approve.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

Accept, Sir, the assurances of my highest consideration.

(Signed) Rafael M. SALAS
Executive Director of the
United Nations Fund for
Population Activities

The Chairman of the Board of Auditors
United Nations
New York

12 June 1980

Sir,

I have the honour to transmit to you the financial statements of the United Nations Fund for Population Activities as at 31 December 1979, which were submitted by the Executive Director. These statements have been examined and include the audit opinion of the Board of Auditors.

In addition to the above, I have the honour to present the report of the Board with respect to the United Nations Fund for Population Activities accounts for the year 1979.

Accept, Sir, the assurances of my highest consideration.

(Signed) J. J. MACDONELL
Auditor General of Canada
and Chairman of the United Nations
Board of Auditors

The President of the General Assembly
of the United Nations
New York, N.Y.

I. FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 1979

1. The Executive Director of the United Nations Fund for Population Activities has the honour to submit herewith the annual financial report of the United Nations Fund for Population Activities (UNFPA) for the year ended 31 December 1979 and the report of the Board of Auditors. The accounts consist of four statements supported by eight schedules accompanied by notes which are an integral part of the financial statements.

2. This submission is made in conformity with regulation 15.1, as amended, of the Financial Regulations and Rules of the United Nations Fund for Population Activities originally approved by the Governing Council of the United Nations Development Programme at its seventeenth session.

Participating and executing agency accounts

3. In accordance with UNFPA financial regulation 15.2, the UNFPA financial accounts include the accounts of the status of funds allocated to the participating and executing agencies for the execution of UNFPA activities in 1979.

As of the date of this report, the following participating and executing agencies have transmitted audited accounts to UNFPA:

International Labour Organisation (ILO)

World Health Organization (WHO)

The following participating and executing agencies have provided a statement of their accounts as submitted for audit:

Food and Agriculture Organization of the United Nations (FAO)

United Nations Educational, Scientific and Cultural Organization (UNESCO)

United Nations Children's Fund (UNICEF)

In respect of the following executing agencies, the UNFPA financial statements incorporate the information in respect of the 12-month period ended 31 December 1979 which is contained in the financial statements of the United Nations for the biennium 1978-1979, 1/ as submitted for audit:

United Nations

United Nations Industrial Development Organization (UNIDO)

Economic Commission for Latin America (ECLA)

Economic and Social Commission for Asia and the Pacific (ESCAP)

Should any changes be reported in the audited accounts of any of the participating and executing agencies, they will be reported to the General Assembly at its next

1/ Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 5 (A/35/5), vol. I, sect. IV, statement XIV, schedules 14.1, 14.2, 14.8 and 14.6.

session and to the Governing Council. The Executive Director will submit to a subsequent session of the Governing Council copies of the audited statements and reports, if any, of the participating and executing agencies and copies of any relevant resolutions adopted by their governing bodies, as required under UNFPA financial regulation 15.2.

Financial status of the Fund

4. As shown in statement III, on 1 January 1979, the unencumbered balance of the Fund was \$47,107,965, which consisted of \$21,039,025 in unspent 1978 allocations and \$26,068,940 in unallocated funds.

5. During 1979, UNFPA received income of \$117,081,923 and had expenditures of \$131,582,459, which resulted in an excess of expenditure over income of \$14,500,536 (statement I).

6. The balance of the Fund at 31 December 1979 was \$32,607,429, comprising \$25,340,305 of allocations for the 1979 programme, which remained unspent at year-end, and \$7,267,124 of unallocated funds, which are available to finance the 1980 annual programme (statement III).

1979 programme budget and expenditures

7. At its twenty-fifth session, the Governing Council gave to the Executive Director an approval authority for 1979 of \$120 million and subsequently, at the twenty-sixth session, the Governing Council increased the total approval authority for 1979 to \$136 million to meet the increased programme demand by utilizing unallocated funds available to UNFPA at 31 December 1978. Project allocations for the year 1979 amounted to \$148,964,652, which included the carry-over of unspent project allocations from the previous year in the amount of \$21,039,025. Allocations to the United Nations for overhead charges amounted to \$2,601,716 and allocations for the 1979 administrative and programme support budget were \$5,390,104, in accordance with the budget appropriations approved by the Governing Council for the administrative and programme support budget at its twenty-fifth session. Total allocations for the year 1979 were \$156,956,472 or 34.4 per cent higher than those for 1978.

8. Expenditures for 1979 totalled \$131,582,459 - an increase of 37.5 per cent over 1978 expenditures of \$95,699,314, reflecting the efforts to accelerate both programming and actual delivery. In 1979, \$123,624,347 was spent on project costs (including the cost of the UNFPA field co-ordinators' offices in the amount of \$3,736,623); \$2,601,716 was paid to the United Nations for over-head charges; and \$5,356,396 was spent on administrative and programme support services at Headquarters.

9. Calculated as the ratio of project expenditures to project allocations, project implementation rose from 81 per cent in 1978 to 83 per cent in 1979. Actual project expenditures had risen significantly in 1978, after a period of low implementation ratios in previous years, and this ratio increased again to a higher level in 1979.

Contributions for special population programmes

10. As authorized by the Governing Council at its seventeenth and twentieth sessions, UNFPA received contributions from several Governments which were designated for special population programmes. As indicated in schedule 6, in 1979 UNFPA received \$3,777,405 from two Governments for transfer to the International Planned Parenthood Federation. These transactions were performed at the request of the Governments concerned and the responsibility of UNFPA was limited solely to remitting the funds to the recipient. No accounting for the funds was performed by UNFPA in 1979.

Trust funds

11. The Governing Council, at its twenty-second session, authorized UNFPA to accept a trust fund established by the Government of Sweden to support a population programme in Mexico. At the beginning of 1979, the paid-in balance of the Trust Fund of the Government of Sweden was \$50,722, contributions received in 1979 amounted to \$606,796 and interest income to \$6,234; and thus the total funds available for programming during 1979 were \$663,752. The expenditures for the year amounted to \$456,594 and the balance in the trust fund at 31 December 1979 was \$207,158 (see schedule 7 below). The Swedish Trust Fund is in an amount of approximately \$2 million over a period of several years.

12. Schedule 7 also shows the financial status of a trust fund established by the Government of Norway to support basic population needs, studies in developing countries and other special population projects. This trust fund was authorized by the Governing Council in 1977. At the beginning of 1979, the paid-in balance of the Trust Fund of the Government of Norway was \$70,168, contributions received in 1979 amounted to \$1,663,544 and interest income to \$48,437; thus the total funds available for programming during 1979 were \$1,782,149. The expenditures for the year amounted to \$1,069,553 and the balance in the trust fund at 31 December 1979 was \$712,596.

Operational reserve

13. During 1979, UNFPA maintained a fully funded operational reserve of \$20 million as established by the Governing Council at its fifteenth session.

Response to the report of the Board of Auditors for 1979

14. In accordance with the practice commenced in 1974, the response to the report of the Board of Auditors on the 1979 UNFPA accounts and financial statements (sect. II below) is included in the following paragraphs. For ease of reference, the pertinent paragraph numbers are referred to in the same order as they appear in the report of the Board of Auditors.

Budgetary control (paras. 4-5)

15. UNFPA has agreed with the recommendations of the Board of Auditors and introduced a revised system with prescribed time-limits for submission of project delivery reports. Steps have been taken to ensure timely submission of the reports by the executing and participating agencies, and procedures for timely follow-up and review of the reports are being put into effect by UNFPA.

Disclosure of fixed assets (para. 6)

16. Beginning with 1980, UNFPA could provide, if required, the value of fixed assets in a note to the financial statements as recommended by the Board of Auditors. These figures would include the value based on the original costs of equipment and vehicles acquired by UNFPA for headquarters and field co-ordinators' offices. The figures would not include the equipment component of population projects since, according to the established procedures, inventory reports are not required to be sent to UNFPA headquarters. Such property is de facto under temporary custody of the government implementing agency.

Procurement practices and inventory control (paras. 7-11)

17. UNFPA has agreed with the comments of the Board of Auditors and has continued to improve internal review and monitoring of procurement practices and inventory control. At headquarters, new systems have been established for control and inventory of non-expendable equipment. With regard to reports to be prepared by the field, steps have been taken to ensure that monthly reports of non-expendable equipment and yearly inventory reports are submitted on a timely basis.

Project management (paras. 12-14)

18. As recommended by the Board of Auditors, UNFPA has continued to improve its system of project management at UNFPA headquarters and in the field offices. Steps have been taken to have a more systematic follow-up of project progress reports to provide insight into project implementation problems; tripartite reviews, involving UNFPA, the participating and executing agencies and the recipient Governments, are being conducted on a regular basis in many projects for a better over-all review and monitoring of project activities; a larger number of country project evaluations is being planned in the near future; and a greater use of programme expenditure data for budget performance analysis and programme management is currently being made.

Agency statements and comments on matters dealt with in the 1978 reports (paras. 15-18)

19. The Board of Auditors have reviewed the various financial statements which were prepared by the participating and executing agencies for UNFPA. All agencies provided either an audited statement or a statement as submitted for audit of the status of funds allocated, as required by UNFPA. The Board of Auditors reiterated its opinion that, with regard to internal audit coverage of UNFPA directly-funded projects for government execution and all other UNFPA activities, further steps should be taken to strengthen the internal audit function. The Executive Director is making arrangements to have adequate internal audit coverage with proper resources for operational effectiveness.

II. REPORT OF THE BOARD OF AUDITORS

Introduction

1. As required by General Assembly resolution 74 (I) and article XV of the Financial Regulations of the United Nations Fund for Population Activities (UNFPA), the Board of Auditors has audited the accounts of UNFPA for the year ended 31 December 1979.
2. The examination was made in accordance with article XII of the Financial Regulations of the United Nations and the annex thereto and with the common auditing standards adopted by the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency. The examination was conducted at UNFPA headquarters in New York and included a review of several projects in Fiji, the Philippines and the Republic of Korea.
3. During our audits, we reviewed the accounting system and financial statements, budgetary control, procurement practices, inventory and other systems of internal control in order to ensure that the records and statements were reliable and reflected properly the financial picture of the organization. We also reviewed the various control systems currently available within the organization to assess their effectiveness. The audit identified strengths and weaknesses in the financial systems and those weaknesses found to exist have been reported to the Administration with appropriate recommendations for corrective action. The following are the most significant matters arising out of our examination. Where appropriate, the comments of the Administration have been taken into account in this report.

Budgetary control

4. UNFPA is required to monitor project expenditures against budget allocations made to various executing agencies to ensure budget implementation up to the level desired in the approved programme within the fiscal year. Successful implementation of this function requires timely receipt and review of the project delivery reports. Effective 31 March 1979, a revised system was introduced, prescribing the time-limit for submission of quarterly reports within 15 days of the close of the period.
5. Since the introduction of the revised system, we have noted a substantial improvement in that most of the agencies are now submitting reports on time. We recommended that UNFPA take steps to ensure timely receipt of the project delivery reports from all the agencies, and to initiate corrective action where necessary. UNFPA has undertaken steps to monitor the revised system of submitting project delivery reports.

Disclosure of fixed assets

6. Every year, UNFPA procures a large amount of non-expendable property around the world, including fixtures, equipment and automobiles. A note to the UNFPA financial statements explains the accounting treatment of capital expenditures

and value as a portion of the total cost. We recommended that the Administration consider including the value of fixed assets in the note to the financial statements, beginning with the financial report and accounts for 1979. The value has not been included as a note to the financial statements as at 31 December 1978. The matter is still under consideration by UNFPA authorities in consultation with UNDP.

Procurement practices

7. During our over-all review of the procurement practices for expendable equipment, we noted a number of weaknesses which we drew to the attention of the Administration:

(a) There was no prescribed purchase-order format and purchases were normally placed by means of a letter. We recommended that UNFPA design an appropriate standard purchase form, and have been advised that the new forms have been printed and are now being used.

(b) Insufficient attention was being placed on such other factors as price comparisons, certification of receipt of goods, condition of goods received, and delivery dates. We proposed a number of improvements and noticed during our review that the process to implement them has begun.

8. Local purchases were sometimes made without prior authorization from UNFPA headquarters, although the headquarters subsequently provided post facto authorization. In so doing, they did not always verify the purchase order. We pointed out that this could lead to encouragement of local purchases without headquarters approval on the one hand, and reduce financial control over expenditures on the other. Accordingly, we recommended that UNFPA verify that field offices follow the prescribed purchase procedures before granting any post facto authorization of local purchases. UNFPA has assured us that, on the basis of our recommendations, they have improved internal controls and are following up all unauthorized purchases more closely than before.

Inventory control

9. Monthly reports of non-expendable equipment and annual inventory reports were not sent regularly by the field offices. Timely submission of monthly and yearly inventory reports, close monitoring and subsequent follow-up action is essential to ensure adequate control over non-expendable property.

10. We recommended that all field co-ordinators' offices should be directed to submit monthly and yearly reports on a timely basis even where no changes of inventory have occurred. The Administration advises that it has taken steps to ensure the regular submission of monthly and annual inventory reports, and appropriate monitoring procedures.

11. We also noted that there was room for improvement in the inventory control of expendable property at headquarters. More detailed records need to be kept in a more appropriate and systematic manner, and detailed procedures should be established in order to have more effective control over the inventory. In view of this, we suggested certain procedures which are in the process of being implemented.

Project management

12. We reviewed the over-all system of project management at UNFPA headquarters, in New York and examined a few specific projects in several locations in the field. Although we are pleased to note that the programme implementation rate shows an increase to 84 per cent for 1979 as against an average of 80 per cent in previous years, we noted a number of weaknesses in the execution of the systems that led us to believe that considerable improvement could be achieved in the management of UNFPA projects.

13. Our management letters have drawn attention to particular areas of concern. These include references to the following types of situation:

(a) Project completion delayed owing to late arrival of equipment and major changes in work plans, indicating that improvements could be made in project planning and appraisal.

(b) Progress reports were not prepared or reviewed on a regular basis, indicating the need for a systematic follow-up to provide improved identification and analysis of problems and achievements.

(c) Tripartite reviews, involving UNFPA, the participating and executing agencies and the recipient Government, were not conducted regularly, indicating that the over-all review and evaluation of project activities and outputs should be improved.

(d) Comparisons of programme implementation and expenditures incurred were not part of the review process, indicating the absence of a useful instrument of control and monitoring device.

14. The Management agreed in general with our comments and assured us that they would take the necessary action to remedy the situation.

Agency statements

15. The financial statements of UNFPA include amounts reported by the participating and executing agencies. The Board of Auditors, as in prior years, and in consideration of UNFPA financial regulation 15.2, has not audited these balances (which aggregate approximately 64 per cent of the total UNFPA programme expenditures) and has relied upon certificates provided to UNFPA by the agencies' external auditors.

16. As auditors for the United Nations, we have reviewed the various United Nations entities which are participating and executing agencies for UNFPA. We have also reviewed the audit certificates received from the external auditors of all the other major participating and executing agencies.

Comments on matters dealt with in the 1978 report

17. In our 1978 report, 2/ we expressed the view that the existing resources, scope and organizational arrangements did not make it possible for the internal audit staff of the United Nations Development Programme to provide adequate internal audit coverage of UNFPA. This situation has improved slightly in the last year with the steps being taken to strengthen the UNDP internal audit function. The Board will continue to monitor developments in this important area.

18. Other matters raised in our 1978 report have been expanded upon in the specific sectors of this year's report under the headings of budgetary control, procurement practices, and inventory control.

Acknowledgement

19. The Board of Auditors wishes to express its appreciation for the co-operation and assistance extended by the Executive Director, United Nations Fund for Population Activities, his officers and members of their staff.

(Signed) J. J. MACDONELL
Auditor General of Canada

(Signed) Ahenkora OSEI
Auditor General of Ghana

(Signed) Osman Ghani KHAN
Comptroller and Auditor General
of Bangladesh

2/ Ibid., Thirty-fourth Session, Supplement No. 5G (A/34/5/Add.7), chap. IV.

III. AUDIT OPINION

We have examined the following appended financial statements, numbered I to IV, properly identified, and relevant schedules of the United Nations Fund for Population Activities for the year ended 31 December 1979. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. As a result of our examination, we are of the opinion that the financial statements properly reflect the recorded financial transactions for the year, which transactions were in accordance with the Financial Regulations and legislative authority, and present fairly the financial position as at 31 December 1979.

(Signed) J. J. MACDONELL
Auditor General of Canada

(Signed) Ahenkora OSEI
Auditor General of Ghana

(Signed) Osman Ghani KHAN
Comptroller and Auditor General
of Bangladesh

June 1980

IV. ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1979

Statement I

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Statement of income and expenditure for the year ended 31 December 1979
(United States dollars)

<u>1978</u>		<u>1979</u>
INCOME		
100 875 980	Contributions from Governments	
	Pledges for current year	(Schedule 1) 111 722 907
836 522	Additions and adjustments to pledges for prior years	(Schedule 1) 1 597 854
<u>811 266</u>	Exchange adjustments on collection of contributions	(Note 1(c)) <u>(62 114)</u>
102 523 768		113 258 647
2 526 136	Interest income	3 461 081
1 307	Donations	942
<u>(286 922)</u>	Miscellaneous income (expense)	(Schedule 2) <u>351 253</u>
104 764 289		<u>117 081 923</u>
EXPENDITURE		
77 899 920	Programme expenditure	(Note 2)
	By agencies	(Schedule 3) 112 131 887
<u>13 171 775</u>	By non-governmental organizations and special population grants	(Schedule 3) <u>14 094 176</u>
91 071 695		126 226 063
<u>4 627 619</u>	UNFPA administrative and programme support costs	(Schedule 4) <u>5 355 396</u>
95 699 314		<u>131 582 459</u>
		-
9 064 975	EXCESS OF INCOME OVER EXPENDITURE (EXCESS OF EXPENDITURE OVER INCOME)	(Statement III) <u>(14 500 536)</u>

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

CERTIFIED CORRECT

(Signed)

Nissim TAL
Acting Director
Division of Finance

Statement II

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Balance sheet as at 31 December 1979
(United States dollars)

	<u>1979</u>
ASSETS	
Cash	32 106
Government letters of credit	(Note 3) 30 000 000
Investments	(Schedule 5) 16 283 290
	46 315 396
Advances and accounts receivable	
Due from United Nations Development Programme	-
Operating funds provided to participating and	
executing agencies, net	(Note 4) 9 709 678
Accounts receivable	9 44 996
Deferred charges	-
Accrued interest	643 432
	11 298 106
Pledges receivable from Governments	
For current and prior years	(Schedule 1) 14 920 284
For future years	(Schedule 1) 138 195 138
	153 115 422
	210 728 924
LIABILITIES AND RESERVES	
Liabilities	
Unliquidated obligations of participating and	
executing agencies	(Note 4) 12 949 632
Due to United Nations Development Programme	5 242 607
Due to UNFPA trust funds	(Schedule 7) 919 754
Accounts payable	809 095
Deferred income	(Note 5) 138 200 407
	158 121 495
Unencumbered funds	
Balance 31 December	(Note 6)
Unspent allocations for the current year	25 340 305
Unallocated funds for the current year	7 267 124
	32 607 429
	20 000 000
Operational reserve	52 607 429
	210 728 924

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

CERTIFIED CORRECT

Nissim TAL
Acting Director
Division of Finance

Statement III

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Statement of unencumbered funds as at 31 December 1979
(United States dollars)

<u>1978</u>		<u>1979</u>
38 042 990	Balance 1 January	47 107 965
9 064 975	Add: Excess of income over expenditure	-
-	Less: Excess of expenditure over income (Statement I)	(14 500 536)
47 107 965		32 607 429
47 107 965		32 607 429
21 039 025	Unspent allocations for the current year (Schedule 8)	25 340 305
26 068 940	Unallocated funds for the current year (Statement II)	7 267 124
47 107 965		32 607 429
47 107 965		32 607 429

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

CERTIFIED CORRECT

(Signed) Nissim TAL
Acting Director
Division of Finance

Statement IV

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Statement of changes in financial position for the year ended 31 December 1979
(United States dollars)

<u>1978</u>		<u>1979</u>
	SOURCE OF FUNDS	
104 764 289	Total income for the year (Statement I)	117 081 923
254 204	Decrease in accounts receivable and deferred charges	-
-	Increase in liabilities	9 303 826
-	Increase in deferred income	138 200 407
2 737 549	Decrease in operating funds provided to executing agencies	-
-	Increase in funds provided by United Nations Development Programme	<u>7 203 378</u>
107 756 042	Total funds provided	<u>271 789 534</u>
	APPLICATION OF FUNDS	
95 699 314	Total expenditure for the year (Statement I)	131 582 459
240 976	Increase in funds provided to United Nations Development Programme	-
24 667 049	Increase in pledges receivable from Governments	120 445 929
-	Increase in accounts receivable, deferred charges and accrued interest	892 372
2 309 166	Decrease in liabilities	-
21 250	Decrease in deferred income	-
-	Increase in operating funds provided to executing agencies	<u>7 784 264</u>
122 937 755	Total funds used	<u>260 705 024</u>
(15 181 713)	INCREASE (DECREASE) IN CASH AND INVESTMENTS	<u>11 084 510</u>
50 412 599	Cash and investments at 1 January	35 230 886
(15 181 713)	Increase (decrease) in cash and investments	<u>11 084 510</u>
35 230 886	Cash, Government letters of credit and investments at 31 December (Statement II)	<u>46 315 396</u>

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

CERTIFIED CORRECT

(Signed)

Nissim TAL
Acting Director
Division of Finance

SCHEDULES TO THE ACCOUNTS

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Status of voluntary contributions pledged as at 31 December 1979
(United States dollars)

Government	Unpaid pledges as at 31 December 1978	Additions and adjustments	Pledges for 1979	Pledges for 1980	Total	Payments received in 1979	Unpaid pledges as at 31 December 1979	Composition of balance due	
								For 1979	For 1980
Afghanistan	-	-	-	1 000	1 000	-	1 000	-	1 000
Algeria	250 000	-	-	250 000	250 000	-	250 000	250 000	-
Australia	-	-	793 800	824 444	1 618 244	793 800	824 444	-	824 444
Austria	-	-	30 000	33 000	63 000	30 000	33 000	-	33 000
Bangladesh	-	-	10 000	20 000	30 000	-	20 000	10 000	10 000
Barbados	-	-	-	3 000	3 000	-	3 000	-	3 000
Belgium	-	1 022 408	1 052 632	3 285 566	3 285 566	1 022 408	2 263 158	1 052 632	1 210 526
Bhutan	-	-	-	1 000	1 000	-	-	-	-
Botswana	-	-	-	1 280	1 280	-	-	-	-
Burma	-	-	-	7 692	7 692	-	7 692	-	7 692
Burundi	-	-	1 117	11 167	12 284	1 117	11 167	-	11 167
Canada	-	-	6 914 174	5 982 906	12 897 080	6 914 174	5 982 906	-	5 982 906
Cape Verde	-	-	-	1 000	1 000	-	1 000	-	1 000
Chile	-	-	2 000	5 000	7 000	2 000	5 000	-	5 000
China	-	-	132 450	264 901	397 351	-	397 351	132 450	264 901
Colombia	-	-	40 000	40 000	80 000	40 000	40 000	-	40 000
Cook Islands	-	-	-	490	490	-	490	-	490
Costa Rica	-	-	-	20 000	20 000	-	20 000	-	20 000
Cyprus	-	-	1 140	1 140	1 140	-	1 140	-	1 140
Czechoslovakia	-	-	95 785	-	95 785	-	95 785	95 785	-
Denmark	-	-	5,727 941	-	5 727 941	5 727 941	-	-	-
Djibouti	-	-	-	2 000	2 000	-	2 000	-	2 000
Dominican Republic	-	-	1 000	-	1 000	1 000	-	-	-
Ecuador	-	-	-	20 000	20 000	-	20 000	-	20 000
Egypt	-	-	214 286	428 572	642 858	214 286	428 572	-	642 858
Finland	-	-	324 190	2 000	326 190	324 190	2 000	-	2 000
France	-	-	110 800	670 857	781 657	110 800	670 857	-	781 657
Germany, Federal Republic of	-	-	12 455 368	110 800	12 566 168	12 455 368	110 800	-	12 566 168
Ghana	-	-	26 364	26 364	52 728	26 364	26 364	-	52 728
Guatemala	-	-	-	5 000	5 000	-	5 000	-	5 000
Guyana	-	-	392	784	1 176	392	784	-	1 176
Honduras	500	-	-	4 500	5 000	-	4 500	500	-
Hungary	4 800	827	5 627	23 563	29 190	11 254	12 309	12 309	12 309
India	-	-	241 935	541 935	783 870	241 935	300 000	-	300 000
Indonesia	-	-	91 470	182 940	274 410	91 470	91 470	-	91 470
Iraq	14 000	-	14 000	42 068	56 068	14 000	28 068	14 000	14 068
Italy	-	-	-	185 185	185 185	-	185 185	-	185 185
Ivory Coast	10 000	-	-	10 000	20 000	-	10 000	10 000	-
Jamaica	-	-	36 517	36 517	73 034	-	36 517	-	36 517
Japan	106 667	-	12 800 000	12 800 000	12 906 667	-	12 800 000	12 800 000	12 906 667
Jordan	-	-	6 000	212 667	218 667	-	212 667	6 000	218 667
Kenya	-	-	-	6 000	6 000	-	6 000	-	6 000
Kuwait	-	-	25 000	25 000	50 000	-	25 000	-	50 000
Laos	-	-	500	500	1 000	-	500	-	1 000
Leao People's Democratic Republic	-	-	500	500	1 000	-	500	-	1 000
Lesotho	-	-	-	1 500	1 500	-	1 500	-	1 500
Liberia	20 000	-	1 500	40 000	61 500	1 500	40 000	40 000	61 500
Libyan Arab Jamahiriya	-	-	9 298	18 264	27 562	8 966	9 298	8 966	9 298
Luxembourg	-	-	8 966	18 264	27 230	8 966	9 298	8 966	9 298
Malawi	-	1 257	1 467	4 016	5 483	2 549	1 467	2 549	1 467
Malaysia	-	-	10 000	10 000	20 000	-	10 000	-	20 000
Maldives	-	-	726	726	1 452	-	726	-	1 452
Malta	-	520	563	1 083	1 603	1 080	563	1 080	1 603
Mexico	-	-	10 000	10 000	20 000	-	10 000	-	20 000

Schedule 1 (continued)

Government	Unpaid pledges as at 31 December 1978	Additions and adjustments	Pledges for 1979	Pledges for 1980	Total	Payments received in 1979	Unpaid pledges as at 31 December 1979	Composition of balance due	
								For 1979	For 1980
Morocco	-	-	4 000	4 000	8 000	4 000	4 000	-	4 000
Netherlands	-	-	12 396 645	15 463 918	27 860 563	12 396 645	15 463 918	-	15 463 918
New Zealand	-	-	351 820	-	351 820	351 820	-	-	-
Nigeria	32 000	-	-	-	32 000	32 000	-	-	-
Norway ^{a/}	-	-	12 137 148	13 078 471	25 215 619	12 137 148	13 078 471	-	13 078 471
Oman	-	-	-	10 000	10 000	-	10 000	-	10 000
Pakistan	-	250 000	-	250 000	500 000	250 000	250 000	-	250 000
Panama	-	1 000	-	1 000	2 000	1 000	1 000	-	1 000
Papua New Guinea	1 250	-	-	-	1 250	-	1 250	1 250	-
Paraguay	-	-	-	15 000	15 000	-	15 000	-	15 000
Philippines	-	255 102	-	-	255 102	255 102	-	-	-
Portugal	-	-	-	10 000	10 000	-	10 000	-	10 000
Republic of Korea	-	-	35 000	41 000	76 000	35 000	41 000	-	41 000
Romania	-	-	-	5 000	5 000	-	5 000	-	5 000
Rwanda	-	-	-	1 000	1 000	-	1 000	-	1 000
Saint Lucia	-	-	-	1 000	1 000	-	1 000	-	1 000
Samoa	-	-	-	2 700	2 700	2 700	-	-	-
Seychelles	-	-	-	1 000	1 000	1 000	-	-	-
Singapore	-	-	-	7 500	7 500	-	7 500	-	7 500
Solomon Islands	-	-	-	569	569	569	-	-	-
Somalia	-	-	1 605	1 605	3 210	1 605	1 605	-	1 605
Sri Lanka	-	-	7 500	7 500	15 000	7 500	7 500	-	7 500
Sudan	180 000	(20)	-	-	179 980	9 980	170 000	170 000	-
Sweden ^{b/}	-	-	9 836 066	10 714 286	20 550 352	9 836 066	10 714 286	10 714 286	10 714 286
Switzerland	-	-	1 506 024	1 875 000	3 381 024	1 506 024	1 875 000	-	1 875 000
Syrian Arab Republic	200 000	-	1 000	3 000	204 000	1 000	203 000	200 000	3 000
Thailand	-	-	-	44 000	44 000	-	44 000	-	44 000
Togo	-	2 347	-	1 220	3 567	2 347	1 220	-	1 220
Tonga	-	-	-	3 000	3 000	-	3 000	-	3 000
Tunisia	-	-	6 250	13 000	19 250	6 250	13 000	-	13 000
Turkey	-	2 500	-	-	2 500	2 500	-	-	-
Uganda	-	555	-	-	555	555	-	-	-
United Kingdom of Great Britain and Northern Ireland	3 669 276	58 358	4 316 200	-	8 043 834	8 043 834	-	-	-
Antigua	-	-	-	1 000	1 000	-	1 000	-	1 000
St. Kitts-Nevis-Anguilla	-	-	-	1 000	1 000	-	1 000	-	1 000
United States of America	28 000 000	-	30 000 000	-	58 000 000	58 000 000	-	-	-
Uruguay	-	-	-	5 000	5 000	-	5 000	-	5 000
Viet Nam	1 000	-	-	1 000	2 000	-	2 000	1 000	1 000
Yemen	180 000	-	-	-	180 000	-	30 000	30 000	1 000
Yugoslavia	-	3 000	-	6 000	9 000	3 000	6 000	-	6 000
Total	32 669 493	1 597 854	111 722 907	71 500 206	217 490 460^{a/}	131 075 239	86 415 221	14 920 284	71 494 937^{b/}

a/ In addition, the following Governments have announced pledges for future years: Antigua and Barbuda, Barbados, Belize, Brunei Darussalam, Canada, Chile, Denmark, Ecuador, El Salvador, Finland, France, Germany, Greece, Hong Kong, Iceland, India, Italy, Japan, Jordan, Kuwait, Luxembourg, Malaysia, Mexico, Monaco, Netherlands, New Zealand, Norway, Oman, Pakistan, Panama, Papua New Guinea, Portugal, Saudi Arabia, Singapore, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Thailand, Tunisia, Turkey, United Arab Emirates, United States of America, Uruguay, Venezuela, Yugoslavia.

b/ Pledges receivable for 1983: 71 494 937; Pledges receivable for 1984: 21 428 572; Total pledges receivable for future years: 92 923 512.

Government	1981	1982	1983	Total
Norway	14 084 507	15 090 543	16 096 579	45 271 629
Sweden	10 714 286	10 714 286	-	21 428 572
Total	24 798 793	25 804 829	16 096 579	66 700 201

Note: Pledges and payments do not include contributions from Government for special operations programmes in the amount of \$1,000,000, plus, in schedule 6.

Schedule 2

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Miscellaneous income for the year ended 31 December 1979
(United States dollars)

<u>1978</u>		<u>1979</u>
99 696	Savings on liquidating prior years' obligations	4 078
(458 181)	Gains and losses on exchange and revaluation of currencies, net	40 162
58 780	Miscellaneous income (net) from executing agencies	246 756
<u>12 783</u>	Other	<u>70 257</u>
(286 922)	Total	(Statement I) <u>361 253</u>
<u><u> </u></u>		<u><u> </u></u>

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

1979 expenditures by agencies, non-governmental organizations
and special population grants
(United States dollars)

Agency	Personnel services	Sub-contracts	Training (fellowship)	Equipment and supplies	Miscellaneous	Project expenditures total	Administrative overhead	Total
United Nations (Work programme)	3 096 839	249 242	106 657	32 674	209 204	3 694 616	-	3 694 616
United Nations (Department of Technical Co-operation for Development)	8 436 214	139 651	1 874 400	3 745 398	1 043 903	15 239 566	2 123 959	17 363 525
ECLA	2 156 828	19 566	274 205	173 518	109 761	2 733 878	382 743	3 116 621
ESCAP	391 920	4 650	252 058	14 385	15 652	678 665	95 014	773 679
ILO	4 125 711	449 207	492 589	614 603	283 170	5 965 280	-	5 965 280
FAO	1 878 798	167 413	310 933	111 444	416 034	2 884 622 ^{a/} 720 508 ^{a/}	-	3 605 130
UNESCO	2 809 706	615 429	883 728	321 911	168 677	4 799 451	-	4 799 451
WHO	7 429 890	1 120 977	2 795 201	5 200 714	615 457	17 162 239	-	17 162 239
UNIDO	(16 127)	-	-	-	-	(16 127)	-	(16 127)
UNICEF	206 555	-	157 253	9 304 593	93 533	9 761 934	-	9 761 934
UNFPA	20 726 728	2 231 733	7 989 602	12 600 432	2 357 044	45 905 539	-	45 905 539
Agencies total	51 243 062	4 997 868	15 136 626	32 119 672	5 312 435	109 530 171	2 601 716	112 131 887
Non-governmental organizations and special population grants						14 094 176		14 094 176
						123 624 347		123 624 063
								(Statement I)

^{a/} Unliquidated obligations not reported by component.

Schedule 4

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Administrative and programme support costs

Budget appropriations and expenditures for the year ended 31 December 1979

(United States dollars)

Programme	Appropriations 1979	Disbursements ^{a/}	Expenditure		Unencumbered balance
			Obligations 31 December 1979	Total expenditure	
I. Executive direction and management	802 532	778 427	13 230	791 657	10 875
II. Administrative and public information support services	1 537 546	1 470 648	63 064	1 533 712	3 834
III. Programme planning, appraisal and monitoring	3 050 026	2 925 067	105 960	3 031 027	18 999
Net appropriations and expenditures	5 390 104	5 174 142	182 254	5 356 396	33 708
				(Statement I)	

a/ The disbursement figures are net after adjustment of staff assessment income totalling \$955,260.

Schedule 5

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Investments as at 31 December 1979
(United States dollars)

Type	Currency	Interest rate	Amount
Savings accounts	United States dollars	5.00	<u>2 083 290</u>
Call accounts	United States dollars	a/	<u>4 200 000</u>
Time-deposit accounts	United States dollars	12.875	5 000 000
	United States dollars	12.00	<u>5 000 000</u>
			<u>10 000 000</u>
Total investments		(Statement II)	<u><u>16 283 290</u></u>

a/ Fluctuating interest rate.

Schedule 6

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Contributions from Governments for special population
programmes in 1979
(United States dollars)

<u>1978</u>		<u>1979</u>
	Amounts received	
	For International Planned Parenthood Federation	
2 000 000	Germany, Federal Republic of	2 400 000
4 800 000	Japan	-
1 208 326	Netherlands	1 377 405
<hr/>		<hr/>
8 008 326		3 777 405
	For Inter-Governmental Co-ordinating Committee	
200 000	Japan	-
<hr/>		<hr/>
8 208 326	Total (remitted)	3 777 405
<hr/> <hr/>		<hr/> <hr/>

Schedule 7

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Swedish and Norwegian Trust Funds
Statement of account as at 31 December 1979
 (United States dollars)

	<u>Sweden</u>	<u>Norway</u>	<u>Total</u>
Unexpended balance 1 January	50 722	70 168	120 890
Contributions received in 1979	606 796	1 663 544	2 270 340
Interest income	6 234	48 437	54 671
	<hr/>	<hr/>	<hr/>
	663 752	1 782 149	2 445 901
Less: Programme expenditure, including administrative and programme support costs	456 594	1 069 553	1 526 147
	<hr/>	<hr/>	<hr/>
Unexpended balance 31 December	207 158	712 596	919 754
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(Statement II)

Schedule 8

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Unspent allocations as at 31 December 1979
(United States dollars)

Agency	Allocations	Expenditures	1979 unspent allocations	Future years allocations	Total unspent allocations
United Nations (Work programme)	4 717 633	3 694 616	1 023 017	4 354 174	5 377 191
United Nations (Department of Technical Co-operation for Development)	21 845 120	15 239 566	6 605 554	27 652 966	34 258 520
ECLA	2 786 600	2 733 878	52 722	361 100	413 822
ESCAP	767 421	678 665	88 756	1 064 967	1 153 723
ILO	6 829 806	5 965 280	864 526	8 461 665	9 326 191
FAO	4 151 011	3 605 130	545 881	3 461 491	4 007 372
UNESCO	6 058 981	4 799 451	1 259 530	9 561 679	10 821 209
WHO	21 139 145	17 162 239	3 976 906	25 438 517	29 415 423
UNIDO	34 000	(16 127)	50 127	-	50 127
UNICEF	10 924 408	9 761 934	1 162 474	11 400 769	12 563 243
UNFPA	52 497 466	45 905 539	6 591 927	49 113 362	55 705 289
	<u>131 751 591</u>	<u>109 530 171</u>	<u>22 221 420</u>	<u>140 870 690</u>	<u>163 092 110</u>
Non-governmental organizations and special population grants	17 213 061	14 094 176	3 118 885	12 636 846	15 755 731
	<u>148 964 652</u>	<u>123 624 347</u>	<u>25 340 305</u>	<u>153 507 536</u>	<u>178 847 841</u>

(Statement III)

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of significant accounting policies

The financial statements reflect the application of the following significant accounting policies.

(a) Income. Under the annual funding principles adopted by UNFPA, income (including pledges from Governments, investment income and miscellaneous income) is recorded on the accrual basis.

(b) Expenditure. The financial statements incorporate UNFPA project expenditure as shown in the accounts received from the participating and executing agencies. Project expenditure is recorded at actual costs and includes unliquidated obligations for goods and services provided for in project budgets for 1979 and contracted for by the end of that year.

Expenditure for administrative and programme support costs is recorded on the accrual basis.

(c) Exchange rates. UNFPA financial rule 114.6 provides that the official par values or other appropriate exchange rates agreed between the Secretary-General and the contributing Governments shall be used for recording voluntary contributions. Exchange adjustments on collection of contributions are identified on statement I. All other transactions are recorded at the United Nations operational rate of exchange in effect on the date of the transaction as specified in UNFPA financial rule 114.7. Exchange adjustments on these transactions are recorded as an offset to miscellaneous income in accordance with UNFPA financial rules 110.1 and 114.9.

(d) Capital expenditure. The full cost of non-expendable equipment used for administrative purposes is charged to the Administrative and Programme Support Budget in the year in which it is purchased. An inventory is maintained of all non-expendable equipment (defined as items of equipment valued at \$250 or more a unit, and with a serviceable life of at least five years, and items of equipment included in any special lists, for which formal inventory records are maintained.

Note 2. Programme expenditure

The programme expenditure includes UNFPA field co-ordinator costs in the amount of \$3,736,623 against allocations of \$3,808,682.

Note 3. Government letters of credit

The amount shown in statement II is comprised of irrevocable letters of credit, payable on demand, in respect of contributions made to UNFPA by a Government.

Note 4. Operating funds provided to, and unliquidated obligations of, participating and executing agencies

Operating funds of \$9,709,678 shown in statement II are made up of \$11,368,561 provided to participating and executing agencies, less \$1,658,883 payable to participating and executing agencies. These figures, after taking into account unliquidated obligations, agree with the operating fund balances reported by participating and executing agencies.

The unliquidated obligations are shown separately in statement II in the amount of \$12,949,632 and consist of \$10,701,755 in respect of agencies for whom operating funds are provided and \$2,247,877 in respect of UNFPA as an executing agency for its projects.

Note 5. Deferred income

Prior to 1979, pledges to UNFPA were not recorded in the UNFPA accounts until the year to which they related. In November 1979, UNFPA participated for the first time in the United Nations Pledging Conference for Development Activities and the pledges made have been recorded in the UNFPA accounts for 1979 and reflected in these financial statements as deferred income, since UNFPA accounts for income on the accrual basis and these pledges relate to future financial periods. The amount of \$138,200,407 shown as deferred income in statement II consists of pledges of \$71,500,206 for 1980 and \$66,700,201 for 1981-1983, details of which are given in schedule 1.

Note 6. Unencumbered funds

The balance of unencumbered funds of \$32,607,429 shown in statements II and III, excludes allocations for future years issued to participating and executing agencies amounting to \$153,507,536 as shown in schedule 8.

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