

UNITED NATIONS CHILDREN'S FUND

FINANCIAL REPORT

and

AUDITED FINANCIAL STATEMENTS

for the year ended 31 December 1980

and

REPORT OF THE BOARD OF AUDITORS

GENERAL ASSEMBLY

OFFICIAL RECORDS: THIRTY-SIXTH SESSION

SUPPLEMENT No. 5B (A/36/5/Add.2)



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UNITED NATIONS

New York, 1981

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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ABBREVIATIONS

FAO	Food and Agriculture Organization of the United Nations
IYC	International Year of the Child
PAHO	Pan American Health Organization
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNDRO	Office of the United Nations Disaster Relief Co-ordinator
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Fund for Population Activities
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
WHO	World Health Organization

LETTER OF TRANSMITTAL

15 June 1981

Sir,

I have the honour to transmit to you the financial statements of the United Nations Children's Fund, including the Greeting Card Operation, with respect to the financial year ended 31 December 1980. 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 of Auditors with respect to the above accounts.

Accept, Sir, the assurances of my highest consideration.

(Signed) Osman Ghani KHAN
Comptroller and Auditor General
of Bangladesh
and
Chairman of the United Nations
Board of Auditors

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

PART ONE

UNITED NATIONS CHILDREN'S FUND

I. FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 1980

Summary

1. The Executive Director of the United Nations Children's Fund submits herewith the annual financial report on the accounts of UNICEF for the year ended 31 December 1980, comprising five statements supported by 11 schedules.
2. UNICEF's financial system is described in "An overview on UNICEF'S policies, organization and working methods" (E/ICEF/670/Rev.1). In addition, the medium-term work plan for the period 1980-1984 (E/ICEF/L.1423) compares the actual 1980 figures with those planned for 1980 in the financial plan together with the financial projections for future years. The financial report provides the details of the 1980 financial results of UNICEF's activities which were within the range of the plan. Highlights are commented upon in the following paragraphs.
3. The co-operation of UNICEF went to programmes in 112 countries. Most of the programmes included components in one or more of the following fields: improvement of child health services, village water-supply, child nutrition, education (formal and non-formal), child welfare services, women's activities related to child well-being and emergency relief.
4. In 1980 UNICEF's total "output" in financial terms, including funds-in-trust not subject to Board commitments, was \$350 million or 25 per cent more than in 1979. However, world-wide inflation and volatile exchange rates have affected this increase in real terms. There is no accurate measure for this effect. Assuming a 7 per cent inflation in 1980, there had been a real increase of about 13 per cent over 1979.
5. Income was \$316 million. In addition, \$31 million were received and pledged for funds-in-trust not subject to Board commitments. The total of \$347 million compares with \$280 million in 1979. Expenditures were \$314 million. In addition, disbursements and obligations made from funds received in trust were \$36 million which made up the total financial "output" of \$350 million. Commitments to participation to programmes and to budgets made in 1980 were \$355 million, \$34 million or 10 per cent higher than in 1979.
6. The total cash holding at the end of the year was \$112 million, approximately \$2 million more than in 1979. These liquid resources consisted of \$11 million in current accounts and \$101 million placed in interest-bearing deposits with banks. UNICEF has a liquidity requirement to cover temporary imbalances between funds received and spent, as well as to absorb differences between income and expenditure estimates. The total cash holding of \$112 million, included the UNICEF liquidity provision of \$62 million, made up by general resources (\$28 million) and half of the balances of supplementary funds (\$34 million).

Income

7. UNICEF's income in 1980 totalled \$316 million, including \$54 million in contributions for the Kampuchean relief operation. Income for general resources

was \$208 million. This was \$25 million more than in 1979 (an increase of 14 per cent). Contributions for specific purposes other than those for the Kampuchean operation were \$54 million. This was \$15 million more than in 1979 (an increase of 38 per cent). Sixty-eight per cent of the income came from Governments; 22 per cent from private sources (fund-raising campaigns, greeting card profits, and individual donations); 2 per cent from the United Nations system; and 8 per cent from miscellaneous sources. In November 1980 an amount of \$108 million had been pledged by 84 Governments to UNICEF's general resources for 1981. Past experience indicates that additional funds will be pledged in the months ahead, bringing the pledges for 1981 to an estimated total of \$160 million. This will be reflected in the 1981 accounts. For the Kampuchean relief operation in 1980, UNICEF received \$54 million. Those contributions came from Governments (\$39 million), from intergovernmental organizations (\$9 million) and from National Committees for UNICEF and other non-governmental organizations (\$6 million). In December 1980 an additional amount of \$6.6 million was pledged by Governments and intergovernmental organizations to UNICEF for the continuation of the relief operation in 1981. This will be recorded as income in 1981

Expenditure

8. Expenditures in 1980 were \$314 million, including \$49 million for the Kampuchean relief operation. Expenditures in fulfilment of commitments approved by the Executive Board were \$265 million. This was \$24 million more than 1979 (an increase of 10 per cent). The expenditures consisted of: \$145 million for supplies and equipment, \$58 million for non-supply assistance, such as training grants, project personnel and local costs, and \$38 million budget costs (gross) for programme support. The remaining expenditures were for administrative services in the amount of \$23 million (gross) and for operational costs (\$0.6 million) for the International Year of the Child. After deduction of contributions towards local budget costs from Governments, staff assessment, etc., the net costs of the administrative services and programme support budgets were \$20 million and \$31 million, respectively.

9. For its planned input in the Kampuchean operation, UNICEF had spent by the end of the year \$49 million, of which \$42 million was for supplies and equipment. At 31 December 1980 unfulfilled commitments in the form of firm call-forwards and purchase orders unshipped were \$5 million.

10. During 1980, donations-in-kind (mainly children's food) valued by donors at \$11 million, were delivered by UNICEF to projects. These deliveries, amounting to \$23 million less than in 1979, are not reflected in the financial accounts of UNICEF, though handled through the administrative and programme support structures of the organization.

Funds-in-trust

11. Not entered into the financial accounts of UNICEF as income and expenditures were funds-in-trust not related to commitments approved by the Board. These were mainly to cover the cost of supplies and equipment for reimbursable procurement and/or services undertaken by UNICEF on behalf of Governments, other agencies in the United Nations system and non-governmental organizations. In 1980, UNICEF

received for these funds-in-trust cash or pledges of \$31 million. This was \$4 million more than in 1979. Disbursement and obligations from these funds-in-trust were \$36 million, \$14 million more than in 1979.

Assets and liabilities

12. The excess of assets over liabilities at the end of 1980 was \$178 million, compared with \$180 million in 1979, a net decrease of \$2 million in total. This change in the financial position is almost completely due to an increase of liabilities.

13. The total cash of \$112 million available to UNICEF at the year-end was held for operational purposes with first-class banks in all countries where UNICEF operates. This comprised \$101 million on interest-bearing time deposit accounts and \$11 million in current bank accounts, many of them also interest-bearing.

14. The total cash holding of UNICEF includes currencies restricted for use in the donor country for purchases and other expenditures. In recent years, the accumulated balances of these currencies were stabilized at a level of \$10 to \$11 million. In 1980, these balances were \$8.8 million.

Commitments

15. At the beginning of 1980, there was a balance of unspent commitments carried forward from previous years totalling \$480 million planned for future programme participation and budget provision. The balance of unspent commitments at the end of 1980 was \$521 million. According to the original programme plans, these commitments are to be fulfilled during 1981-1984.

16. At its session in May 1980, the Board approved commitments totalling \$244 million. This consisted of \$164 million for co-operation in programmes and \$49 million (gross) in programme support services. A total of \$31 million (gross) was committed for administrative services. In addition, commitments came into effect, other than in the Board sessions, up to 31 December 1980 for a further amount of \$114 million, including \$60 million for the Kampuchean operation. Taking into consideration savings and adjustments, the total of new commitments entering into effect during the year was \$355 million. This compares with \$321 million in 1979. In the course of the year, commitments were fulfilled by expenditures to the extent of \$314 million.

(Signed) James P. GRANT
Executive Director
of the United Nations Children's Fund

II. REPORT OF THE BOARD OF AUDITORS

Introduction

1. As required by General Assembly resolution 74 (I), the Board of Auditors has audited the accounts of the United Nations Children's Fund (UNICEF), including the Greeting Card Operation (GCO), for the year ended 31 December 1980.
2. The examination was conducted 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 the UNICEF and GCO headquarters in New York and at the field offices at Geneva and Copenhagen.
3. During the year under review, the Board of Auditors continued its normal practice of reporting the results of specific audits and issuing management letters containing detailed observations and recommendations to the Administration. This practice has helped in developing a continuous dialogue with the Administration and is consistent with the Board's new audit approach of applying systems-based auditing to all the organizations in the United Nations system for which the Board has audit responsibility.
4. The Board has noted with appreciation the speed with which the Administration dealt with the matters brought to its attention and the continued efforts being made to improve the financial management and control systems. Our observations are intended to assist the Administration in considering and implementing further improvements. The following are the most significant matters arising from our 1980 audit examination. We have discussed these matters with the Administration whose responses are incorporated where appropriate.

Accounting systems

5. The examination of UNICEF's accounting system revealed that there was a need for reviewing the actual "accounts plan" in order to reduce the present periodic need for analyses. We also noted that some of the accounts should be regrouped. Accordingly, we recommended that the review of the "accounts plan" should be undertaken and the existing coding systems centrally unified.
6. The Administration has agreed to implement some of the recommended measures for the 1981 accounts but indicated that it will proceed with the rest of the necessary revision within the constraints of their present workload and priorities determined by the work plan of the Comptroller's Division and the Electronic Data Processing Section.

Greeting Card Operation

Unrecorded obligations

7. Our examination of the GCO accounts revealed that some obligations incurred were not recorded in the principal accounts. For example:

(a) The obligations incurred under section 3 (variable production costs) and section 4 (variable sales and promotion costs) for the current campaign are only charged to a budget account at the time and up to the amount of the disbursement, thereby excluding all obligations incurred for future campaigns;

(b) The expenditures for the printing shop (New York) and the shopping bags (Geneva) are never charged to a budget account.

8. As financial rule 111.2 (a) (vi) prescribes that all expenditures, including disbursements and unliquidated obligations, must be shown in the budget accounts and there seemed to be confusion between the budgetary authorizations and accountability, on the one hand, and the cost accounting system, on the other, discussions were held with key personnel concerned to clarify the issue.

9. It was agreed that budget accounts must record all authorized expenditures incurred during the budget period. In this connexion, we made some suggestions with regard to the budget presentation including the possibility of having one single consolidated biennium budget for programme support and administrative services, GCO and UNIPAC.

10. The Administration has informed us that it will study our suggestions in depth and try to resolve any practical difficulties involved. If deemed feasible, it will endeavour to implement these suggestions in connexion with the budget submissions and presentation of financial statements for the 1982/83 period.

11. As for the near future, the Administration has informed us that the present system of recording obligations incurred for sections 3 and 4 of the budget in memorandum form will be discontinued and all such obligations will be formally recorded in the financial statements.

Procurement Section

Payment of advance to bidder

12. Our review of some contracts at GCO headquarters revealed that, even though payment of advance was not provided in the invitation to bid, a prepayment of \$113,000 was requested by a certain bidder to permit the purchase of raw materials and the Administration approved it. We commented that the failure of the invitation to refer to an advance payment possibly had an effect on the competitive climate, especially since the practice of making such advances was repeated.

13. The Administration informed us that, in their opinion, it is not prudent to include in invitations to bid the possibility of advanced payments. In fact,

GCO makes every effort to avoid this type of transaction. It has occurred when the exigencies of the campaign demanded action and in these cases the approval of the Contract Review Committee was sought and obtained.

14. While we appreciate the views of the Administration we recommend that whenever this facility is considered necessary it should be made known to all potential bidders.

Over-production of cards

15. Comparing the production of cards for the campaigns 1977, 1978 and 1979 at the Geneva office with the actual sales, we noted that very large quantities of cards were not sold. We consider that such excesses are due to an over-estimation of the sales expected.

16. Furthermore, we noted that while 67 million cards were produced for the 1977 campaign, 57 million cards were sold, including a number of old cards from previous campaigns. Although the gap between production and sales was high, the production for the 1978 campaign was increased to 81 million but the sales, including old cards, totalled 59 million, leaving some 22 million cards unsold. The production for the next campaign was further increased to 84 million cards but only 67 million cards were sold.

17. Accordingly, we recommended that production should be planned at a more realistic level to cut down costs and to reduce the quantity of unsaleable cards which are destroyed.

18. In reply, the Administration stated that production of cards in excess of sales is inherent in the greeting card industry as a whole and the reduction of overproduction is considered a major challenge for GCO management. Furthermore, the Administration informed us that every effort is being made to improve sales forecasting and to develop methods for sale of unsold cards.

Cards sent to national committees

19. We noted from a statement showing the number of cards sent to five national committees and the respective sales that the excess cards sent for the 1979 campaign ranged from 35 per cent to 47 per cent. We suggested that excesses could be reduced through a closer research of the committees' needs and a more adequate assessment of the quantities to be issued.

20. The Administration explained that these excesses were mainly due to the fact that GCO planned its production on the basis of high estimates for 1979, this being the International Year of the Child. As the International Year of the Child was without precedent, the anticipated increase in market demands could not be measured with accuracy. For the 1981 campaign, it is anticipated that the difference between the quantity of cards distributed and sold could be narrowed.

UNICEF Packing and Assembly Centre in Copenhagen (UNIPAC)

National officers' salaries and staff assessment

21. Since the last revision of the gross salaries of the national officers of UNIPAC effective 1 October 1974, seven salary increases have been authorized on the net salaries. As a result of this procedure, the net salaries exceed the gross salaries and, therefore, it was impossible to calculate any staff assessment. As a result of this situation, the pensionable remuneration of these officers has not been adjusted since 1974.

22. The Administration explained that this matter has been of serious concern to them for many years. However, following the decision by the International Civil Service Commission on the future use of the national officer category, all national officers' posts in UNIPAC have been proposed for conversion from the national officer category into the international professional category effective 1 January 1981. It is expected that this will resolve the issue as the gross pensionable remuneration at the appropriate level and step in the international professional category will be applied to the national officers.

23. The Administration informed us, however, that as the decision to convert these posts has not yet been approved by the UNICEF Executive Board, the final decision must be awaited before taking any steps to resolve the situation. The Administration has also considered an alternative if conversion is not approved which would be to conduct a salary survey for national officers as soon as possible.

24. As discussions on the subject have lasted for a couple of years, we recommended that immediate action should be taken to solve the problem.

Salary increases

25. We noted that up to 1980 salary adjustments, at UNIPAC for both the national officers and the general service staff, were based on studies made by a private firm on behalf of the World Health Organization (WHO). The national officers always obtained the same increases in their net salaries as the general service staff although these increases resulted from studies on the general service level only.

26. We observed that the salaries of the national officers should depend on local employment conditions and be based on the best prevailing rates at the duty station which should refer to those of comparable staff in private firms.

27. With regard to national officers' salaries at all duty stations, the Administration informed us that the increases to the upper general service levels have always been applied to the national officers in those stations where salary surveys have not been conducted or completed. The Administration explained that it was not until recently that resources have been available to conduct national officer salary surveys. Following the recognition of the national officer category by the ICSC, joint interagency surveys are planned to ensure that the salaries of national officers are based on the best prevailing rates at the duty station.

Supply of workmen

28. We noted that although an agreement on rental of buildings and warehouse space which UNICEF signed with a certain firm in 1962 provided that a separate agreement would be established for the supply of workmen to UNIPAC by the firm this provision has not been formalized. As a result, no specific written conditions and regulations exist as to the employment of manual workers. Furthermore, we noted that payment of these workers was made on the basis of bills submitted by the firm which added 2.5 per cent overhead to the total payment of the workmen. This overhead amounted to some DKR 280,000 (\$40,000) a year.

29. As UNIPAC itself hires the workers, discusses their working and salary conditions with the Trade Union and controls them in every aspect, we recommended that UNIPAC itself should explore the possibility of hiring manual workers.

30. The Administration has informed us that it is not feasible at the present time for UNICEF to undertake itself the employment of manual workers. There are several important points to be studied before such a proposal could be considered, e.g. the establishment of posts in the UNIPAC budget, the establishment of an official manual worker salary scale, etc. It may, furthermore, not be desirable to establish posts for a workforce the size of which fluctuates.

31. The Administration recognizes, however, that the existing arrangements for hiring manual labour staff need to be formalized and expects to do this in connexion with the anticipated new arrangements between UNICEF and the host Government.

Comments on matters dealt with in the 1979 report

32. The Administration has either provided a satisfactory explanation or taken appropriate action on matters raised in the 1979 report 1/ with the exception of the following matters:

(a) Utilization of experts and consultants

The procedures formulated by UNICEF for the use of experts and consultants are currently under review and an administrative instruction incorporating these procedures will be issued in the near future.

(b) Maintenance of sale offices in the field

We noted that in the example cited, the average percentage of sale proceeds to maintain a certain office increased from 48 per cent in the 1978/79 campaign year to 57.3 per cent in the 1979/80 campaign. Furthermore, the percentage of discount retained by the consignee increased from 11 per cent to 12.3 per cent.

33. The Administration has informed us that the situation has been reviewed in depth and that organizational changes have been made. It is also the intention

1/ Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 5B (A/35/5/Add.2), sect. II.

of the Administration, during the 1981 campaign, to embark upon a sales campaign and to explore alternatives for action in the future, including the possibility of turning the campaign over to a non-governmental organization.

Acknowledgement

34. The Board of Auditors wishes to express its appreciation for the co-operation and assistance extended by the Executive Director, his officers and members of their staff.

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

(Signed) Hendrik VREBOS
Senior President of the Court of
Accounts of Belgium

(Signed) J. B. H. COLEMAN
Acting Auditor General of Ghana

III. AUDIT OPINION

We have examined the following appended financial statements, numbered I to V, properly identified, and relevant schedules of the United Nations Children's Fund for the year ended 31 December 1980. 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 1980.

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

(Signed) Hendrik VREBOS
Senior President of the Court
of Accounts of Belgium

(Signed) J. B. H. COLEMAN
Acting Auditor General of Ghana

IV. OBSERVATIONS OF THE EXECUTIVE DIRECTOR OF UNICEF ON THE COMMENTS AND RECOMMENDATIONS OF THE BOARD OF AUDITORS

1. Introduction

The report of the Board of Auditors is reproduced in section II above. The observations of the Executive Director on the points raised by the auditors are given below. For convenience of reference, the paragraph numbers of the report of the Board of Auditors are shown alongside of the headings of the Executive Director's observations.

2. Accounting system (audit, paras. 5 and 6)

The relatively minor modifications to the "accounts plan" required to regroup some of the accounts mentioned by the Auditors are being made. The review of the "accounts plan" to unify centrally the accounts requires a study of UNIPAC and GCO procedures. This is a major task which will be considered within the constraints of present work-load and priorities determined by the existing work plan of the Comptroller's Division and EDP Section.

3. Greeting Card Operation - unrecorded obligations (audit, paras. 7-11)

As indicated, the procedures followed by GCO reflect the concept of budgeting in accordance with the GCO fiscal year. This in turn reflects the seasonal characteristic and results of the sales campaign. Within this concept, the GCO budget is a pre-figuration of the GCO "profit and losses" accounts. Accounting of certain budgetary obligations and production materials is also reflected in the above concept.

It is the Auditors' opinion that it is possible "to disconnect the budget period from the campaign period" thus permitting the preparation and presentation of a GCO biennial budget. The budgetary performance for a specific budget period would always be different from the "profit and losses" accounts of the same period.

The Auditors recognize that their suggestions could create a number of practical difficulties. A budget covering a campaign year seems much more useful to many (including National Committees for UNICEF) for management purposes than one covering a calendar year. It appears difficult to forecast GCO operations sufficiently far ahead to make a biennium budget. Adding GCO business-type operations into the budget for UNICEF administrative services and programme support may not be convenient for a number of users of the UNICEF biennium budget.

The suggestions made by the Auditors will be studied in depth. It is expected that the study of the problem and related procedures, which represent a radical departure from existing budgetary and accounting practices, would require considerable time.

4. Greeting Card Operation - procurement section (audit, paras. 12-14)

Payments on account or in advance are made under the conditions outlined in the United Nations financial rule 110.23. Such payments are a rather exceptional occurrence.

In UNICEF's opinion, it is not prudent practice to include in the invitations to bid the possibility of advanced payment. In fact, GCO makes every effort to avoid this type of transaction.

5. Greeting Card Operation - over-production of cards (audit, paras. 15-18)

Some production of cards in excess of sales is inherent in the greeting card industry as a whole. This is especially in the case for GCO because the methods of distribution and sale through brochure and mail order and by volunteers during a peak sales season of three-four months only. Consequently the reduction of over-production is considered a major challenge for GCO management. The objective is to supply customers with designs right through the sales season without incurring high levels of excess production. If sales outlets run out of too many designs the loss of revenue from sales may be more costly than the production of unsold stock. Additionally, the loss of customers' goodwill and the effect on the motivation of sales volunteers may seriously affect the outcome of subsequent campaigns.

Production is arranged so as to reduce the cost of providing the necessary stocks. It is divided into two stages: (a) printing of flat sheets which has to be ordered well in advance; it accounts for about one third of production costs; and (b) finishing and packaging with envelopes, with boxes or plastic sachets, for which late orders can be done closer to the time of sale, and which accounts for about two thirds of the production costs. The flat sheets are counted by the number of card designs printed on them, and form part of the recorded total of excess production, but they are not finished cards.

Present guidelines, recommended after a detailed study of the problem by UNICEF's Internal Audit Service, establish that production of "flat cards" should not exceed those finished or sold in flat form by more than 12 per cent and that the production of "finished" (packaged) cards should not exceed sales by more than 15 per cent. In recent years GCO has succeeded in meeting the first target (actually 12 per cent in 1979/1980). The second target has proved more difficult to achieve mainly because of the lead time involved.

In 1979/1980 season, the excess of finished cards was 24 per cent against the target of 15 per cent. However, usually a considerable proportion of unused cards is subsequently sold, e.g. in the last three campaigns an average of 14 million cards of prior years' design were sold annually. The matter continues to receive the maximum attention.

6. Greeting Card Operation - cards sent to National Committees (for UNICEF) (audit, paras. 19 and 20)

As explained in the preceding paragraphs, the problems of balancing planned production against forecasted sales in individual countries is not easily solved. Demands must be met if sales are not to be lost. For this GCO must rely, to a great extent, on forecasts provided mainly by National Committees.

With reference to the specific cases mentioned by the Auditors, it was explained that these excesses were mainly due to high estimates made in connexion with the International Year of the Child. A recent review indicates that in 1980 in four of the five countries mentioned by the Auditors, the difference between quantity of cards distributed and sold has been considerably narrowed. GCO continues to pay close attention to market trends in major selling countries, and to work with National Committees in those countries in an effort to reduce production in excess of sales to the recommended level.

7. UNIPAC - National Officers' salaries and staff assessment (audit, paras. 21-24)

This matter has been of serious concern to the Secretariat for many years. However, following the decision by the International Civil Service Commission 2/ on the future use of the National Officer category, all national officer posts in Copenhagen have been proposed to be converted from the National Officer category into the International Professional Category effective 1 January 1982. 3/

It is expected that the conversion of National Officers to the International Professional Category will resolve this issue, for those who accept the transfer to the international category, as the gross pensionable remuneration at the appropriate level and step in the International Professional Category will be applied to the National Officers.

The Executive Director is awaiting the decision of the UNICEF Executive Board to convert these posts before taking steps to resolve the situation which may no longer exist if conversion takes place. If conversion is not approved, we will conduct a salary survey for National Officers in Copenhagen as soon as possible.

8. UNIPAC - salary increases (audit, paras. 25-27)

The responsibility for conducting salary surveys for the General Service Category in Copenhagen rests with the World Health Organization and the results are submitted to the United Nations Office of Financial Services for approval. UNICEF participates in these surveys.

With regard to National Officers' salaries, in general UNICEF has always applied the increases of the upper General Service levels to the National Officers in duty stations where salary surveys have not been conducted or completed. It was not until recently that resources have been available to conduct National Officers' salary surveys. Following the recognition of the National Officer Category by the ICSC, joint interagency surveys are beginning to be made, in order to ensure that the salaries of National Officers are based on the best prevailing rates at the duty station.

2/ Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2), paras. 299-310.

3/ As proposed in the UNIPAC revised budget estimates for the biennium 1982-1983 (E/ICEF/AB/L.228).

9. UNIPAC - supply of workmen (audit, paras. 28-31)

It is not feasible, at the present time, for UNICEF itself to undertake the employment of manual workers. There are several important points to be studied before such a proposal could be considered, e.g., the establishment of posts in the UNIPAC budget, the establishment of an official manual worker salary scale, etc. However, the most important consideration is that it may not be desirable for UNICEF to establish posts for a work-force the size of which fluctuates from month to month according to the throughput of the Centre.

If it is decided to continue with the present system, UNICEF plans to formalize the present arrangements in connexion with the anticipated new agreements between UNICEF and the Government of Denmark concerning the provision of facilities in Copenhagen for UNIPAC.

10. Matters dealt with in the 1979 report (audit, paras. 32 and 33)

The administrative instruction incorporating the procedures on the utilization of experts and consultants is, as indicated by the Auditors, being issued.

As far as the maintenance of sales offices in the field is concerned, it is the policy of the Greeting Card Operation to appoint National Committees for UNICEF or other appropriate volunteer organizations as sales agents. Where this is not possible and where there is an opportunity to reach a substantial sales volume, GCO may handle sales directly in association with UNICEF country offices.

Establishing an effective sales organization, building a distribution network and providing marketing support require a substantial investment in money and staff time. In the initial stages of the operation, it is not always possible to achieve a ratio of expenses to sales proceeds equivalent to that achieved by a voluntary organization after a number of years. As the market develops and the volume of sales increases, the ratio of expenses to sales should be progressively reduced. The initial higher cost incurred should be considered an investment in opening up new markets.

V. FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1980

STATEMENT I

COMPARATIVE STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 1980

	1980	1979	INCREASE (DECREASE)
	\$	\$	\$
<u>INCOME</u>			
<u>GENERAL RESOURCES</u>			
Contributions from Governments	147 241 510.10	133 738 550.46	13 502 959.64
Contributions from non-governmental sources	23 465 233.14	15 475 017.79	7 990 215.35
Greeting Card and related operations	17 050 888.75	16 319 803.82	731 084.93
Other income	19 979 067.34	16 881 384.25	3 097 683.09
<u>TOTAL GENERAL RESOURCES</u>	207 736 699.33	182 414 756.32	25 321 943.01
<u>SUPPLEMENTARY FUNDS FOR SPECIFIC PROJECTS</u>			
From Governments	31 831 302.93	24 883 007.15	6 948 295.78
From non-governmental sources	15 790 709.78	13 914 866.92	1 875 842.86
From the UN system	6 074 141.06	234 506.75	5 839 634.31
<u>TOTAL SUPPLEMENTARY FUNDS</u>	53 696 153.77	39 032 380.82	14 663 772.95
<u>CONTRIBUTIONS TO KAMPUCHEAN RELIEF</u>			
From Governments and intergovernmental organizations	47 681 682.78	26 062 559.94	21 619 122.84
From non-governmental sources	6 379 685.06	4 566 681.68	1 813 003.38
<u>TOTAL CONTRIBUTIONS TO KAMPUCHEAN RELIEF</u>	54 061 367.84	30 629 241.62	23 432 126.22
<u>TOTAL INCOME</u>	315 494 220.94	252 076 378.76	63 417 842.18
<u>EXPENDITURES</u>			
For programme co-operation from:			
General resources	157 173 784.05	147 961 665.32	9 212 118.73
Supplementary funds other than UN system	41 789 968.38	38 536 446.01	3 253 522.37
UN system	3 709 302.88	4 469 383.94	(760 081.06)
For Kampuchean relief	49 042 428.83	18 401 346.62	30 641 082.21
For programme support services	38 405 212.90	30 354 666.19	8 050 546.71
<u>TOTAL PROGRAMME CO-OPERATION</u>	290 120 697.04	239 723 508.08	50 397 188.96
For administrative services	23 266 735.21	18 727 720.95	4 539 014.26
International Year of the Child - operational costs	641 700.00	945 300.00	(303 600.00)
	23 908 435.21	19 673 020.95	4 235 414.26
<u>TOTAL EXPENDITURES</u>	314 029 132.25	259 396 529.03	54 632 603.22
Balance of transactions	1 465 088.69	(7 320 150.27)	8 785 238.96
Net change in value of assets and liabilities due to exchange rates	(3 114 575.24)	676 598.82	(3 791 174.06)
Excess of income over expenditure	(1 649 486.55)	16 643 551.45	(4 994 064.90)

STATEMENTS III TO V AND NOTES 1 TO 18 FORM AN INTEGRAL PART OF THIS STATEMENT AND SHOULD BE READ IN CONJUNCTION THEREWITH.

CERTIFIED CORRECT

APPROVED

(SIGNED) GIOVANNI CAVAGLIA

COMPTROLLER

(SIGNED) JAMES P. SPANT

EXECUTIVE DIRECTOR

STATEMENT II

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND THE FINANCIAL POSITION AS AT 31 DECEMBER 1980

	1980		1979		INCREASE (DECREASE)
	\$	\$	\$	\$	\$
ASSETS					
Cash					
In current bank accounts, on hand and in transit	11 384 217.22		23 428 291.82		(12 044 074.60)
On interest-bearing deposits	100 826 220.35		87 131 702.24		13 694 518.11
Contributions receivable:					
For current and prior years	43 948 467.43		32 832 749.90		11 115 717.53
For future years	7 261 319.36		8 491 493.90		(1 230 174.54)
For Kampuchean relief	5 266 770.56		12 594 904.23		(7 328 133.67)
Deposits with governmental agencies and suppliers	595 038.74		521 943.28		73 095.46
Accounts receivable, advances and deposits	20 668 292.47		22 981 629.19		(2 313 336.72)
Inventories	40 977 925.43		42 919 455.43		(1 941 530.00)
Buildings	846 907.30		457 737.22		389 170.08
		231 775 158.86		231 359 907.21	415 251.65
LIABILITIES					
Contributions for following years pledged and received in advance	16 311 485.13		8 729 589.14		7 581 895.99
Greeting Card and related operations - income received in advance	5 854 346.72		3 794 127.41		2 060 219.31
Accounts payable and other unliquidated obligations	17 410 376.91		19 421 270.56		(2 010 893.65)
Trust funds:					
Reimbursable procurement and other services	14 051 937.36		19 642 859.11		(5 590 921.75)
Maurice Pate Memorial Fund	56 850.03		32 411.73		24 438.30
Reserve for insurance	200 000.00		200 000.00		-
		53 884 996.15		51 820 257.95	2 064 738.20
<u>Excess of assets over liabilities</u>		<u>177 890 162.71</u>		<u>179 539 649.26</u>	<u>(1 649 486.55)</u>

STATEMENTS III TO V AND NOTES 1 TO 18 FORM AN INTEGRAL PART OF THIS STATEMENT AND SHOULD BE READ IN CONNECTION THEREWITH, ESPECIALLY IN REGARD TO OUTSTANDING COMMITMENTS. STATEMENT III SHOWS \$342 MILLION OF COMMITMENTS TO BE FINANCED FROM FUTURE INCOME.

CERTIFIED CORRECT

APPROVED

(SIGNED) GIOVANNI CAVAGLIA

(SIGNED) JAMES P. GRANT

COMPTROLLER

EXECUTIVE DIRECTOR

STATEMENT III

COMMITMENTS IN 1980
(SUMMARY OF STATEMENT IV)

	From general resources	From supplementary funds		Total
		Government and others	United Nations system	
	\$	\$	\$	\$
Unspent balance of commitments as at 1 January 1980	393 935 486.85	78 539 372.12	7 384 851.01	479 859 749.98
Approved at the Executive Board session:				
New commitments a/	243 523 000.00	-	-	243 523 000.00
Savings and deficits b/	637 147.10	-	-	637 147.10
Made between Executive Board sessions	1 000 000.00	105 825 582.00	6 847 072.00	113 672 654.00
Adjustments to commitments in- cluding budget savings for 1980	(3 034 181.86) 636 061 452.09	(75 509.04) 184 289 445.08	4.01 14 231 967.02	(3 109 686.89) 834 582 864.19
Expenditure	219 487 432.16	90 832 397.21	3 709 302.88	314 029 132.25
Unspent balance of commitments as at 31 December 1980	416 574 019.93	93 457 047.87	10 522 664.14	520 553 731.94
Excess of assets over liabilities	90 136 653.62	82 538 223.95	5 215 285.14	177 890 162.71
To be financed from future income	326 437 366.31	10 918 823.92	5 307 379.00	342 663 569.23

a/ E/ICEF/P/L.1912 Rev.1.

b/ E/ICEF/P/L.1913 (Rec).

STATEMENT IV

PROGRAMME CO-OPERATION
STATEMENT OF COMMITMENTS, EXPENDITURES AND UNPAID BALANCES OF COMMITMENTS TO BE FINANCED FROM
GENERAL RESOURCES AND SUPPLEMENTARY FUNDS FOR THE YEAR ENDED 31 DECEMBER 1980

AREA AND COUNTRY CO-OPERATION	UNPAID BALANCES OF		NEW	TOTAL		EXPENDITURE		UNPAID BALANCES OF
	1 JANUARY	COMMITMENTS		COMMITMENTS	COMMITMENTS	1 JANUARY	31 DECEMBER	
	\$	\$		\$	\$	\$	\$	
AFRICA								
ALGERIA	635 421.88	233 100.00		868 521.88		269 925.88	598 596.00	
ANGOLA	2 778 297.18	3 361 969.00		6 140 266.18		3 172 376.15	2 967 890.02	
BEHIN	2 952 528.11	1 929 711.00		4 882 239.11		1 654 646.33	3 227 592.78	
BOTSWANA	1 114 312.16	594 152.00		1 708 464.16		284 218.14	1 424 246.02	
BURUNDI	1 645 618.31	1 822 955.00		3 468 573.31		1 106 263.18	2 362 310.13	
CAPE VERDE	270 157.93	148 563.00		418 720.93		163 884.78	254 836.15	
CENTRAL AFRICAN REPUBLIC	624 157.72	135 000.00		759 157.72		603 528.12	155 629.60	
CHAD	1 975 338.54	175 000.00		2 150 338.54		1 050 464.89	1 093 873.65	
CAMEROON	472 274.99	(884.00)		471 390.99		307 892.54	163 498.45	
CONGO	(6 719.88)	304 000.00		297 280.12		98 671.91	198 608.21	
DIBOUTI	171 824.43	452 544.00		624 368.43		185 375.62	438 992.81	
EQUATORIAL GUINEA	47 927.87	625 000.00		672 927.87		180 037.36	492 890.51	
ETHIOPIA	3 583 847.94	27 932 971.00		31 516 818.94		7 921 434.72	23 595 384.22	
GABON	28 260.80			28 260.80		20 704.48	7 556.32	
GAMBIA	63 373.37	450 000.00		513 373.37		111 638.11	401 735.26	
GHANA	1 077 132.00	2 156 000.00		3 233 132.00		919 243.22	2 313 888.78	
GUINEA	4 809 744.83			4 809 744.83		1 161 380.29	3 648 364.54	
GUINEA-BISSAU	2 775 511.46			2 775 511.46		825 630.20	1 949 881.26	
LIBYAN ARAB	706 086.37			706 086.37		724 701.98	(18 615.61)	
LIBYA	2 907 544.46	(99 388.25)		2 808 156.21		826 076.52	1 982 079.69	
LESOTHO	1 111 024.12	(84.00)		1 110 940.12		557 721.13	553 218.99	
LIBERIA	1 697 806.81	(4 498.00)		1 693 308.81		918 525.52	774 783.29	
MALAGASCAR	2 665 506.09	97 457.00		2 762 963.09		1 209 738.20	1 562 224.89	
MALAWI	2 038 522.34			2 038 522.34		803 086.43	1 235 435.91	
MALI	3 225 451.46	853 909.70		4 079 361.16		1 547 672.50	2 531 688.56	
MAURITANIA	1 244 792.77	316 000.00		1 560 792.77		391 119.19	1 169 673.58	
MAURITIUS	899 620.36			899 620.36		442 154.51	457 465.85	
MOROCCO	3 109 131.17	(111 741.00)		2 997 390.17		1 476 665.55	1 520 724.62	
MOZAMBIQUE	1 761 208.54	1 380 000.00		3 141 208.54		1 619 536.67	1 521 671.87	
NIGER	3 059 101.62	4 413 300.00		7 472 401.62		705 772.47	6 886 629.15	
NIGERIA	3 914 184.76			3 914 184.76		2 228 323.17	1 685 861.59	
RUANDA	2 795 001.89	2 622 275.00		5 417 276.89		2 007 567.48	3 409 713.91	
SAO TOME AND PRINCIPE	56 094.26	49 368.06		105 462.32		52 439.14	53 027.18	
SENEGAL	2 755 934.14	355 127.64		3 111 061.78		996 354.40	2 114 707.38	
SENEGAL	346 083.15			346 083.15		166 604.88	179 478.27	
SIERRA LEONE	666 028.22	543 000.00		1 209 028.22		503 165.56	705 862.66	
SONALIA	2 079 454.42	6 960 492.00		9 039 946.42		3 255 694.68	5 784 251.74	
SWAZILAND	966 826.35	385 000.00		1 351 826.35		476 178.39	875 647.96	
TANZANIA	569 216.18			569 216.18		271 509.34	297 726.84	
TUNISIA	1 189 576.35	(235 796.04)		953 780.31		284 822.81	668 957.50	
UGANDA	732 242.59	3 631 825.00		4 364 067.59		3 069 966.92	1 294 100.67	

STATEMENT IV (continued)

PROGRAMME CO-OPERATION
STATEMENT OF COMMITMENTS, EXPENDITURES AND UNSPENT BALANCES OF COMMITMENTS TO BE FINANCED FROM
GENERAL RESOURCES AND SUPPLEMENTARY FUNDS FOR THE YEAR ENDED 31 DECEMBER 1980

AREA AND COUNTRY CO-OPERATION	UNSPENT BALANCES OF COMMITMENTS		NEW COMMITMENTS	TOTAL	EXPENDITURE		UNSPENT BALANCES OF COMMITMENTS
	1 JANUARY	\$			\$	31 DECEMBER	
UNITED REPUBLIC OF CAMEROON	1 650 914.57		400 000.00	2 050 914.57	677 852.17	1 373 062.40	
UNITED REPUBLIC OF TANZANIA	15 958 463.47		647 739.00	16 606 202.47	5 021 903.40	11 584 299.07	
UPPER VOLTA	2 797 072.93		4 565 211.00	7 362 283.93	1 595 730.94	5 766 552.99	
ZAIRE	2 783 000.93			2 783 000.93	572 858.45	2 210 142.48	
ZAMBIA	389 707.01		177 000.00	566 707.01	425 326.37	141 380.64	
ZIMBABWE			2 350 000.00	2 350 000.00	398 415.54	1 951 584.46	
SUDANO-SAHELIAN REGION	1 047 081.18		(814 627.64)	232 453.54	232 453.54		
REGIONAL	3 579 594.47		623 296.26	4 202 890.73	1 006 667.63	3 196 223.10	
AREA TOTAL	93 781 402.61		69 424 946.73	163 206 349.34	54 575 016.31	108 631 333.03	
<u>EAST ASIA AND PAKISTAN</u>							
BANGLADESH	22 092 700.81		39 018 258.26	61 110 959.07	17 805 320.27	43 305 638.80	
BURMA	16 864 695.36		1 751 500.00	18 616 195.36	7 208 836.00	11 407 359.36	
CHINA			7 000 000.00	7 000 000.00	180 862.11	6 819 137.89	
HONG KONG	17 268.75		(17 268.75)				
INDONESIA	58 316 605.98		829 549.22	59 146 155.20	10 780 108.56	48 366 046.64	
KAMPUCHEAN RELIEF a/	12 542 894.94		62 460 146.00	75 003 040.94	49 043 317.27	25 959 723.67	
LAO PEOPLE'S DEMOCRATIC REPUBLIC	4 460 168.06		512 900.00	4 973 068.06	1 681 927.42	3 291 140.64	
MALAYSIA	1 987 570.69		(5 826.00)	1 981 744.69	775 691.12	1 206 053.57	
PAKISTAN	25 401 077.83		4 625 893.00	30 026 970.83	11 411 167.05	18 615 803.78	
PAPUA NEW GUINEA	319 332.16			319 332.16	357 069.59	(37 737.43)	
PHILIPPINES	1 735 842.46		12 029 349.71	13 765 192.17	2 305 389.65	11 459 802.52	
REPUBLIC OF KOREA	1 937 780.18			1 937 780.18	911 783.03	1 025 997.15	
THAILAND	10 083 551.87		771 720.00	10 855 271.87	2 929 235.70	7 926 036.17	
VIET NAM	11 199 893.97		14 029 410.00	25 229 303.97	10 046 717.39	15 182 586.58	
ASIAN REFUGEES AND DISPLACED PERSONS	195 282.38		(178 659.33)	16 623.05	16 623.05		
PACIFIC ISLAND TERRITORIES	95 507.13		556 086.54	651 593.67	261 716.33	389 857.34	
REGIONAL	822 175.50			822 175.50	256 729.00	565 446.50	
AREA TOTAL	168 072 348.07		143 383 058.65	311 455 406.72	115 972 513.54	195 482 893.18	
<u>SOUTH CENTRAL ASIA</u>							
AFGHANISTAN	15 794 034.87		(1 700.00)	15 792 334.87	3 279 175.11	12 513 159.74	
BIUTAN	1 543 840.52		213 780.00	1 757 620.52	971 158.11	786 462.41	
INDIA	58 639 939.21		27 203 000.00	85 842 939.21	32 594 220.19	53 248 719.02	
MALDIVES	1 466 104.17		25 794.00	1 491 898.17	484 831.76	1 007 066.41	
MONGOLIA	214 305.10		11 149.83	225 454.93	99 248.70	126 156.23	
NEPAL	3 020 825.36		7 131 438.00	10 952 263.36	3 563 257.39	7 389 005.97	
SRI LANKA	16 218 031.95		537 066.00	16 755 097.95	6 308 246.19	10 446 851.76	
AREA TOTAL	97 697 081.18		35 120 527.83	132 817 609.01	47 300 187.47	85 517 421.54	

a/ Includes commitments and expenditure from general resources as well as from funds contributed to UNICEF for the joint relief operation in Kampuchea.

STATEMENT IV (continued)

PROGRAMME CO-OPERATION
STATEMENT OF COMMITMENTS, EXPENDITURES AND UNDEPENT BALANCES OF COMMITMENTS TO BE FINANCED FROM
GENERAL RESOURCES AND SUPPLEMENTARY FUNDS FOR THE YEAR ENDED 31 DECEMBER 1980

AREA AND COUNTRY CO-OPERATION	UNDEPENT		NEW		TOTAL		EXPENDITURE		UNDEPENT	
	BALANCES OF	1 JANUARY	COMMITMENTS	COMMITMENTS					BALANCES OF	31 DECEMBER
		\$		\$	\$	\$	\$	\$		\$
<u>EASTERN MEDITERRANEAN</u>										
BAHRAIN	(3 165.01)		3 165.01		2 549 290.25		1 948 116.85		601 173.40	
DEMOCRATIC YEMEN	2 103 790.25		445 500.00		4 842 637.92		2 403 849.29		2 438 788.63	
EGYPT	4 802 395.92		40 242.00		20 000.00		20 000.00			
IRAN			20 000.00							
JORDAN	939 483.84		465 145.67		1 404 629.51		535 198.52		869 440.99	
LEBANON	9 325 648.64		1 402 381.69		10 728 030.33		4 733 004.25		5 995 026.08	
OMAN	46 188.11				46 188.11		41 052.56		5 115.55	
SUDAN	7 406 048.55		3 866 521.65		11 272 570.20		6 371 291.68		4 901 278.52	
SYRIAN ARAB REPUBLIC	1 302 630.71		28 537.48		1 331 168.19		325 309.97		1 005 858.22	
YEMEN	1 388 142.02		2 169 000.00		3 557 142.02		991 086.22		2 566 055.80	
REGIONAL	383 350.56				383 350.56		84 352.78		298 997.78	
PALESTINIAN CHILDREN AND MOTHERS			1 845 000.00		1 845 000.00		212 278.02		1 632 721.98	
AREA TOTAL	27 694 513.59		10 285 493.50		37 980 007.09		17 665 530.14		20 314 476.95	
<u>EUROPE</u>										
ITALY			115 000.00		115 000.00				115 000.00	
PORTUGAL	503.18		(503.18)							
TURKEY	1 362 000.88		205 373.00		1 567 373.88		324 191.59		1 243 182.29	
YUGOSLAVIA	101 878.89				101 878.89		82 661.66		19 217.23	
AREA TOTAL	1 464 382.95		319 869.82		1 784 252.77		406 853.25		1 377 399.52	

STATEMENT IV (continued)

PROGRAMME CO-OPERATION
STATEMENT OF COMMITMENTS, EXPENDITURES AND UNSPENT BALANCES OF COMMITMENTS TO BE FINANCED FROM
GENERAL RESOURCES AND SUPPLEMENTARY FUNDS FOR THE YEAR ENDED 31 DECEMBER 1980

AREA AND COUNTRY CO-OPERATION	UNSPENT		NEW		TOTAL		EXPENDITURE		UNSPENT	
	BALANCES OF COMMITMENTS	1 JANUARY	COMMITMENTS	\$	\$	\$	\$	\$	BALANCES OF COMMITMENTS	31 DECEMBER
		\$								\$
THE AMERICAS										
ANTIGUA			69 000.00		69 000.00		3 656.25		65 343.75	
BARRADOS	116 451.00				116 451.00		68 779.35		47 671.65	
BELIZE	755.61		136 321.44		137 077.05		24 359.73		112 717.32	
BOLIVIA	939 106.06		236 780.00		1 175 886.06		648 201.67		527 684.39	
BRAZIL	1 050 352.06		1 298 000.00		2 348 352.06		592 749.71		1 755 602.35	
CHILE	538 443.13		(536.00)		537 907.13		335 388.53		202 518.60	
COLOMBIA	416 110.45		7 259 322.00		7 675 432.45		1 303 154.44		6 372 278.01	
COSTA RICA	27 050.68		105 000.00		132 050.68		21 145.13		110 905.55	
CUBA	2 744 043.33		(2 277 017.00)		467 026.33		194 616.19		272 410.14	
DOMINICA	63 497.17		15 121.00		78 618.17		40 410.53		38 207.64	
DOMINICAN REPUBLIC	1 873 921.21				1 873 921.21		525 072.48		1 348 848.73	
ECUADOR	369 517.64		2 179 444.00		2 548 961.64		725 768.80		1 823 192.84	
EL SALVADOR	1 167 607.82				1 167 607.82		211 562.53		956 045.29	
GUADALUPE	62 943.01		40 000.00		102 943.01		20 117.12		82 825.89	
GRENADA	572 473.85		1 276 597.00		1 849 070.85		506 160.96		1 342 909.89	
GUATEMALA	141 838.53		130 000.00		271 838.53		141 537.98		130 300.55	
GUYANA	811 747.43		2 051 000.00		2 862 747.43		714 772.93		2 147 974.50	
HAITI	1 336 373.10		373 200.00		1 709 573.10		331 418.25		1 378 154.85	
HONDURAS	474 424.82		93 470.00		567 894.82		177 389.16		390 505.66	
JAMAICA	1 058 525.93				1 058 525.93		497 858.43		560 667.50	
MEXICO	1 114 712.69		887 017.00		2 001 729.69		889 579.54		1 112 150.15	
NICARAGUA	407 208.74				407 208.74		194 605.90		212 602.84	
PANAMA	744 157.26		700 000.00		1 444 157.26		669 750.18		774 399.08	
PARAGUAY	4 165 918.84		123 801.00		4 289 719.84		1 265 567.80		3 024 152.04	
PERU	38 408.74		14 240.00		52 648.74		13 597.87		39 050.87	
ST. KITTS-NEVIS-ANGUILLA			181 000.00		181 000.00		31 294.59		149 705.41	
SAINT LUCIA			142 000.00		142 000.00				142 000.00	
SAINT VINCENT AND THE GRENADINES										
SURINAME	50 717.00				50 717.00		6 363.69		44 353.31	
URUGUAY	893.45		(893.45)							
REGIONAL	2 494 703.25		2 763 983.82		5 258 687.07		1 574 875.00		3 683 812.07	
AREA TOTAL	22 781 902.80		17 796 850.81		40 578 753.61		11 729 762.74		28 848 990.87	
TOTAL FOR ALL AREAS	411 491 631.20		276 330 747.34		687 822 378.54		247 649 863.45		440 172 515.09	

STATEMENT IV (continued)

PROGRAMME CO-OPERATION

STATEMENT OF COMMITMENTS, EXPENDITURES AND UNSPENT BALANCES OF COMMITMENTS TO BE FINANCED FROM
GENERAL RESOURCES AND SUPPLEMENTARY FUNDS FOR THE YEAR ENDED 31 DECEMBER 1980

AREA AND COUNTRY CO-OPERATION	UNSPENT			UNSPENT
	BALANCES OF COMMITMENTS 1 JANUARY	NEW COMMITMENTS	TOTAL	BALANCES OF COMMITMENTS 31 DECEMBER
	\$	\$	\$	\$
GENERAL ASSISTANCE				
HEALTH AND PAEDIATRIC TRAINING	(112 653.62)	112 653.62		23 991.86 (23 991.86)
FOOD AND NUTRITION SURVEILLANCE	123 205.87		123 205.87	16 377.15 106 828.72
INTERNATIONAL CHILDREN'S CENTRE	500 000.00		500 000.00	250 000.00 250 000.00
REGIONAL WOMEN'S PROJECTS	895 638.92		895 638.92	247 914.41 647 724.51
PROJECT PREPARATION AND TRAINING	5 679 021.32	316 105.81	5 995 127.13	3 115 581.21 2 879 545.92
EMERGENCY RESERVE b/ INTERNATIONAL YEAR OF THE CHILD:	1 000 000.00	1 757 659.33	2 757 659.33	
COUNTRY PREPARATION	392 206.29		392 206.29	411 756.06 (19 549.77)
GENERAL ASSISTANCE TOTAL	8 477 418.78	2 186 418.76	10 663 837.54	4 065 620.69
PROGRAMME SUPPORT SERVICES	37 157 000.00	46 665 212.90	83 822 212.90	38 405 212.90
TOTAL ASSISTANCE	457 126 049.98	325 182 379.00	782 308 428.98	290 120 697.04
ADMINISTRATIVE SERVICES	21 929 000.00	29 703 735.21	51 632 735.21	23 266 735.21
INTERNATIONAL YEAR OF THE CHILD OPERATIONAL COSTS	804 700.00	(163 000.00)	641 700.00	641 700.00
GRAND TOTAL	479 859 749.98	354 723 114.21	834 582 864.19	314 029 132.25
				520 553 731.94

b/ In 1980 a total of \$1,265,000 was authorized by the Executive Director for use from the emergency reserve. Since the 1980 reserve was \$1 million (E/ICEF/P/L.1902), the sum of \$265,000 was authorized in advance from the 1981 reserve which the Board had raised to \$3 million (E/ICEF/P/L.2016). An unspent amount of \$22,659.33 from a previous allocation was also returned in 1980 to the reserve. The allocation of \$1,265,000 went to: Algeria \$75,000, Angola \$100,000, United Republic of Cameroon \$200,000, Djibouti \$175,000, Equatorial Guinea \$175,000, Haiti \$35,000, Iran \$20,000, Italy \$115,000, Jamaica \$35,000, Lebanon \$45,000, Mozambique \$20,000, St. Lucia \$20,000 and Viet Nam \$250,000.

STATEMENT V

CONSOLIDATED STATEMENT OF PROGRAMME SUPPORT AND ADMINISTRATIVE SERVICES
BUDGET COMMITMENTS, OBLIGATIONS INCURRED AND UNENCUMBERED BALANCES
FOR THE YEAR ENDED 31 DECEMBER 1980

	REVISED BUDGET ESTIMATES			OBLIGATIONS INCURRED			UNENCUMBERED BALANCES
	PROGRAMME SUPPORT	ADMINISTRATIVE SUPPORT	TOTAL	PROGRAMME SUPPORT	ADMINISTRATIVE SERVICES	TOTAL	
	\$	\$	\$	\$	\$	\$	\$
SECTION 1 - SALARIES, WAGES AND COMMON STAFF COSTS							
ESTABLISHED POSTS	21 699 000	12 634 000	34 333 000	20 345 129.84	11 902 714.54	32 247 844.38	2 085 155.62
SHORT-TERM PROFESSIONAL PERSONNEL	337 000	790 000	1 127 000	291 112.43	741 439.98	1 032 552.41	94 447.59
SHORT-TERM GENERAL SERVICE PERSONNEL	729 900	993 000	1 722 900	713 958.76	939 136.07	1 653 094.83	69 805.17
OVERTIME	287 900	200 500	488 400	279 203.20	192 690.85	471 894.05	16 505.95
TRAVEL, REMOVAL AND INSTALLATION	1 131 300	601 000	1 732 300	1 119 776.45	587 712.84	1 707 489.29	24 810.71
SEPARATION AND REPATRIATION PAYMENTS	327 000	403 000	730 000	278 996.83	388 962.29	667 959.12	62 040.88
RENTAL SUBSIDIES AND RELATED PAYMENTS	605 000		605 000	595 900.84		595 900.84	9 095.16
ASSIGNMENT ALLOWANCES	385 000	43 000	428 000	369 419.67	38 057.21	407 476.88	20 523.12
CONTRIBUTIONS, PENSION FUND	2 898 800	1 811 000	4 709 800	2 766 206.77	1 713 338.43	4 479 545.20	230 254.80
DEPENDENCY ALLOWANCES	1 022 500	386 000	1 408 500	999 842.88	373 876.48	1 373 719.36	34 780.64
COMPENSATORY PAYMENTS	36 000	3 000	39 000	25 349.50	1 851.44	27 200.94	11 799.06
TRAVEL ON HOME LEAVE	437 500	196 000	633 500	424 678.78	178 000.82	602 679.60	30 820.40
INTERNATIONAL VOLUNTEERS AND FIELD OBSERVERS	98 000		98 000	53 923.41		53 923.41	44 076.59
STAFF TRAINING	543 000	67 000	610 000	527 343.16	62 259.33	589 602.49	20 397.51
STAFF WELFARE	65 600	9 500	75 100	63 821.20	4 255.45	68 076.65	7 023.35
MEDICAL INSURANCE AND RELATED PAYMENTS	428 500	212 000	640 500	419 202.92	203 414.28	622 617.20	17 882.80
TOTAL SECTION 1	31 032 000	18 349 000	49 381 000	29 273 866.64	17 327 710.01	46 601 576.65	2 779 423.35
SECTION 2 - OTHER EXPENSES							
TRAVEL ON OFFICIAL BUSINESS	2 221 400	997 000	3 218 400	2 215 470.39	990 531.25	3 206 001.64	12 398.36
COMMUNICATIONS AND FREIGHT	1 692 900	1 126 400	2 819 300	1 688 403.51	1 122 641.69	2 811 045.20	8 254.80
INFORMATION PRODUCTION COSTS (AUDIO-VISUAL)	236 400	714 500	950 900	234 055.76	708 396.15	942 451.91	8 448.09
INFORMATION PRODUCTION COSTS (PUBLICATIONS)	203 400	733 600	942 000	191 130.88	721 387.68	912 518.56	29 481.44
SUPPORT COSTS FOR OTHER INFORMATION		186 000	186 000		169 255.01	169 255.01	16 744.99
RENTAL AND MAINTENANCE OF PREMISES	1 978 500	1 128 200	3 106 700	1 967 686.21	1 114 676.36	3 082 362.57	24 337.43
OFFICE SUPPLIES AND PRINTED FORMS	388 000	131 900	519 900	379 823.01	116 521.52	496 344.53	23 555.47
RENTAL, OPERATION AND MAINTENANCE OF EQUIPMENT	291 600	204 800	496 400	287 530.45	203 723.59	491 254.04	5 145.96
COMPUTER SERVICES	133 000	230 500	363 500	123 211.61	220 444.67	343 656.28	19 843.72
MAINTENANCE AND OPERATION OF TRANSPORTATION EQUIPMENT	538 700	5 000	543 700	537 270.51	4 189.44	541 459.95	2 240.05
INSURANCE	35 800	13 300	49 100	30 586.81	10 869.09	41 455.90	7 644.10
EXTERNAL AUDIT COSTS	36 800	98 200	135 000	27 370.00	91 630.00	119 000.00	16 000.00
JOINT INSPECTION UNIT	34 900	110 100	145 000	32 550.21	108 972.44	141 522.65	3 477.35
MISCELLANEOUS SUPPLIES AND SERVICES	225 400	94 300	319 700	223 842.77	91 748.01	315 590.78	4 109.22
HOSPITALITY	54 100	20 000	74 100	48 199.75	18 401.81	66 601.56	7 498.44
REIMBURSEMENT TO UNITED NATIONS AGENCIES FOR SERVICES	136 700	171 500	308 200	131 334.27	146 021.51	277 355.78	30 844.22
FURNITURE, FIXTURES AND PERMANENT EQUIPMENT	608 700	115 700	724 400	589 920.65	99 614.98	689 535.63	34 864.37
TRANSPORTATION EQUIPMENT	424 700		424 700	422 959.67		422 959.47	1 740.53
TOTAL SECTION 2	9 241 000	6 086 000	15 327 000	9 131 346.26	5 939 025.20	15 070 371.46	256 628.54
TOTAL SECTIONS 1 AND 2	40 273 000	24 435 000	64 708 000	38 405 212.90	23 266 735.21	61 671 948.11	3 036 051.89
LESS:							
INCOME FROM STAFF ASSESSMENT	4 260 000	1 994 000	6 254 000	3 561 864.01	1 497 669.73	5 059 533.74	
OTHER INCOME RELATED TO BUDGET	1 125 000	1 033 500	2 158 500	1 423 460.96	1 287 789.29	2 711 250.25	
CONTRIBUTIONS FROM ASSISTED GOVERNMENTS TOWARDS LOCAL BUDGET COSTS	2 031 500		2 031 500	1 914 693.20		1 914 693.20	
TOTAL	32 856 500	21 407 500	54 264 000	31 505 194.73	20 481 276.19	51 986 470.92	

NOTES TO FINANCIAL STATEMENTS

Income and expenditures

1. Contributions from Governments to general resources were \$147,271,510. Outstanding contributions have been written off in an amount of \$30,000, thus leaving a balance of \$147,241,510 (see statement I and schedule 1).
2. The net income taken into the 1980 accounts from the Greeting Card and related operations in the 1979-1980 season was \$17,050,889 (statement I). A report on this season is given in the Greeting Card Operation's financial report for the year 1 May 1979 to 30 April 1980 (E/ICEF/AB/L.221 and Corr.1).
3. Other income from miscellaneous sources was \$19,979,067 (schedule 3). It consisted mainly of \$11,372,038 in interest on funds held in interest-bearing deposits as well as in current accounts with banks, and \$5,059,534 in income from staff assessment.
4. The strengthening of the United States dollar (the unit of accounts) in respect of other currencies in which assets and liabilities were held, resulted in 1980 in a net decrease of their accounting value amounting to \$3,114,575. In accordance with United Nations regulations and rules, this variance is debited to the income of the year. However, it is separately disclosed (statement I).
5. Supplies for UNICEF input to country programmes packed and shipped by the UNICEF Packing and Assembly Centre in Copenhagen (UNIPAC) were for a value of \$37,899,915. They were charged to the country programmes at standard material costs plus an average charge to cover operating expenses (11 per cent) and inward freight (6 per cent) from the manufacturer to Copenhagen (E/ICEF/AB/L.211, para. 27).
6. Budgetary estimates for administrative services and programme support and relevant revised estimates for 1980 were approved by the Executive Board at its sessions of May 1979 and 1980 (E/ICEF/661, para. 216, and E/ICEF/673, para. 260). The difference between gross revised estimates (\$64,708,000) and gross expenditures (\$61,671,948) represents a saving in the budget of \$3,036,052 automatically cancelled at the year-end (statement V). Income related to budgetary expenditures and going to general resources amounted to \$9,685,477. Net budgetary costs were, therefore, \$31,505,195 for programme support and \$20,481,276 for administrative services (statement V). The value at cost at the time of acquisition of non-expendable equipment still in use at Headquarters, but not reported in the accounts as assets, amounted to \$865,529 as at 31 December 1980.
7. The revised budget estimates of the operational costs of the International Year of the Child (IYC) secretariat, in excess of funds made available for this purpose, were approved by the Executive Board in May 1980 (E/ICEF/673, para. 258) in the amount of \$641,700 for 1980. No further commitments for financing the costs of the IYC secretariat beyond 1980 have been made or are required.

Assets and liabilities

8. As at 31 December 1980, cash in banks, in transit and on hand totalled \$112,210,438 (statement II). It was held as follows:

\$42,809,208 in United States dollars;
\$60,601,847 in currencies of unrestricted use;
\$ 8,799,383 in other currencies.

Among the liabilities for which these assets were held, were funds-in-trust for \$14,108,787 in cash and pledges (statement II).

9. Total contributions receivable were \$56,476,557; for general resources and supplementary funds \$51,209,787 and for the Kampuchean relief operation \$5,266,770. These contributions are due to UNICEF by Governments (\$27,541,374), by national committees for UNICEF and other non-governmental organizations (\$22,256,392) and by agencies in the United Nations system (\$6,678,791). Details are given in schedule 5. Excluding the Kampuchean relief operation, contributions receivable for current and prior years both for general resources and supplementary funds were \$43,948,467 or \$11,115,717 more than in 1979. The sum of \$43,948,467 includes contributions receivable for years prior to 1980 in an amount of \$3,181,927 or \$572,662 more than at the end of 1979.

10. The other accounts receivable totalled \$20,668,292 (statement II) compared with \$22,981,629 at the end of 1979. The decrease is mainly due to a reduction of the receivables for funds-in-trust not subject to Board commitments (schedule 6).

11. The consolidated value of programme supplies in stock at the UNICEF Packing and Assembly Centre (UNIPAC) in Copenhagen and the Greeting Card Operation stocks of raw materials and finished products are shown as "inventories" in statement II. Details are provided in schedule 7 for each of these operations separately. Total inventories at the end of the year was \$40,977,925 or \$1,941,530 less than in 1979. There was a decrease in the value of stock at UNIPAC and other locations (\$1,403,509 and \$3,748,069 respectively). The volume of UNIPAC production output (supplies packed, shipped and unshipped) in 1980 (\$45,290,645) was at the same level as in 1979. The same volume of activity (\$45 million) is also expected for 1981. At the year-end the value of stock of the Greeting Card Operation was \$3,210,048 higher than in 1979. This is explained by the planned expansion of the gross sale (from \$45 million in 1979 to \$65 million estimated for the 1981 season) and because of earlier planned production to expedite delivery to sale outlets.

12. UNICEF has purchased in recent years, buildings for office accommodation and use by the staff in the field as authorized by the Executive Board at its session in May 1974 (E/ICEF/633, para. 195). The value of \$846,907, shown in statement II, represents the acquisition cost, less amortization of \$214,413, of one house in Brasilia, Brazil; two houses in Jakarta, Indonesia; one house in Juba, Sudan; five houses in Salisbury, Zimbabwe; an office building in Dar-es-Salaam, United Republic of Tanzania; and one in Sana'a, Yemen Arab Republic.

13. Contributions for specific purposes have been paid and pledged in advance for \$16,311,485, to finance in 1981 "noted" projects (\$9,697,253) and the

continuation of the Kampuchean relief operation (\$6,614,232). Details are given in schedule 8.

14. Accounts payable and other unliquidated obligations amounted to \$17,410,377 against \$19,421,271 in 1979 (see statement II). This decrease is mainly due to a reduction of amounts payable to suppliers for goods and freight. Details are provided in schedule 9. At 31 December 1980, there were in addition outstanding contractual obligations for \$48,242,848 for supplies and equipment ordered against unfulfilled commitments, trust funds and for the replenishment of the UNIPAC warehouse effective at that date. At the end of 1979, the corresponding amount was \$62,811,645.

15. To replace lost supplies and equipment \$8,281 has been used from the insurance reserve. By a transfer of the equivalent amount from UNICEF income, the reserve has been restored to \$200,000.

Commitments

16. Statement III gives the summary of commitments approved by the Executive Board for support for programme and budget expenses, and commitments made between Board sessions, and expenditures made to fulfil them. Commitments made between Board sessions were \$113,672,654. This includes \$60,460,146 for Kampuchean relief. The difference of \$53,212,508 compares with \$42,151,369 of corresponding commitments made between Board sessions in 1979 and correspond to an increase of supplementary funding.

17. At the year-end, the unspent balance of commitments to be fulfilled in the future totalled \$521 million. This sum includes \$74 million approved at the 1980 Board session for programme support services (\$46 million gross) and administrative services (\$28 million gross). The balance of \$447 million represents commitments approved for support of programmes, covering, in some cases, several years. A total of \$122 million had already been called forward by field offices as at 31 December 1980. In the medium-term work plan the remaining commitments (\$325 million) are planned to be called forward in 1981 (\$204 million), in 1982 (\$83 million), and the balance in 1983 and 1984.

18. Statement IV gives commitments and expenditures for programmes in each country. A foot-note enumerates transfers from the Emergency Reserve to commitments for operations in various countries.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounts

1. The accounts are maintained in accordance with the Financial Regulations of the United Nations, with such modifications as required by the nature of UNICEF's work.
2. The financial period is the calendar year. Consistent year-end cut-off procedures are in effect.
3. Except as may be otherwise required by the terms of special accounts, revenues, expenditures, assets and liabilities are recorded on the accrual basis of accounting, whereby at year-end, receivables and payables are established for closure purposes.
4. The accounting unit is the United States dollar. The equivalent in United States dollars of other currencies is established on the basis of the United Nations operational rates of exchange. Differences between the valuation of the currencies when entered into the accounts and when actual transactions are made are accounted for as gains or losses on exchange transactions.
5. Periodically, assets and liabilities in currencies other than United States dollars are valued for accounting purposes at the prevailing United Nations operational rates of exchange. Any variance in valuation due to fluctuation of those rates is accounted for as income or loss and shown separately.
6. The financial report and accounts reflect UNICEF income, expenditure, assets and liabilities, including those of the Packing and Assembly Centre in Copenhagen (UNIPAC) and of the Greeting Card Operation. The principles of consolidation reflect the accounting policies outlined in this annex.
7. The consolidation of the net income of the Greeting Card Operation is based on the results of the greeting card sales campaign, the accounts for which are closed at the end of the campaign, i.e. 30 April each year. Income received and expenditures made for the following year's Greeting Card Operation campaign are consolidated in separate assets and liabilities accounts respectively, as "advances" and "income received in advance".

Income and expenditures

8. Income consists of general resources and supplementary funds. General resources include funds from voluntary annual contributions of Governments, the net income from the Greeting Card Operation, proceeds of unearmarked funds contributed by the public, and certain general income. Supplementary funds are those contributed to UNICEF by Governments, non-governmental organizations and United Nations agencies for specific purposes and earmarked for UNICEF programmes "noted" by the UNICEF Executive Board, which then become part of UNICEF

commitments. If specific terms and conditions are established by donors, separate accounts are maintained for purposes of reporting and financial management.

9. Income is recorded on the basis of funds or pledges received for current year. Pledges for purposes specified by donors and received for future years are recorded as "income received in advance".

10. Donations-in-kind are not entered into UNICEF financial accounts. The value attributed by donors to their donations is disclosed in the "Notes to Financial Statements".

11. Expenditures are recorded when funds are disbursed or when the UNICEF liability is recognized.

12. The "Statement of income and expenditure" does not include funds received and expenditures made from trust funds which do not require Board commitments.

Assets and liabilities

13. All funds received are held in UNICEF bank accounts. Outstanding pledges are recorded as receivables.

14. Funds related to activities which do not require Board commitments and given to UNICEF under specific arrangements such as "reimbursable procurement of supplies and services" are considered funds-in-trust and are accounted for separately.

15. Furniture and other non-expendables are charged against the relevant budget accounts in the year of purchase. Buildings purchased for UNICEF office accommodation and housing for staff use are shown as assets at the acquisition cost less amortization coming from rental and annual budget charges. Maintenance and repair costs are charged against the relevant budget accounts.

16. Programme supplies in stock at UNIPAC are shown at average cost. Goods in transit into UNIPAC are valued at actual cost. Supplies packed ready for shipment are at issue value, that is, average cost at time of shipment plus overhead charges. The aggregate total represents the UNIPAC inventory, the value of which is adjusted by the accumulated variance between average and actual cost. The stock of raw materials of the Greeting Card Operation is shown at actual cost. Products in process and finished goods for sale in following campaigns are valued at production cost.

17. Contractual obligations contingent to delivery of supplies and equipment ordered against unfulfilled programme commitments are not entered into UNICEF financial accounts except as may be otherwise agreed with donors of supplementary funds. At year-end, the relevant amount is shown in the "Notes to Financial Statements".

18. No provision is made for staff entitlements for repatriation, etc., in future years, or to meet contingencies under Appendix D of the United Nations Staff Rules, as funds are provided in the yearly budget appropriations as required.

19. A reserve for insurance of \$200,000 was established in November 1950 when UNICEF adopted a policy of self-insurance. In case of use, the reserve has to be restored by transfer from income to its level of \$200,000.

SCHEDULES SUPPORTING THE FINANCIAL STATEMENTS

SCHEDULE 1

CONTRIBUTIONS RECEIVED OR PLEDGED FOR THE YEAR ENDED 31 DECEMBER 1980
(EXCLUDING CONTRIBUTIONS FOR KAMPUCHEAN RELIEF)

	GENERAL RESOURCES		SUPPLEMENTARY FUNDS			
	NON-		GOVERNMENTAL		NON-	
	GOVERNMENTS	SOURCES	GOVERNMENTS	SOURCES	GOVERNMENTS	SOURCES
	\$	\$	\$	\$	\$	\$
AFGHANISTAN	25 000.00		25 000.00			
ALGERIA	111 492.60		111 492.60			
ARGENTINA	115 000.00		115 000.00			
AUSTRALIA	2 273 500.00	31 360.16	2 304 860.16		330 711.75	330 711.75
AUSTRIA	712 440.94	81 247.55	793 688.49		1 000 000.00	1 000 000.00
BAHAMAS	2 961.98	15.00	2 976.98			
BAHRAIN	7 500.00		7 500.00			
BANGLADESH	5 102.04	3.33	5 105.37			
BARBADOS	5 000.00		5 000.00			
BELGIUM	1 064 516.13	45 890.64	1 110 406.77		307 016.13	307 016.13
BERMUDA		250.00	250.00			
BHUTAN	2 000.00		2 000.00			
BOTSWANA	12 816.00		12 816.00			
BRAZIL	100 000.00		100 057.64			
BRITISH VIRGIN ISLANDS	200.00	57.64	200.00			
BULGARIA	58 685.45		58 685.45			
BURMA	287 986.55		287 986.55			
BYELORUSSIAN SOVIET SOCIALIST REPUBLIC	85 486.32		85 486.32			
CANADA	7 725 745.17		7 725 745.17		5 507 621.64	5 507 621.64
CHILE	210 000.00		210 000.00			
COLOMBIA	370 295.01		370 295.01			
COOK ISLANDS	476.19		476.19			
COSTA RICA	30 000.00		30 000.00			
CUBA	202 824.06		202 824.06			
CZECHOSLOVAKIA	91 407.68		91 407.68			
DEMOCRATIC YEMEN	4 600.00		4 600.00			
DENMARK	5 885 365.45		6 005 987.99		6 464 220.34	6 612 134.41
DIJIBOUTI	2 000.00		2 000.00			
DOMINICA	5 500.00		5 500.00			
DOMINICAN REPUBLIC	10 000.00		10 000.00			
ECUADOR	37 515.00		37 515.00			
EGYPT	78 571.43		78 571.43			
ETHIOPIA	49 647.12		49 647.12			
FIJI	2 000.00	43.20	2 043.20			
FINLAND	1 621 917.81		1 621 917.81			
FRANCE	2 554 360.67	5 874 822.75	8 429 183.42		50 000.00	458 676.03
GABON	24 038.46	943.48	24 981.94		1 000 000.00	96 165.87
GERMAN DEMOCRATIC REPUBLIC	159 090.91		159 090.91			
GERMANY, FEDERAL REPUBLIC OF	6 321 839.08	5 542 251.22	11 864 090.30		1 181 624.45	52 631.58
GHANA	12 218.18		12 218.18			
GREECE	120 000.00	€ 257.81	126 257.81			

SCHEDULE 1 (continued)

CONTRIBUTIONS RECEIVED OR PLEDGED FOR THE YEAR ENDED 31 DECEMBER 1980
(EXCLUDING CONTRIBUTIONS FOR KAMPUCHEAN RELIEF)

	GENERAL RESOURCES			SUPPLEMENTARY FUNDS			
	GOVERNMENTS	NON- GOVERNMENTAL		TOTAL	GOVERNMENTS	NON- GOVERNMENTAL	
		\$	SOURCES			\$	SOURCES
GUATEMALA	41 388.47			41 388.47			
GUINEA	44 736.84			44 736.84			
GUYANA	5 270.59			5 270.59			
HAITI	7 500.00			7 500.00			
HOLY SEE	1 000.00			1 000.00			
HONDURAS	23 000.00			23 000.00			
HONG KONG	31 725.56			31 725.56			
HUNGARY	24 618.41			271 541.11			
ICELAND	12 866.47			12 866.47			
INDIA	1 922 077.92			1 923 102.70			
INDONESIA	595 918.46			599 932.91			
IRAQ	243 200.00			243 200.00			
IRELAND	418 410.04			601 466.65			
ISRAEL	45 000.00			45 004.00			
ITALY	2 417 582.42			2 912 387.31			
IVORY COAST	71 428.57			71 428.57			
JAMAICA	6 741.57			6 900.69			
JAPAN	5 190 458.72			8 691 089.92	834 699.91		834 699.91
JORDAN	33 363.41			33 736.29			
KENYA	34 666.67			34 891.04	109.14		109.14
KUWAIT	200 000.00			200 000.00			
LAO PEOPLE'S DEMOCRATIC REPUBLIC	5 000.00			5 000.00			
LEBANON	73 084.25			73 519.74			
LESOTHO	2 055.00			2 055.00			
LIBERIA	20 000.00			20 000.00			
LIBYAN ARAB JAMAHIRIYA	75 000.00			75 000.00			
LIECHTENSTEIN	2 000.00			2 000.00			
LUXEMBOURG	25 806.45			35 642.52			
MADAGASCAR	13 452.91			13 452.91			
MAIAWI	3 750.00			3 750.00			
MAJAYSIA	115 846.24			115 944.29			
MAJDIVES	2 500.00			2 500.00			
MAJTA	5 850.00			5 850.00			
MAUPITANIA	23 562.45			23 562.45			
MAURITIUS	4 605.26			4 605.26			
MEXICO	240 000.00			255 817.15			
MORACCO	4 938.27			4 938.27			
MOROCOLIA	3 500.00			3 500.00			
MOROCOCO	100 000.00			100 000.00			
MOZAMBIQUE				189.97			
NEPAL	8 823.53			8 823.53			
NETHERLANDS	8 016 194.33			8 560 279.70			
NEW ZEALAND	691 372.55			682 831.38			
NIGER	2 242.15			2 242.15			
NIGERIA	235 507.25			235 507.25			
NORWAY	13 165 945.70			13 190 456.76			
				1 265 306.12			
				197 107.07			
				221 817.31			
				18 535.29			
				2 881 166.03			
				18 535.29			
				2 242.15			
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				235 507.25			
				13 190 456.76			
				1 265 306.12			
				197 107.07			
				221 817.31			
				18 535.29			
				2 881 166.03			
				18 535.29			
				2 242.15			
				235 507.25			
				13 190 456.76			
				1 265 306.12			

SCHEDULE 1 (continued)

CONTRIBUTIONS RECEIVED OR PLEDGED FOR THE YEAR ENDED 31 DECEMBER 1980
(EXCLUDING CONTRIBUTIONS FOR KAMPUCHEAN RELIEF)

	GENERAL RESOURCES		SUPPLEMENTARY FUNDS		TOTAL		GOVERNMENTS	GOVERNMENTAL SOURCES	UN SYSTEM	TOTAL
	GOVERNMENTS	NON-GOVERNMENTAL	GOVERNMENTS	NON-GOVERNMENTAL						
	\$	\$	\$	\$	\$		\$	\$	\$	\$
OMAN	50 000.00		50 000.00		100 000.00					100 000.00
PAKISTAN	219 949.49		219 949.49							
PANAMA	22 000.36		22 000.36							
PAPAGUAY	7 000.00		7 000.00							
PERU	120 000.00		120 000.00							
PHILIPPINES	510 350.20	73.03	510 423.23							
POLAND	209 216.87		209 216.87							
PORTUGAL	10 000.00		10 000.00							
QATAR	200 000.00		200 000.00							
REPUBLIC OF KOREA	128 000.00	10.45	128 010.45							
ROMANIA	12 500.00		12 500.00							
RWANDA	4 000.00		4 000.00							
SAINT KITTS-NEVIS-ANGUILLA	700.00		700.00							
SAINT LUCIA	2 586.67		2 586.67							
SAUDI ARABIA	1 000 000.00		1 000 000.00							
SEYCHELLES	1 000.00		1 000.00							
SINGAPORE	2 767.53		2 767.53							
SPAIN	190 722.00	80.56	190 802.56							
SRI LANKA	11 863.44	54.58	11 918.02							
SUDAN	35 000.00		35 000.00							
SURINAME	4 000.00		4 000.00							
SWAZILAND	8 494.20		8 494.20							
SWEDEN	28 708 133.98	82 258.18	28 790 392.16							
SWITZERLAND	4 016 487.74	1 899 557.41	5 916 045.15							
THAILAND	317 487.60		317 487.60							
TOKO	13 452.91		13 452.91							
TONGA	1 500.00		1 500.00							
TRINIDAD AND TOBAGO	8 291.87	205.00	8 496.87							
TURKISHIA	64 315.00		64 315.00							
TURKEY	87 831.08		87 831.08							
UGANDA	46 530.61		46 530.61							
UPPATAINIAN SOVIET SOCIALIST REPUBLIC	170 972.64		170 972.64							
UNION OF SOVIET SOCIALIST REPUBLICS	949 218.75		949 218.75							
UNITED ARAB EMIRATES	404 000.00	3 046.92	407 046.92							
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND	9 909 024.48	278 219.75	10 187 244.23							
UNITED REPUBLIC OF CAMEROON	86 747.62		86 747.62							
UNITED REPUBLIC OF TANZANIA	33 169.53		33 169.53							
UNITED STATES OF AMERICA	34 600 000.00	4 449 910.31	39 049 910.31							
VENEZUELA	200 000.00		200 000.00							
VIET NAM	8 683.43		8 683.43							

SCHEDULE 1 (continued)

CONTRIBUTIONS RECEIVED OR PLEDGED FOR THE YEAR ENDED 31 DECEMBER 1980
(EXCLUDING CONTRIBUTIONS FOR KAMPUCHEAN RELIEF)

	GENERAL RESOURCES			SUPPLEMENTARY FUNDS		
	NON-			NON-		
	GOVERNMENTS	GOVERNMENTAL SOURCES	TOTAL	GOVERNMENTS	GOVERNMENTAL SOURCES	TOTAL
	\$	\$	\$	\$	\$	\$
YEMEN	5 494.51		5 494.51			
YUGOSLAVIA	235 000.00	21.05	235 021.05			
ZAIRE	12 195.12	152.59	12 357.71			
ZAMBIA	51 723.78		51 723.78			
	147 271 510.10	23 445 012.14	170 716 522.24	29 196 335.85	15 788 495.14	44 984 830.99
				2 860 655.37		2 860 655.37
EUROPEAN ECONOMIC COMMUNITY						
LESS - ADJUSTMENTS TO PRIOR YEARS INCOME	(10 000.00)		(10 000.00)	(225 688.29)	(3 000.00)	(228 688.29)
	147 241 510.10	23 445 012.14	170 686 522.24	31 831 302.93	15 785 495.14	47 616 798.07
UNITED NATIONS SYSTEM						
UN SECRETARIAT						
UNCDF, NEW YORK						
UNDP, NEW YORK		20 221.00	20 221.00		5 214.64	5 214.64
UNDPO, GENEVA					845 500.00	845 500.00
UNEP, NAIROBI					30 000.00	30 000.00
UNFPA, NEW YORK					69 209.06	69 209.06
UNHCR, GENEVA					205 000.00	205 000.00
					427 932.00	427 932.00
		20 221.00	20 221.00		4 576 000.00	4 576 000.00
					6 153 641.06	6 158 855.70
LESS - ADJUSTMENTS TO PRIOR YEARS INCOME						
					(79 500.00)	(79 500.00)
					6 074 141.06	6 074 141.06
					6 074 141.06	6 074 141.06
	147 241 510.10	23 465 233.14	170 706 743.24	31 831 302.93	15 790 709.78	53 696 153.77
SUMMARY						
GOVERNMENTS	\$179 072 813.03					
NON-GOVERNMENTAL SOURCES	39 255 942.92					
UN SYSTEM	6 074 141.06					
TOTAL	\$224 402 897.01					

SCHEDULE 2

CONTRIBUTIONS FOR KAMPUCHEAN RELIEF
(RECEIVED AND RECEIVABLE AS AT 31 DECEMBER 1980)

	<u>GOVERNMENTS AND INTER- GOVERNMENTAL ORGANIZATIONS</u>	<u>NON- GOVERNMENTAL SOURCES</u>	<u>TOTAL</u>
	\$	\$	\$
Argentina		10.00	10.00
Australia	1 444 800.00	786 893.88	2 231 693.88
Austria	80 535.43	3 568.43	84 103.86
Bahamas	2 000.00		2 000.00
Belgium	2 976.19	82 016.78	84 992.97
Brazil		694.42	694.42
Canada	4 669 500.00	253 137.07	4 922 637.07
Chile	5 000.00	38.46	5 038.46
Denmark	333 333.33	15 795.26	349 128.59
Ecuador		5.00	5.00
Finland	41 242.78	122 586.46	163 829.24
France	1 111 111.11	310 521.52	1 421 632.63
Germany, Federal Republic of	8 034 003.83	51.55	8 034 055.38
Greece	2 500.00		2 500.00
Hong Kong		45 975.00	45 975.00
India	779 220.00		779 220.00
Ireland	52 941.18		52 941.18
Israel	125 000.00		125 000.00
Italy		100.00	100.00
Jamaica	308.99	20.00	328.99
Japan	6 381 877.67	1 206 068.99	7 587 946.66
Kuwait	166,666.69		166,666.69
Malaysia	5 000.00		5 000.00
Mexico		1 956.98	1 956.98
Netherlands	2 558 210.21	177 215.06	2 735 425.27
New Zealand	267 510.00	49 362.73	316 872.73
Niger	2 500.00		2 500.00
Norway	309 036.07		309 036.07
Oman		1 502.47	1 502.47
Papua New Guinea		2 238.45	2 238.45
Philippines	5 000.00	3.13	5 003.13
Portugal		2 105.26	2 105.26
San Marino		3 488.37	3 488.37
Sweden	1 182 072.83	81 640.75	1 263 713.58
Switzerland	833 177.40	145 345.46	978 522.86
Thailand		63 623.17	63 623.17
United Kingdom of Great Britain and Northern Ireland	1 343 372.63	644 078.79	1 987 451.42
United Republic of Cameroon		100.00	100.00
United States of America	9 407 600.00	2 366 955.35	11 774 555.35
Yemen		264.40	264.40
	39 146 496.34	6 367 363.19	45 513 859.53
European Economic Community	8 535 186.44		8 535 186.44
United Nations Secretariat		12 321.87	12 321.87
	<u>47 681 682.78</u>	<u>6 379 685.06</u>	<u>54 061 367.84</u>

SCHEDULE 3

OTHER INCOME IN 1980 WITH COMPARATIVE FIGURES FOR 1979

	1980	1979	INCREASE (DECREASE)
	\$	\$	\$
<u>INCOME RELATED TO THE BUDGET EXPENDITURES^{a/}</u>			
INCOME FROM STAFF ASSESSMENT	5 059 533.74	4 932 605.45	126 928.29
SERVICES TO GREETING CARD OPERATION	432 766.26	370 105.13	62 661.13
ADJUSTMENTS OF ACCOUNTS PAYABLE RELATED TO PRIOR YEAR'S BUDGET	1 024 371.87	601 793.03	422 578.84
AGENCY COMMISSIONS AND REIMBURSEMENT FOR SERVICES	673 214.23	330 735.31	342 478.92
INCOME COVERING OVERHEAD OF INFORMATION SPECIAL EVENTS	100 000.00	100 018.55	(18.55)
INCOME FROM SALE OF FILMS, BOOKS AND OTHER INFORMATION MATERIALS	48 556.91	41 117.66	7 439.25
INCOME FROM SALE OF SURPLUS AND OBSOLETE ADMINISTRATIVE PROPERTY	117 564.54	70 559.78	47 004.76
REFUND OF UNICEF CONTRIBUTIONS FROM THE UNITED NATIONS JOINT STAFF PENSION FUND	162 423.17	140 191.45	22 231.72
MISCELLANEOUS	<u>152 353.27</u>	<u>106 590.31</u>	<u>45 762.96</u>
	<u>7 770 783.99</u>	<u>6 693 716.67</u>	<u>1 077 067.32</u>
<u>INCOME RELATED TO PROGRAMME OPERATIONS</u>			
SHIPPING AND INSURANCE CLAIMS RECEIVED	56 049.61	90 694.61	(34 645.00)
INCOME FROM SALE OF SURPLUS AND OBSOLETE PROGRAMME PROPERTY	<u>21 259.84</u>	<u>35 506.49</u>	<u>(14 246.65)</u>
	<u>77 309.45</u>	<u>126 201.10</u>	<u>(48 891.65)</u>
<u>INCOME RELATED TO FINANCIAL OPERATIONS</u>			
INTEREST ON CURRENT BANK ACCOUNTS AND SHORT-TERM INVESTMENTS	11 372 037.56	8 786 430.02	2 585 607.54
CASH DISCOUNTS	414 144.83	347 810.27	66 334.56
GAINS/LOSSES ON FOREIGN EXCHANGE TRANSACTIONS	(679 843.33)	852 338.75	(1 532 182.08)
MISCELLANEOUS	<u>1 024 634.84</u>	<u>74 887.44</u>	<u>949 747.40</u>
	<u>12 130 973.90</u>	<u>10 061 466.48</u>	<u>2 069 507.42</u>
	<u>19 979 067.34</u>	<u>16 681 384.25</u>	<u>3 097 683.09</u>

^{a/} GOVERNMENT CONTRIBUTIONS TOWARDS LOCAL BUDGET COSTS ARE INCLUDED FOR AN AMOUNT OF \$1,914,693.20 IN GOVERNMENT CONTRIBUTIONS (SEE STATEMENTS I AND V.)

SCHEDULE 4

INTEREST-BEARING DEPOSITS AS AT 31 DECEMBER 1980

<u>United States dollars</u>		
<u>Deposits at call or seven days' notice</u> <u>in United States dollars</u>		
Chase Manhattan Bank, New York	562 368.83	
Den Danske Bank, Copenhagen	<u>162 476.45</u>	724 845.28
<u>M. J. Pate Memorial Fund (in</u> <u>United States dollars)</u>		
European American Bank and Trust Company, New York: At call	26 850.03	
Certificate	<u>30 000.00</u>	56 850.03
<u>Time deposits in United States dollars</u>		
European American Bank and Trust Company, New York	6 000 000.00	
Bankers Trust Company, New York	7 000 000.00	
Chase Manhattan Bank, New York	6 000 000.00	
Chemical Bank, New York	7 000 000.00	
Marine Midland Bank, New York	6 500 000.00	
Mitsui Bank Ltd., New York	<u>6 000 000.00</u>	<u>38 500 000.00</u>
TOTAL SHORT-TERM DEPOSITS IN UNITED STATES DOLLARS		39 281 695.31
<u>Deposits at call or seven days' notice</u> <u>in other currencies</u>		
Bank of America, Frankfurt	1 041 666.67	
Banque Scandinave en Suisse, Geneva	1 169 590.64	
Bank of England, London	1 839 622.64	
Banque Worms et Cie, Paris	7 893 216.15	
Chase and Bank of Ireland (International), Dublin	475 728.16	
Den Danske Bank, Copenhagen	75 430.37	
Fundacion Para La Educacion Superior, Bogota	191 535.75	
Habib Bank Ltd., Islamabad	474 747.47	
Nordic Bank Ltd., London	798 372.28	
Royal Bank of Canada Ltd., Ottawa	467 054.77	
Société Generale de Banque, S.A., Bruxelles	697 674.42	
Union Bank of Finland, Helsinki	4 294 590.64	
Union Bank of Switzerland, Geneva	<u>59 048.71</u>	<u>19 478 278.67</u>
<u>Carried forward</u>	19 478 278.67	58 759 973.98

SCHEDULE 4 (continued)

INTEREST-BEARING DEPOSITS AS AT 31 DECEMBER 1980

	United States dollars	
<u>Brought forward</u>	19 478 278.67	58 759 973.98
<u>Time deposits in other currencies</u>		
Nordic Bank Ltd., London	7 026 681.29	
Mitsui Bank Ltd., Tokyo	6 603 773.58	
Bank fur Gemeinwirtschaft, Frankfurt	5 921 052.63	
Banque Scandinave en Suisse, Geneva	4 093 567.25	
Amsterdam-Rotterdam Bank, Amsterdam	3 752 236.13	
Mitsubishi Bank Ltd., Tokyo	3 396 226.42	
Dresdner Bank A.G., Frankfurt	2 604 166.67	
Bank of America, Frankfurt	2 604 166.67	
Royal Bank of Canada Ltd., Ottawa	1 271 186.43	
Citibank, Brasilia	782 595.09	
Comerzbank, Frankfurt	674 157.30	
Banque Marocaine du Commerce Extérieur, Rabat	519 480.52	
Société Generale de Banque, S.A., Bruxelles	474 358.97	
Australia and New Zealand Banking Group, Sydney	465 116.28	
Chase and Bank of Ireland (International), Dublin	388 349.51	
Bank of New Zealand, Wellington	343 137.26	
British Bank of the Middle East, Abu Dhabi	321 715.82	
Banco do Estado de Sao Paulo, Brasilia	265 331.03	
Banco Internacional de Colombia, Bogota	200 240.29	
Banco do Brasil, Brasilia	181 053.38	
Pierson Heldring and Pierson, The Hague	177 653.85	
	<u>42 066 246.37</u>	
TOTAL SHORT-TERM DEPOSITS IN OTHER CURRENCIES	<u>61 544 525.04</u>	
TOTAL DEPOSITS <u>a/</u>		<u>100 826 220.35</u>

a/ Held as follows: \$39.2 million in United States dollars; \$10.0 million in Japanese yen; \$12.3 million in Swiss francs; \$20.1 million in Deutschmarks; \$19.2 million in other currencies.

SCHEDULE 5

CONTRIBUTIONS RECEIVABLE AS AT 31 DECEMBER 1980
FOR GENERAL RESOURCES AND SUPPLEMENTARY FUNDS

	GOVERNMENTS		NON-GOVERNMENTAL SOURCES		UNITED NATIONS SYSTEM	
	FOR CURRENT	FOR FUTURE YEARS	FOR CURRENT	FOR FUTURE YEARS	FOR CURRENT	FOR FUTURE YEARS
	\$	\$	\$	\$	\$	\$
A. GENERAL RESOURCES AND SUPPLEMENTARY FUNDS EXCLUDING KAMPUCHEA						
AUSTRALIA			41 227.26			41 227.26
BAHRAIN	7 500.00					7 500.00
BANGLADESH	6 000.00					6 000.00
BARBADOS	5 000.00					5 000.00
BELGIUM	1 064 516.13		524 482.82			1 588 998.95
BOLIVIA	30 941.00					30 941.00
BURMA	115 439.39					115 439.39
CANADA			4 444 944.88			4 444 944.88
COLOMBIA	350 000.00					350 000.00
CONGO	4 764.57					4 764.57
COSTA RICA	7 500.00					7 500.00
CZECHOSLOVAKIA	91 407.68					91 407.68
DEMOCRATIC YEMEN	3 000.00					3 000.00
DENMARK	6 448 220.34	405 000.00	118 644.07			6 971 864.41
DJIBOUTI	2 000.00					2 000.00
ECUADOR	18 757.49					18 757.49
FIJI	4 000.00					4 000.00
FINLAND			331 721.32			331 721.32
FRANCE	1 000 000.00		3 049 438.20			4 049 438.20
GERMANY, FEDERAL REPUBLIC OF		1 391 916.67	2 343 750.00			3 735 666.67
GREECE	3 799.79					3 799.79
GUATEMALA	11 240.76					11 240.76
GUINEA	44 736.84					44 736.84
HAITI	7 500.00					7 500.00
HONDURAS	3 000.00					3 000.00
IRAQ	121 600.00					121 600.00
IRELAND			243 071.85			243 071.85
ITALY	2 417 582.42		768 165.57			3 185 747.99
IVORY COAST	62 421.52					62 421.52
JAPAN			1 905 660.38			1 905 660.38
LEBANON	678 571.43					678 571.43
LESOTHO	2 055.00					2 055.00
LIBYAN ARAB JAMAHIRIYA	103 600.00					103 600.00
LUXEMBOURG	25 806.45					25 806.45
MADAGASCAR	25 704.75					25 704.75
NETHERLANDS	1 850 000.00		822 836.54			2 672 836.54
NEW ZEALAND			92 156.86			92 156.86
NORWAY			191 400.00			191 400.00
PAKISTAN	18 232.32					18 232.32
PAPAGUAY	23 000.00					23 000.00
PERU	30 000.00					30 000.00
PHILIPPINES	41 372.00					41 372.00
PORTUGAL	10 000.00					10 000.00
SPAIN	23 330.00					23 330.00
SRI LANKA	10 810.81					10 810.81

SCHEDULE 5 (continued)

CONTRIBUTIONS RECEIVABLE AS AT 31 DECEMBER 1980
FOR GENERAL RESOURCES AND SUPPLEMENTARY FUNDS

	GOVERNMENTS		NON-GOVERNMENTAL SOURCES		UNITED NATIONS SYSTEM	
	FOR CURRENT AND PRIOR YEARS	FOR FUTURE YEARS	FOR CURRENT AND PRIOR YEARS	FOR FUTURE YEARS	FOR CURRENT AND PRIOR YEARS	FOR FUTURE YEARS
	\$	\$	\$	\$	\$	\$
A. GENERAL RESOURCES AND SUPPLEMENTARY FUNDS EXCLUDING KAMPUCHEA						
SUDAN	94 641.18					
SUPPLEMENT	8 000.00					
SWEDEN	186 046.51	697 674.41	22 000.00			
SWITZERLAND	1 486 549.70	450 000.00	1 461 988.30			
THAILAND	328 250.62					
TOGO	40 358.73					
TUNISIA	63 250.00					
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND	3 454 998.64	336 745.28	715 566.05			
UNITED REPUBLIC OF TANZANIA	4 914.00					
UNITED STATES OF AMERICA						
URUGUAY	5 000.00		3 743 000.00			
YUGOSLAVIA	84 105.26					
UNITED NATIONS SYSTEM						
UNHCR, NEW YORK						
UNEP, NAIROBI						
UNFPA, NEW YORK						
UNHCR, GENEVA						
	20 429 605.33	3 281 336.36	20 820 054.10		3 725 000.00	4 125 000.00
					434 826.00	434 826.00
					1 273 982.00	1 528 965.00
					590 000.00	590 000.00
					2 698 808.00	51 261 186.79

B. KAMPUCHEAN RELIEF OPERATION

BELGIUM	112 903.23					
FINLAND			8 709.60			
ITALY			36 699.74			
JAPAN						
LEBANON			141 509.43			
MALAYSIA						
NETHERLANDS						
SINGAPORE			144 230.77			
SWITZERLAND			10 000.00			
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND			250 000.00			
UNITED STATES OF AMERICA						
			80 188.68			
			1 025 000.00			
			1 436 338.30			
			22 256 392.40			
TOTAL	2 495 990.57	1 334 441.69			3 979 983.00	56 476 557.35
	22 925 595.90	4 615 778.05				

SCHEDULE 6

ACCOUNTS RECEIVABLE, ADVANCES AND DEPOSITS
1980 COMPARED WITH 1979

	1980	1979	Increase (decrease)
	\$	\$	\$
<u>Accounts Receivable:</u>			
From the United Nations and specialized agencies for supplies and advances for fellowships and other jointly assisted projects	962 760.47	627 073.60	335 686.87
From non-governmental organizations from fund-raising campaigns:			
National Committees for UNICEF	235 507.23	1 675 780.79	(1 440 273.56)
Other organizations	1 276 341.07	538 314.77	738 026.30
From Governments:			
For the International Year of the Child - operational costs	62 303.95	430 537.18	(368 233.23)
Other	84 215.53	30 763.41	53 452.12
For shipping and insurance claims	165 608.12	408 920.20	(243 312.08)
Miscellaneous	1 378 338.96	530 199.68	848 139.28
Funds-in-trust from Governments and other organizations	2 051 842.79	7 145 817.44	(5 093 974.65)
<u>Advances:</u>			
To suppliers for goods purchased and freight	950 521.04	793 483.53	157 037.51
To the Greeting Card Operation:			
Budgetary expenditure for the current campaign	9 357 807.97	8 089 625.97	1 268 182.00
Budgetary expenditure for the following year's campaign	97 749.55	181 689.99	(83 940.44)
Customs duties and taxes	314 275.99	225 721.63	88 554.36
<u>Deposits and prepayments for office services</u>	2 603 789.73	1 502 420.40	1 101 369.33
<u>Accrued interest</u>	1 127 230.07	801 280.60	325 949.47
	<u>20 668 292.47</u>	<u>22 981 629.19</u>	<u>(2 313 336.72)</u>

SCHEDULE 7

INVENTORIES
1980 COMPARED WITH 1979

	1980 \$	1979 \$	Increase (decrease) \$
<u>UNICEF programme supplies</u>			
<u>UNICEF Packing and Assembly Centre, Copenhagen</u>			
In stock at average cost	24 806 108.55	22 380 646.22	2 425 462.33
Packed but not shipped (at issue order value)	1 307 781.29	3 965 758.33	(2 657 977.04)
In transit (at cost)	<u>1 402 737.93</u>	<u>3 660 879.44</u>	<u>(2 258 141.51)</u>
	27 516 627.77	30 007 283.99	(2 490 656.22)
<u>Less: difference between average and actual cost</u>	<u>(967 925.44)</u>	<u>(2 058 024.31)</u>	<u>1 090 098.87</u>
<u>Packing materials</u>	26 548 702.33	27 949 259.68	(1 400 557.35)
<u>Total stocks in UNIPAC and in transit</u>	<u>245 792.00</u>	<u>248 744.00</u>	<u>(2 952.00)</u>
	26 794 494.33	28 198 003.68	(1 403 509.35)
<u>Stocks in other locations</u>			
With suppliers (miscellaneous goods at cost)	15 665.15	1 391 955.06	(1 376 289.91)
Awaiting shipments to projects - supplies paid	<u>-</u>	<u>2 371 779.31</u>	<u>(2 371 779.31)</u>
	26 810 159.48	31 961 738.05	(5 151 578.57)
<u>Greeting Card Operation</u>			
Equipment (at cost less depreciation)	-	34 563.78	(34 563.78)
Raw materials (at cost)	3 456 078.69	2 501 848.43	954 230.26
Products in process and finished for the current campaign (at cost)	8 315 683.86	7 419 844.27	895 839.59
Products in process for the follow- ing year's campaign (at cost)	<u>2 396 003.40</u>	<u>1 001 460.90</u>	<u>1 394 542.50</u>
	14 167 765.95	10 957 717.38	3 210 048.57
<u>Total inventories</u>	<u>40 977 925.43</u>	<u>42 919 455.43</u>	<u>(1 941 530.00)</u>

SCHEDULE 8

CONTRIBUTIONS FOR FOLLOWING YEARS
PLEDGED AND RECEIVED IN ADVANCE
AS AT 31 DECEMBER 1980

	RECEIVED	RECEIVABLE	TOTAL
	\$	\$	\$
BELGIUM		112 903.23 a/	112 903.23
DENMARK		405 000.00	405 000.00
GERMANY, FEDERAL REPUBLIC OF		1 391 916.67	1 391 916.67
HONG KONG	6 913.21		6 913.21
MALAYSIA	78 369.00		78 369.00
NETHERLANDS		961 538.46 a/	961 538.46
SINGAPORE		10 000.00 a/	10 000.00
SWEDEN	1 023 255.81	697 674.41	1 720 930.22
SWITZERLAND		450 000.00	450 000.00
		250 000.00 a/	250 000.00
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND		336 745.28	336 745.28
EUROPEAN ECONOMIC COMMUNITY	5 279 790.06 a/		5 279 790.06
	<u>6 388 328.08</u>	<u>4 615 778.05</u>	<u>11 004 106.13</u>
<u>UNITED NATIONS SYSTEM</u>			
UNCDF		3 725 000.00	3 725 000.00
UNFPA	1 327 396.00	254 983.00	1 582 379.00
	<u>1 327 396.00</u>	<u>3 979 983.00</u>	<u>5 307 379.00</u>
	<u>7 715 724.08</u>	<u>8 595 761.05</u>	<u>16 311 485.13</u>

a/ Contributions to Kampuchean relief operation.

SCHEDULE 9

ACCOUNTS PAYABLE AND OTHER UNLIQUIDATED OBLIGATIONS
1980 COMPARED WITH 1979

	1980	1979	Increase (decrease)
	\$	\$	\$
<u>Accounts Payable</u>			
To the United Nations and specialized agencies mainly for staff salaries and related allowances	1 686 561.49	1 152 090.21	534 471.28
To Governments and other organizations	-	-	-
For supplies, equipment and freight	10 013 165.97	14 076 198.17	(4 063 032.20)
Miscellaneous	397 098.89	698 256.69	(301 157.80)
<u>Unliquidated obligations</u>			
Budgetary obligations outstanding	3 772 719.21	2 670 263.09	1 102 456.12
Greeting Card Operation obligations outstanding	1 140 831.35	584 462.40	556 368.95
Provision made for amounts payable to staff members under the tax equaliza- tion plan	400 000.00	240 000.00	160 000.00
	<u>17 410 376.91</u>	<u>19 421 270.56</u>	<u>(2 010 893.65)</u>

INTERNATIONAL YEAR OF THE CHILD OPERATIONAL COSTS
I. BUDGET COMMITMENTS, OBLIGATIONS INCURRED AND UNENCUMBERED BALANCES
FOR THE YEAR ENDED 31 DECEMBER 1980

	REVISED BUDGET ESTIMATES	OBLIGATIONS INCURRED LIQUIDATED AND UNLIQUIDATED
	\$	\$
<u>SECTION 1 - SALARIES, WAGES</u> <u>AND COMMON STAFF COSTS</u>		
ESTABLISHED POSTS	313 200.00	312 880.54
SHORT-TERM PROFESSIONAL PERSONNEL	29 300.00	29 124.28
SHORT-TERM GENERAL SERVICE PERSONNEL	6 600.00	6 488.80
OVERTIME	1 000.00	906.38
TRAVEL, REMOVAL AND INSTALLATION	20 600.00	20 470.36
SEPARATION AND REPATRIATION PAYMENTS	26 800.00	26 651.20
ASSIGNMENT ALLOWANCES	4 100.00	4 033.45
CONTRIBUTIONS, PENSION FUND	41 900.00	41 835.82
DEPENDENCY ALLOWANCES	11 100.00	11 040.48
TRAVEL ON HOME LEAVE	700.00	617.30
STAFF TRAINING	500.00	416.83
STAFF WELFARE	100.00	56.04
MEDICAL INSURANCE AND RELATED PAYMENTS	6 700.00	6 596.43
TOTAL SECTION 1	<u>462 600.00</u>	<u>461 117.91</u>
<u>SECTION 2 - OTHER EXPENSES</u>		
TRAVEL ON OFFICIAL BUSINESS	14 200.00	14 014.49
COMMUNICATIONS AND FREIGHT	65 800.00	65 174.97
INFORMATION PRODUCTION COSTS (AUDIO-VISUAL)	2 800.00	2 739.35
INFORMATION PRODUCTION COSTS (PUBLICATIONS)	52 400.00	68 976.62
SUPPORT COSTS FOR OTHER INFORMATION	3 800.00	3 672.12
RENTAL AND MAINTENANCE OF PREMISES	22 500.00	22 346.43
OFFICE SUPPLIES AND PRINTED FORMS	2 300.00	2 082.61
RENTAL, OPERATION AND MAINTENANCE OF EQUIPMENT	7 200.00	6 980.53
COMPUTER SERVICES	3 400.00	3 335.09
MAINTENANCE AND OPERATION OF TRANSPORTATION EQUIPMENT	800.00	702.17
INSURANCE	500.00	472.60
MISCELLANEOUS SUPPLIES AND SERVICES	2 400.00	2 171.11
HOSPITALITY	1 000.00	853.41
TOTAL SECTION 2	<u>179 100.00</u>	<u>193 571.50</u>
TOTAL SECTIONS 1 AND 2	<u>641 700.00</u>	<u>654 689.41</u>
CHARGED AGAINST BALANCES OF FUNDS-IN-TRUST FOR IYC OPERATIONAL COSTS (SEE SCHEDULE 10, PART II)		12 989.41
CHARGED AGAINST COMMITMENTS APPROVED BY THE EXECUTIVE BOARD (E/ICEF/661 AND E/ICEF/AB/L.203)		<u>641 700.00</u> <u>654 689.41</u>

II. CONTRIBUTIONS FOR OPERATIONAL COSTS
AS AT 31 DECEMBER 1980

Country	Received	Pledged	Total
	\$	\$	\$
Australia	100 000.00		100 000.00
Austria	42 063.07		42 063.07
Bahrain	10 000.00		10 000.00
Bangladesh		2 000.00	2 000.00
Belgium	50 000.00		50 000.00
Bhutan	1 000.00		1 000.00
Bulgaria	15 432.10		15 432.10
Canada	95 238.10		95 238.10
Chile	12 000.00		12 000.00
Cuba	5 082.05		5 082.05
Dominican Republic		2 000.00	2 000.00
Ethiopia	5 000.00		5 000.00
Finland	29 629.63		29 629.63
France	50 000.00		50 000.00
Germany, Federal Republic of	254 352.98		254 352.98
Ghana	10 000.00		10 000.00
Grenada	7 000.00		7 000.00
Honduras	5 000.00		5 000.00
Hungary	28 137.31		28 137.31
Iceland	4 500.00		4 500.00
India	108 568.13		108 568.13
Indonesia	10 000.00		10 000.00
Iran	200 000.00		200 000.00
Iraq	50 000.00		50 000.00
Ireland	10 295.00		10 295.00
Israel	5 000.00		5 000.00
Italy	49 382.72		49 382.72
Jamaica		561.80	561.80
Japan	408 363.64		408 363.64
Jordan	3 058.10		3 058.10
Kuwait	40 000.00		40 000.00
Liberia	500.00		500.00
Luxembourg	3 448.28		3 448.28
Maldives	1 000.00		1 000.00
Mauritania		5 000.00	5 000.00
Mauritius	2 083.33		2 083.33
Mexico	19 964.66		19 964.66
Netherlands	500 000.00		500 000.00
New Zealand	29 125.50		29 125.50
Niger	4 545.45		4 545.45
Norway	915 405.14		915 405.14
Oman		50 000.00	50 000.00
Pakistan	1 000.00		1 000.00
Panama		500.00	500.00
Philippines	100 000.00		100 000.00
Qatar	15 000.00		15 000.00
Republic of Korea	5 000.00		5 000.00
Saudi Arabia	100 000.00		100 000.00
Seychelles	295.42		295.42
Sweden	4 938.52		4 938.52
Switzerland	50 000.00		50 000.00
Thailand	1 015.63		1 015.63
United Arab Emirates	20 000.00		20 000.00
United Kingdom of Great Britain and Northern Ireland	318 957.11		318 957.11
United Republic of Cameroon		2 242.15	2 242.15
United Republic of Tanzania	6 821.28		6 821.28
United States of America	250 000.00		250 000.00
Venezuela	10 000.00		10 000.00
Viet Nam	1 007.60		1 007.60
Yugoslavia	9 788.36		9 788.36
	<u>3 378 399.11</u>	<u>62 803.35</u>	<u>4 041 202.06</u>

III. SUMMARY OF TRANSACTIONS FOR 1977, 1978, 1979 AND 1980

Contributions received and pledged	\$	\$
		4 041 202.06
Operational costs:		
1977	534 178.84	
1978	1 932 655.56	
1979	1 561 379.25	
1980	<u>12 989.41</u>	
		<u>4 041 202.06</u>

Balance 31 December 1980

TRUST FUNDS FOR REIMBURSABLE PROCUREMENT AND SERVICES

SUMMARY OF 1980 TRANSACTIONS

DONORS	BALANCES AT 1 JANUARY 1980	FUNDS			TOTAL FUNDS AVAILABLE	EXPENDITURE	FUNDS RETURNED	BALANCES AT 31 DECEMBER 1980
		RECEIVED	ADVANCED/ PLEDGED					
	\$	\$	\$	\$	\$	\$	\$	\$
GOVERNMENTS								
ABU DHABI	131 533.25		15 503.00	147 036.25	132 954.76			14 081.49
AFGHANISTAN	692 954.16				(32 529.75)			32 529.75
BAHGLADESH	9 000.00	586 744.08		1 279 698.24	385 980.17			893 718.07
BRUTAN	20 586.37			9 000.00	9 000.00			
BOLIVIA	15 143.56	2 592.13		23 178.50	23 178.50			
CANADA	4 995.12	709.10		15 143.56	15 000.00			143.56
CONGO	17 664.84	4 709.01		5 704.22	5 062.59			641.63
DENMARK	1 070.44	101.46		22 373.85	22 373.85			
DOMINICAN REPUBLIC		32 444.98		1 171.90		1 171.90		
ECUADOR				32 444.98	32 444.98			
ETHIOPIA	836.40			836.40		836.40		
GAMBIA	85 845.52	2 600.90		2 600.90				2 600.90
GERMANY, FEDERAL REPUBLIC OF		29 978.00		115 823.52	37 396.65			78 426.87
GHANA	24 734.43	10 478.65	973.20	11 451.85	10 122.29	1 329.56		
GUATEMALA	1 085 337.70	48 464.38		73 198.81	56 323.84	3 792.81		13 082.16
INDIA	578.95	72 011.00		1 157 348.70	1 140 720.02			16 628.68
INDONESIA				578.95		578.95		
IRAN	189 716.71			189 716.71				189 716.71
IRAQ	636 718.78	2 794 394.81		3 431 113.59	1 142 527.26			2 288 586.33
IVORY COAST	268.26			268.26	21.65			246.61
JAPAN	11 994.56	146 897.68		158 892.24	129 811.20			29 081.04
KENYA	1 870.60	12 650.55	(551.24)	13 969.91	13 961.23	8.68		
KUWAIT	5 683.11	59 790.15		65 473.26	52 209.46	12 018.71		1 245.09
LEBANON		20 988.12		20 988.12				20 988.12
LESOTHO		27 500.00		28 406.74	28 406.74			
LIBERIA	40 636.70	4 300.00	906.74	44 936.70	41 648.08			3 288.62
MADAGASCAR	15 934.50	6 225.96		22 160.46	22 160.46			
MAI	1 460.28			1 460.28	1 033.84			426.44
MAURITANIA	11 453.66			11 453.66	11 453.66			
MEXICO	3 579.22	566 100.00		569 679.22	533 498.43			36 180.79
MOROCCO	43 777.03	710 638.57		754 415.60	46 618.77			707 796.83
NEPAL	58 871.91	181 829.13		240 701.04	100 917.89	1 333.19		138 449.96
NETHERLANDS	17 034.98		60 931.36	77 966.34	77 966.34			
NEW CALEDONIA	1 776.96	123.58		1 900.54	1 900.54			
NORWAY	53 021.07	74 682.90	17 128.78	144 832.84	144 832.84			49 426.67
PAKISTAN	481 854.00	281 277.72		763 131.72	713 705.05			
PANAMA	1 235.00		2 610.68	3 845.68	3 845.68			35 595.94
PHILIPPINES	131 535.52	8 499.59		140 035.11	104 439.17			1 642.71
POLAND	414.70	1 228.01		1 642.71				
PORTUGAL		62.13		62.13	62.13			

SCHEDULE 11 (continued)

TRUST FUNDS FOR REIMBURSABLE PROCUREMENT AND SERVICES

SUMMARY OF 1980 TRANSACTIONS

COUNTRIES	FUNDS				TOTAL FUNDS AVAILABLE	EXPENDITURE	FUNDS RETURNED	BALANCES AT 31 DECEMBER 1980
	BALANCES AT 1 JANUARY 1980	RECEIVED	ADVANCED/ PLEDGED					
	\$	\$	\$	\$	\$	\$	\$	\$
<u>GOVERNMENTS</u>								
SAUDI ARABIA	5 236 104.76	650 000.00		5 926 104.76	3 623 166.64			2 302 938.12
SOMALIA	275 604.65	252 623.81	27 925.90	556 234.36	556 234.36			
ETHIOPIA	43 842.07			43 842.07				43 842.07
SUDAN		5 390.79		5 390.79	4 412.20			
SYRIAN ARAB REPUBLIC	1 774.55	269 394.90		271 169.45	150 014.88			121 154.57
TANZANIA	112 622.33			112 622.33	95 999.24	16 623.09		
TUVALU	167 976.45	1 006 755.83		1 174 732.28	879 155.95	46 010.75		249 565.58
TUNISIA	16 056.40			16 056.40	10 814.75			5 241.65
TURKEY	240 737.20	100 000.00		340 737.20	215 266.95			125 470.25
TURKS AND CAICOS ISLANDS		1 202.00		1 202.00				1 202.00
UNITED REPUBLIC OF TANZANIA	732 677.99	1 252 185.05		1 984 863.04	968 169.51	1 112.13		1 035 501.40
UNITED STATES OF AMERICA	47 165.93	1 180 485.76		1 227 651.69	1 227 521.90	108.79		21.00
YUGOSLAVIA	1 305.81			1 305.81	450.28			855.53
ZAMBIA		106 142.00		106 142.00	100 086.50			6 055.50
ZAMBIA	64 460.44	219 804.02		284 264.46	155 200.79			128 903.67
	<u>10 779 526.87</u>	<u>10 732 006.84</u>	<u>125 428.42</u>	<u>21 636 962.13</u>	<u>12 975 622.27</u>	<u>84 924.96</u>		<u>8 576 414.90</u>
<u>UNITED NATIONS SYSTEM</u>								
UN, SECRETARIAT		6 657.13		6 657.13	6 657.13			
ICAO, MONTREAL		103.42		103.42	103.42			
UNEP, NEW YORK		52 855.04	2 261.89	55 116.93	55 116.93			
UNICEF, NEW YORK	15 307.15	307 080.00		322 387.15	32 162.01	15 307.15		274 917.99
WHO, GENEVA	56 843.43	6 811.05	30 310.43	93 964.91	72 821.28			21 143.63
UNHCR, BEIRUT		11 130.87	2 517.66	13 648.53	12 988.90	659.63		
UNEP, NEW YORK	7 156 696.63	4 003 445.57	613 733.00	11 853 875.20	7 449 496.59			4 404 378.61
UNHCR, GENEVA		1 219 950.06		1 219 950.06	1 138 707.66			81 243.20
PAHO, WASHINGTON	79 869.69		26 406.54	79 869.69	10 869.69			69 000.00
UNESCO, GENEVA				26 406.54	26 406.54			
UNESCO, PARIS	16 738.69	7 000.00		23 738.69	16 738.69			7 000.00
	<u>7 325 455.59</u>	<u>5 695 033.94</u>	<u>675 229.52</u>	<u>13 695 719.05</u>	<u>9 822 060.84</u>	<u>15 966.78</u>		<u>4 857 683.43</u>
<u>OTHERS</u>								
	<u>1 537 076.65</u>	<u>12 936 591.24</u>	<u>937 927.22</u>	<u>15 412 395.11</u>	<u>14 403 192.36</u>	<u>391 363.72</u>		<u>617 839.03</u>
	<u>19 642 859.11</u>	<u>29 363 632.02</u>	<u>1 738 505.16</u>	<u>50 745 076.29</u>	<u>16 200 803.47</u>	<u>492 255.46</u>		<u>14 051 937.36</u>

APPENDIX TO PART ONE

Statistics and other data

This appendix comprises tables giving statistical and other data concerning UNICEF activities, which, although not forming part of the financial statements, are provided for information purposes.

Tables

A. Status of funds from the United Nations system

1. Status of funds from the United Nations system related to Board Commitments as at 31 December 1980.

B. Expenditures

2. Expenditures for co-operation by programme in 1980 and 1979.
3. Summary of expenditures in 1980 (by region and type of programmes).

C. Commitments

4. Summary of commitments approved by the Executive Board at its May 1980 session by region and main fields of aid.
5. Commitments entering into effect during 1980 between Board sessions corresponding to general resources and specific contributions received or pledged during 1980, and adjustments and transfers.
6. Total commitments approved in 1980 (summary by region and type of programmes).

A. FUNDS

Table 1

Status of funds from UN System
related to Board Commitments
as at 31 December 1980

	Opening Balance	Received	Advanced	Total	Expenditures	Returned/ Transferred	Balance
	\$	\$	\$	\$	\$	\$	\$
United Nations Capital Development Fund	617 139.68	1 594 661.85		2 211 801.53	1 618 153.01		573 648.52
United Nations Development Programme	(14 410.39)	44 500.00		30 089.61	30 000.00		89.61
Office of the United Nations Disaster Relief Co-ordinator	7 932.25	69 209.06		77 141.31	32 552.19		44 589.12
United Nations Environment Programme	25 146.99	20 174.00	117 948.94	163 269.93	163 269.93		
United Nations Fund for Population Activities	1 091 196.00	481 346.00		1 572 542.00	1 113 116.10		459 425.90
United Nations High Commissioner for Refugees		3 986 000.00		3 986 000.00	732 211.65		3 253 788.35
TOTAL	1 727 004.53	6 195 890.91	117 948.94	8 040 844.38	3 709 302.88		4 331 541.50

B. UNICEF EXPENDITURES

Table 2

Expenditures for co-operation by programme
in 1980 and 1979

(In thousands of United States dollars)

	1980		1979		Increase over previous year	
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage
<u>Child health</u>						
Basic child health	57 839	23.0	58 208	27.8	(369)	(0.6)
Water supply/sanitation	<u>50 569</u>	<u>20.1</u>	<u>53 148</u>	<u>25.4</u>	<u>(2 579)</u>	<u>(4.9)</u>
Total child health	108 408	43.1	111 356	53.2	(2 948)	(2.7)
<u>Child nutrition</u>						
Child feeding	1 062	0.4	1 064	0.5	(2)	(0.2)
Weaning food production	3 076	1.2	1 671	0.8	1 405	84.1
Other nutrition	<u>14 567</u>	<u>5.8</u>	<u>11 639</u>	<u>5.6</u>	<u>2 928</u>	<u>25.2</u>
Total child nutrition	18 705	7.4	14 374	6.9	4 331	30.1
<u>Special welfare services for children</u>	13 812	5.5	12 430	5.9	1 382	11.1
<u>Formal education</u>	25 951	10.3	26 828	12.8	(877)	(3.3)
<u>Non-formal education</u>	8 464	3.4	7 378	3.5	1 086	14.7
<u>Emergency relief</u>						
Kampuchean relief	49 043	19.5	18 401	8.8	30 642	166.5
Other emergency relief	<u>9 231</u>	<u>3.6</u>	<u>2 709</u>	<u>1.3</u>	<u>6 522</u>	<u>240.8</u>
Total emergency relief	58 274	23.1	21 110	10.1	37 164	176.1
<u>General a/</u>	<u>18 101</u>	<u>7.2</u>	<u>15 853</u>	<u>7.6</u>	<u>2 298</u>	<u>13.9</u>
Subtotal programme aid	251 715	100.0	209 369	100.0	42 346	20.2
Programme support services	38 405		30 355		8 050	26.5
TOTAL ASSISTANCE	<u>290 120</u>		<u>239 724</u>		<u>50 396</u>	<u>21.0</u>

a/ This aid cannot be broken down into the above categories.

Table 3

Summary of expenditures in 1980 (by region and type of programmes)

(In thousands of United States dollars)

	Africa	The Americas	East Asia and Pakistan	South Central Asia	Eastern Mediterranean	Europe and Inter-regional	Total	Percentage
Child health	19 038	1 901	21 295	10 345	4 998	262	57 839	23.0
Water supply/sanitation	9 705	1 121	17 128	16 411	6 175	29	50 569	20.1
Child nutrition	2 462	1 048	7 878	6 082	346	89	18 705	7.4
Social welfare services for children	2 189	2 412	3 064	4 774	1 316	57	13 812	5.5
Formal education	6 406	906	7 806	7 979	2 833	21	25 951	10.3
Non-formal education	4 765	580	2 344	183	318	274	8 464	3.4
Emergency relief (including Kampuchean)	6 486	725	50 747	111	121	84	58 274	23.1
General a/	3 523	2 237	5 710	1 415	1 559	3 657	18 101	7.2
Subtotal programme aid	54 574	11 730	115 972	47 300	17 666	4 473	251 715	100.0
Programme support services	10 155	4 366	7 695	4 475	4 999	6 715	38 405	
Total assistance	64 729	16 096	123 667	51 775	22 665	11 188	290 120	
Administrative services							23 267	
International Year of the Child - operational costs							642	
TOTAL EXPENDITURE							314 029	

a/ This aid cannot be broken down into the above categories.

C. UNICEF COMMITMENTS

Table 4

Summary of commitments approved by the Executive Board at its
May 1980 session by region and main fields of aid a/

(In thousands of United States dollars)

	Africa	The Americas	East Asia and Pakistan	South Central Asia	Eastern Mediterranean	Inter-regional	Total	Percentage
Child health	18 237	2 405	18 405	3 994	952		43 993	26.8
Water supply/sanitation	10 509	1 104	14 151	5 859			31 623	19.3
Child nutrition	3 114	2 296	8 062	2 593			16 065	9.8
Social welfare services for children	5 769	5 761	8 059	4 980	953		25 522	15.6
Primary education	5 865	595	14 498	2 888	337		24 183	14.7
Non-formal education	3 623	324	1 290	562	400		6 199	3.8
General b/	4 660	2 702	5 354	524	158	3 000	16 398	10.0
Subtotal programme aid	51 777	15 187	69 819	21 400	2 800	3 000	163 983	100.0
Deficits	99	18	188	11	211	446	973	
Programme support c/	11 641	5 406	9 208	6 345	6 226	9 707	48 533	
Total assistance	63 517	20 611	79 215	27 756	9 237	13 153	213 489	
Administrative services d/						30 872	30 872	
Total new commitments	63 517	20 611	79 215	27 756	9 237	44 025	244 361	
Cancellations	(1)	(1)	(18)		(295)e/	(18)	(333)	
Net increase in commitment	63 516	20 610	79 197	27 756	8 942	44 007	244 028	

a/ In addition to these commitments, commitments as a result of previous actions of the Board planned for future fulfillment totalled \$480 million.

b/ This amount cannot be broken down into the above categories. It includes \$3 million for emergency reserve under the heading "Interregional".

c/ Comprising \$45,417,000 for 1981 and \$3,116,000 supplementary budget for 1980 (see footnote e/).

d/ Comprising \$28,366,000 for 1981 and \$2,506,000 supplementary budget 1980.

e/ Reflected in 1979 financial statements.

Table 5

Commitments entering into effect during 1980 between board sessions corresponding to specific contributions received or pledged during 1980 and adjustments and transfers

(In thousands of United States dollars)

	Africa	The Americas	East Asia and Pakistan	South Central Asia	Eastern Mediterranean	Europe and Inter-regional	Total	Percentage
Child health	2 920	(26)	5 349	186	2 861	205	11 495	10.0
Water supply/sanitation	3 987	296	4 611	12 420	3 294		24 608	21.7
Child nutrition	274	10	1 662	417			2 363	2.1
Social welfare services for children	94	2 186		244	54		2 578	2.3
Formal education	343	40	1 176	271			1 830	1.6
Non-formal education	91	(3)					88	0.1
Emergency relief (excluding Kampuchean)	9 841	90	313	40	65	(1 148) b/	9 201	8.1
Kampuchean relief			60 304				60 304	53.1
General a/				132	1 000		1 132	1.0
Total commitments entering into effect during 1980 outside Board sessions	17 550	2 593	73 415	13 710	7 274	(943)	113 599	100.0
Adjustments in earlier commitments						(3 199) c/	(3 199)	
Net total	17 550	2 593	73 415	13 710	7 274	(4 142)	110 400	

a/ This amount cannot be broken down into the above categories.

b/ Funds authorized from the Executive Director's Emergency Reserve during 1980 was distributed by regions.

c/ Comprising cancellations of savings of \$1,867,787 from programme support services, \$1,331,265 from administrative services and \$163,000 for International Year of the Child budget.

Table 6

Total commitments approved in 1980 (summary by region and type of programmes)

(in thousands of United States dollars)

	Africa	The Americas	East Asia and Pakistan	South Central Asia	Eastern Mediterranean	Europe and Inter-regional	Total	Percentage
Child health	21 157	2 379	23 754	4 180	3 813	205	55 408	20.0
Water supply/sanitation	14 496	1 400	18 762	18 279	3 294		56 231	20.3
Child nutrition	3 388	2 306	9 724	3 010			18 428	6.6
Social welfare services for children	5 863	7 947	8 059	5 224	1 007		28 100	10.1
Formal education	6 208	635	15 674	3 159	337		26 013	9.4
Non-formal education	3 714	321	1 290	562	400		6 287	2.3
Emergency relief (excluding Kampuchea)	9 841	90	292	40	65	1 073	12 201	4.4
Kampuchea relief			60 304				60 304	21.7
General a/	4 660	2 702	5 354	656	1 158		14 530	5.2
Subtotal programme aid	69 327	17 780	143 213	35 110	10 074	2 078	277 582	100.0
Deficits	99	18	188	11	211	446	973	
Programme support b/	11 641	5 406	9 208	6 345	6 226	9 707	48 533	
Total assistance	81 067	23 204	152 609	41 466	16 511	12 231	327 088	
Administrative services c/						30 872	30 872	
Total new commitments	81 067	23 204	152 609	41 466	16 511	43 103	357 960	
Savings (cancellations) d/	(1)	(1)	(18)			(3 217)	(3 237)	
Net increase in Commitments	81 066	23 203	152 591	41 466	16 511	39 886	354 723 e/	

a/ This amount cannot be broken down into categories listed above.

b/ Comprising \$45,417,000 for 1981 and \$3,116,000 supplementary budget for 1980.

c/ Comprising \$28,366,000 for 1981 and \$2,506,000 supplementary budget for 1980.

d/ Comprising cancellations of savings of \$37,533 from programme co-operation \$1,869,987 from programme support services and \$1,331,265 from administrative services.

e/ Excluding cancellations of commitments of \$295,000 reflected in 1979 Financial Statements.

PART TWO

GREETING CARD OPERATION

FOREWORD

The Greeting Card Operation not only furnishes UNICEF a sizeable source of income but has provided people in many countries with a means of making a direct contribution to a United Nations activity bringing benefits to millions of children in developing countries. Artists of distinction and museums from 44 countries contributed their creative talents and distinguished works of art for the 1979 season. As in past years, National Committees for UNICEF and other groups were the main sales agents, and sales and distribution costs were kept to a minimum because of their extensive and generous voluntary help. We greatly appreciate the devoted efforts of the many thousands of persons who contributed to the success of the enterprise.

(Signed) James P. GRANT
Executive Director
of the
United Nations Children's Fund

SUMMARY

A total of 113 million cards, 694,505 calendars, 283,956 packs of stationery, and other related items were sold in the 1979 season (1 May 1979 to 30 April 1980), bringing gross proceeds of sales of \$45.0 million. This was \$6.2 million or 16 per cent higher than in the previous year. Operational expenditures were \$17.4 million which was \$4.0 million or 29.9 per cent higher than the previous year. The excess of income over expenditure, which constitutes the net income for UNICEF, increased by 4.9 per cent to \$17.1 million in the 1979 season compared to \$16.3 million in the 1978 season.

I. BRIEF ACCOUNT OF THE 1979 SEASON

1 May 1979 to 30 April 1980

1. The financial results of the 1979 season compared to the 1978 season's results are shown in statements I and II. In table 1 the 1979 season's results are compared with the estimates approved in May 1978 as well as with the actual results of the previous season.

Sales

2. Gross proceeds from sales of cards, calendars and related items amounted to \$45.0 million compared to \$38.8 million in 1978, an increase of 16 per cent. The number of cards sold increased from 100 million in 1978 to 113 million in 1979.

3. The target for gross proceeds of sales of \$48.9 million included in the 1979 budget estimates (E/ICEF/AB/L.202, p. 8) was not fully met. Targets in local currencies were largely achieved but because of changes in currency exchange rates the equivalent in United States dollars was less than estimated.

4. Table 2 shows that gross proceeds of sales increased in all geographic areas except Central and South America. The largest percentage increase was in the South West Pacific (38.4 per cent) followed by Africa and the Eastern Mediterranean (35.9 per cent), Asia (26.6 per cent), North America (20.5 per cent) and Europe (16.2 per cent). Proceeds of sales in Central and South America expressed in United States dollars were down by 0.3 per cent owing entirely to a devaluation of the Brazilian cruzeiro which occurred late in the sales season when compensating sales-price adjustments could not be made.

5. Gross proceeds from major selling countries on the basis of sales per 1,000 of population are given in table 3.

Operational expenditures

6. As shown in table 1, expenditures in the 1979 season were \$17.4 million compared with \$13.4 million in 1978. Sales and distribution costs - fixed and variable - were 12.6 per cent of gross sales in 1979 compared with 11.4 per cent originally estimated, owing principally to the use of a larger brochure, expanded to improve its effectiveness as a sales tool. Fixed and variable production costs were 20.4 per cent compared with 17.6 per cent in the budget estimates because about 12 million more cards than budgeted were printed in flat form to meet an apparent demand from an expanded distribution network established in connexion with the International Year of the Child (IYC). However, although additional cards were distributed, sales did not increase as much as expected. More educational material - Educoll kits and puzzles - was produced and sold. Administration costs were 5.9 per cent compared with 4.9 per cent estimated, although some established posts were held vacant for part of the year. The

Increase was mainly due to greater than expected use of short-term General Service personnel at sales offices in the field and greater than expected increases in the costs of rental and maintenance of premises and storage, communications, and computer services and usage.

Excess of income over expenditure

7. Net income increased from 1978 to 1979 by \$0.8 million to \$17.1 million, representing 38 per cent of gross proceeds of sales in the 1979 season compared to 42 per cent in 1978. Largely because of the effects of currency exchange fluctuation referred to in paragraph 3, net income was \$3.2 million less than the amount originally estimated (table 1).

Other income

8. The successful shopping bag programme resulted in a net profit of \$824,656 (schedule 2).

Promotional materials produced

9. In the 1979 season \$2.2 million was spent for the production of publicity materials to be used by National Committees for UNICEF and other sales outlets. Of this amount \$1.5 million went for the production of 16 million brochures and 15 million leaflets, mailers and teasers. The remaining \$0.7 million went for the production of banners and posters for sales centres, television films, radio spots, stickers, promotion lists and other promotional materials and sales aids (statement III).

Designs

10. Reproduction rights were given by 171 artists and museums from 44 countries. Fifty-two designs were used for the calendars and 119 designs were used for the cards. The generosity of these artists and institutions has made possible a continuing high standard of design.

Table 1

Summary of Greeting Card Operation
(with variable and fixed costs distributed by function)

Description	1979 season approved estimates		1979 season actual		1978 season actual ^{a/}		Percentage increase or (decrease) 1979 actual compared to approved estimates	Percentage increase or (decrease) 1979 over 1978
	133 million		113 million		100 million			
	US\$ million	Percentage of gross sales	US\$ million	Percentage of gross sales	US\$ million	Percentage of gross sales		
Cards sold	48.9	100.0	45.0	100.0	38.8	100.0	(15.0)	13.0
Gross proceeds of sales							(8.0)	16.0
Less:								
Commissions, duties and taxes	12.5	25.6	11.9	26.5	10.0	25.7	(4.8)	19.0
Net proceeds of sales	36.4	74.4	33.1	73.5	28.8	74.3	(9.1)	14.9
Less:								
Sales and distribution costs	5.6	11.4	5.7	12.6	4.3	11.1	1.8	32.6
Production costs	8.6	17.6	9.2	20.4	7.2	18.5	7.0	27.8
Administration costs	2.4	4.9	2.5	5.6	1.9	4.9	4.2	31.6
Total operational expenditures	16.6	33.9	17.4	38.6	13.4	34.5	4.8	29.9
Operational net income	19.8	40.5	15.7	34.9	15.4	39.8	(20.7)	1.9
Add:								
Other income	0.5	1.0	1.4	3.0	0.9	2.2	180.0	55.1
Excess of income over expenditure	20.3	41.5	17.1	37.9	16.3	42.0	(15.7)	4.9

a/ In 1978 cards and stationery were accounted for jointly. For comparison purposes quantities of pieces of stationery have been excluded in this statement.

Table 2

Gross proceeds of sales by area and major selling country and numbers of cards sold
1979 season compared with 1978
(in thousands of US dollars)

	1979 season		1978 season		Percentage increase (decrease) 1979 over 1978		Thousands of cards sold	
	Total gross proceeds \$ thousands	Percentage of total proceeds	Total gross proceeds \$ thousands	Percentage of total proceeds			1979 season	1978 a/ season
Europe								
Germany, Federal Republic of	8,017	17.8	7,644	19.7	4.9		12,498	11,829
France	4,894	10.9	4,070	10.5	20.3		10,168	9,111
Switzerland	2,456	5.5	1,988	5.1	23.5		3,623	3,295
Netherlands	1,887	4.2	1,648	4.2	14.5		3,088	3,311
Spain	1,590	3.5	2,047	5.3	(22.3)		7,172	9,590
Sweden	1,559	3.5	1,134	2.9	37.5		3,290	3,340
Union of Soviet Socialist Republics	1,317	2.9	645	1.7	104.2		2,908	176
Belgium	1,244	2.8	1,189	3.1	4.6		2,052	1,950
Finland	1,188	2.6	807	2.1	47.2		2,578	2,396
Norway	1,089	2.4	863	2.2	26.2		2,117	1,816
United Kingdom of Great Britain and Northern Ireland								
Denmark	1,046	2.3	837	2.2	25.0		3,016	2,744
Ireland	1,002	2.2	940	2.4	6.6		1,926	2,252
Hungary	645	1.4	153	0.4	321.6		1,666	575
Italy	590	1.3	443	1.1	33.2		2,958	1,942
Austria	561	1.2	524	1.4	7.1		1,287	1,140
Bulgaria	324	0.7	169	0.4	91.7		870	795
Yugoslavia	297	0.7	300	0.8	(1.0)		1,251	1,427
Greece	254	0.6	231	0.6	10.0		658	711
Poland	169	0.4	250	0.6	(32.4)		1,024	1,676
Luxembourg	109	0.3	98	0.3	11.2		218	192
Other countries	369	0.8	359	0.9	2.8		1,707	1,584
	31,607	68.0	26,339	67.9	16.2		66,075	61,852
North America								
United States of America	6,730	15.0	5,615	14.5	19.9		20,155	21,317
Canada	1,734	3.8	1,411	3.6	22.8		5,811	5,220
	8,464	18.8	7,026	18.1	20.5		25,966	26,537
Central and South America								
Brazil	2,100	4.7	2,577	6.6	(18.5)		8,359	7,411
Argentina	367	0.8	251	0.7	46.2		1,186	774
Chile	311	0.7	249	0.6	24.9		944	882
Colombia	251	0.6	172	0.4	45.9		686	697
Mexico	160	0.4	119	0.3	34.4		431	371
Uruguay	153	0.3	75	0.2	104.0		440	272
Peru	109	0.2	70	0.2	55.7		420	285
Other countries	273	0.6	224	0.6	21.9		803	847
	3,724	8.3	3,737	9.6	(0.3)		13,269	11,539
Asia								
India	443	1.0	380	1.0	16.6		1,936	1,611
Japan	135	0.3	109	0.3	23.9		294	245
Other countries	277	0.6	186	0.5	48.9		1,083	829
	855	1.9	675	1.8	26.6		3,313	2,685
South West Pacific								
Australia	573	1.3	397	1.0	44.3		1,884	1,401
New Zealand	140	0.3	125	0.3	12.0		561	505
Other countries	18	-	13	0.1	38.4		49	39
	731	1.6	535	1.4	36.6		2,434	1,945
	644	1.4	474	1.2	35.9		1,495	1,442
Africa and Eastern Mediterranean								
	45,025	100.0	38,786	100.0	16.1		112,612	106,000

a/ Stationery included in 1978.

Table 3

Gross proceeds from sales in major selling countries:
1979 season compared with 1978 on a population basis a/

Country	Gross proceeds from sales per 1,000 of population	
	1979 \$	1978 \$
Switzerland	387.99	313.56
Luxembourg	302.78	272.22
Norway	267.57	212.56
Finland	232.03	169.89
Denmark	195.78	184.31
Sweden	188.06	136.96
Netherlands	134.50	118.22
Germany, Federal Republic of	130.70	124.68
Belgium	126.29	120.83
France	91.52	76.39
Austria	74.70	69.77
Canada	73.15	60.04
Hungary	60.28	14.31
Uruguay	53.15	26.22
Spain	47.76	55.66
New Zealand	45.16	40.19
Australia	39.74	27.86
Bulgaria	36.20	19.18
United States of America	30.51	25.75
Chile	28.48	22.93
Greece	26.91	24.67
Iceland	24.11	17.28
United Kingdom of Great Britain and Northern Ireland	18.73	14.99
Brazil	17.70	22.33
Argentina	13.73	9.51
Yugoslavia	13.40	13.69
Italy	10.37	7.81

a/ The list includes countries where gross proceeds from sales exceeded \$50,000 and \$10 per 1,000 of population in the 1979 season.

II. FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1980

STATEMENT I

Comparative statement of income and expenditure for the season ended 30 April 1980
(In United States dollars)

	1979 season - 1 May 1979 to 30 April 1980	1978 season - 1 May 1978 to 30 April 1979
	\$	\$
<u>Sales</u>		
Greeting cards	39,420,166.52	34,660,992.86
Calendars	3,242,910.91	3,011,532.02
Educational materials	1,124,025.36	202,431.21
Stationery	1,237,987.75	911,397.65
	<u>45,025,090.54</u>	<u>38,786,353.74</u>
<u>Less: Commissions paid</u>	<u>11,265,589.64</u>	<u>9,614,955.46</u>
<u>Duties and taxes</u>	<u>651,927.70</u>	<u>330,518.26</u>
		<u>28,840,880.02</u>
<u>Less: Variable sales and distribution costs</u>	<u>2,906,257.82</u>	<u>2,229,737.63</u>
<u>Variable production costs</u>	<u>7,305,407.02</u>	<u>5,612,720.17</u>
		<u>7,842,457.80</u>
<u>Gross profit on sales</u>		<u>20,998,422.22</u>
<u>Less: Other expenditures</u>		
Fixed staff costs	4,623,321.29	3,670,462.55
Other fixed costs	<u>2,570,328.15</u>	<u>1,867,575.94</u>
		<u>5,538,038.49</u>
<u>Operational net income</u>	<u>15,702,258.92</u>	<u>15,460,383.73</u>
<u>Add: Other income</u>	<u>1,348,629.83</u>	<u>859,420.09</u>
		<u>16,319,803.82</u>
<u>Excess of income over expenditures</u>	<u>17,050,888.75</u>	<u>16,319,803.82</u>
	=====	=====

Statement III and notes 1 to 6 form an integral part of this statement and should be read in conjunction therewith.

CERTIFIED CORRECT

APPROVED

(Signed) Giovanni CAVALLIA
Controller

(Signed) James P. GRANT
Executive Director

STATEMENT II

Comparative statement of assets and liabilities at 30 April 1980 (in United States dollars)

	1979 season	1978 season	Increase/ (Decrease)
<u>Assets</u>			
Cash on hand and in current bank accounts	\$ 230,805.76	\$ 121,838.92	\$ 109,056.84
Accounts receivable, advances and deposits	25,704,048.33	24,210,204.35	1,493,843.98
Inventory	7,698,433.47	6,019,471.60	1,678,961.87
Prepaid expenses - future campaigns	2,179,344.36	2,262,781.34	(83,426.98)
	\$ 31,812,731.92	\$ 32,614,296.21	\$ 3,198,435.71
<u>Liabilities</u>			
Accounts payable and other unliquidated obligations	1,548,305.20	1,230,462.73	317,922.56
UNICEF interoffice account	17,151,392.98	14,971,859.85	2,179,533.13
Deferred income - future campaigns	62,064.90	92,169.81	(30,104.91)
	18,761,843.17	16,294,492.39	2,467,350.78
Excess of assets over liabilities	17,050,888.75	16,319,803.82	731,084.93
	=====	=====	=====

Statement III and notes 1 to 6 form an integral part of this statement and should be read in conjunction therewith.

CERTIFIED CORRECT

(Signed) Giovanni CAVALLA
Comptroller

APPROVED

(Signed) James P. GRANT
Executive Director

STATEMENT III
Budget commitments, obligations incurred and unencumbered balances
for the season ended 30 April 1980
(in US dollars)

	Budget estimates			Obligations incurred	
	Original	Approved revisions	Revised	Liquidated and unliquidated	Unencumbered balances
Section 1: Fixed staff costs					
Established posts	3,373,400.00	(154,630.00)	3,218,800.00	3,186,222.04	32,577.96
Short-term Professional personnel	94,200.00	16,330.00	110,500.00	101,457.65	9,042.35
Short-term General Service personnel	539,800.00	71,200.00	611,000.00	606,795.81	4,204.19
Overtime	20,500.00	19,000.00	39,500.00	35,916.76	3,583.24
Travel, removal and installation	20,000.00	(10,000.00)	10,000.00	9,079.72	920.28
Separation and repatriation payments	2,000.00	83,500.00	85,500.00	85,250.11	249.89
Contributions, Pension Fund	471,900.00	3,000.00	474,900.00	437,290.37	37,609.63
Dependency allowances and education grants	73,900.00	15,100.00	89,000.00	84,408.12	4,591.88
Compensatory payments	2,000.00	(900.00)	1,100.00	91.30	1,008.70
Travel on home leave	10,200.00	(3,000.00)	7,900.00	2,948.40	4,951.60
Staff training	21,500.00	7,000.00	28,500.00	16,651.01	11,848.99
Staff welfare	3,000.00	1,000.00	4,000.00	1,426.50	2,573.50
Medical insurance and related payments	48,000.00	9,000.00	57,000.00	55,783.50	1,216.50
Total Section 1	4,681,100.00	56,600.00	4,737,700.00	4,623,321.29	114,378.71
Section 2: Other fixed costs					
Travel on official business	170,000.00	24,000.00	194,000.00	191,160.35	2,839.65
Freight - miscellaneous	11,000.00	33,400.00	44,400.00	43,832.50	567.50
Order handling	200,000.00	(47,000.00)	153,000.00	151,758.15	1,241.85
Communications	152,000.00	37,000.00	189,000.00	170,016.66	18,983.34
Rental and maintenance of premises and storage	748,000.00	72,000.00	820,000.00	806,060.68	13,939.32
Office supplies	72,000.00	(11,500.00)	60,500.00	58,283.91	2,216.09
Miscellaneous supplies and services	84,000.00	5,000.00	89,000.00	82,842.52	6,157.48
Conference and liaison	106,000.00	2,000.00	108,000.00	94,409.62	13,590.38
Production and distribution equipment	116,500.00	14,500.00	131,000.00	122,779.50	8,220.50
Rental and maintenance of office and accounting equipment	33,000.00	(9,000.00)	24,000.00	22,946.29	1,053.71
Computer services	256,400.00	3,600.00	260,000.00	257,283.29	2,716.71
External audit costs	39,000.00	5,000.00	44,000.00	24,391.00	19,609.00
Hospitality	13,400.00	(4,000.00)	9,400.00	5,200.21	4,199.79
Furniture and office equipment	59,800.00	(7,000.00)	52,800.00	52,208.76	591.24
Payment to UNICEF for services	484,600.00	35,000.00	519,600.00	487,054.71	32,545.29
Total Section 2	2,545,700.00	153,000.00	2,698,700.00	2,570,328.15	128,371.85
Section 3: Variable production costs					
Cards	5,639,000.00	368,000.00	6,007,000.00	5,964,866.52	42,133.48
Calendars	793,000.00	(59,000.00)	734,000.00	697,218.17	46,781.83
Educational materials	63,000.00	242,000.00	305,000.00	304,033.56	966.44
Stationery	349,000.00	21,000.00	370,000.00	349,288.77	20,711.23
Total Section 3	6,844,000.00	572,000.00	7,416,000.00	7,305,407.02	110,592.98
Section 4: Variable sales and promotion costs					
Freight on finished goods	702,000.00	41,000.00	743,000.00	736,360.07	6,639.93
Brochure printing	1,207,500.00	328,500.00	1,536,000.00	1,532,917.64	3,082.36
Other sales materials and services	652,500.00	(10,500.00)	642,000.00	636,980.11	5,019.89
Total Section 4	2,562,000.00	359,000.00	2,921,000.00	2,906,257.82	14,742.18
Total operating expenditures	16,632,800.00	1,140,600.00	17,773,400.00	17,405,314.28	368,085.72

NOTES TO FINANCIAL STATEMENTS

1. The financial report for 1979 includes a statement of assets and liabilities of the Greeting Card Operation (statement II). In the UNICEF accounts, assets and liabilities relating to the Greeting Card Operation are consolidated at the periodic closure of UNICEF accounts.
2. Accounts receivable as of 30 April 1980 totalled \$25,704,048 compared with \$24,210,204 at 30 April 1979. Of the amount of \$25,704,048, receivables from National Committees for UNICEF totalled \$22,174,806 and from United Nations agencies \$2,530,770. Since agreements with most National Committees provide for payment by 31 August each year, payments received against these accounts had reduced the outstanding balance to approximately \$3,048,000 at the time of preparation of this report.
3. The production and distribution equipment in use at New York headquarters had an acquisition cost of \$216,614. The value of this equipment is not reported in the accounts as an asset since its cost was charged to operating costs in the current and prior years' budgets. The acquisition cost of other non-expendable equipment, office furniture and machines, etc., still in use at headquarters but not included in the accounts as an asset amounted to \$190,667.
4. During the 1979 season approximately 5.3 million cards of old designs no longer considered saleable were donated to approved organizations or disposed of as scrap paper. In addition about 47.2 million unfinished cards were disposed of as scrap paper. At 30 April 1980 global stocks of 1979 and earlier cards totalled 69.2 million cards. There were also printed sheets from which it would be possible to finish 48.2 million cards.
5. Raw materials and products in process were valued at \$3,163,898 and \$3,804,544 respectively at cost. An inventory of finished goods was valued at \$729,992 representing the production cost of 1979 cards and other items in stock at 30 April 1980 which will be offered for sale in the 1980 season.
6. The Executive Board at its May 1979 session approved budget estimates (E/ICEF/AB/L.202) for the 1979 season of \$16,632,800, subsequently at its May 1980 session, because of the financial implications of the job classification review, the Board approved an increase of \$24,000 for a revised total of \$16,656,800 (E/ICEF/AB/L.215). Because 12 million more cards than planned were printed, the Executive Director subsequently authorized expenditures of \$1,116,600 under the authority given him to overspend up to 15 per cent of the budgeted variable expenditure estimates. In fact \$748,514 of the additional funds were spent. The unencumbered balance of \$368,086 has been cancelled.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Greeting Card Operation (GCO) follows the accounting policies of UNICEF except for the following matters which are relevant to GCO only:

(a) The financial period of the operation is one year from 1 May to 30 April.

(b) Most sales are made on a "sale or return basis", therefore income is recognized when actual sales are reported by National Committees and other sales outlets. Transfers of cards, calendars and other saleable items to sales outlets and returns from sales outlets are recorded in separate stock accounts and are reconciled annually with reported sales and receipts of proceeds.

(c) The costs of raw materials required for production, paper, envelopes, boxes, etc., are charged to an inventory account at the time of acquisition. Cost of material used is charged to a budget account at the time the material enters the production process. Discharges from inventory are made on an average-cost basis.

(d) Only those finished goods on hand at the close of the financial year which are to be offered for sale in the subsequent year are valued at production cost; the others are written down to zero valuation. Inventory of raw materials, paper, envelopes, boxes, etc., is valued at average acquisition cost. Products in process for sale in following campaign years are valued at production cost.

SCHEDULES SUPPORTING THE FINANCIAL STATEMENTS

SCHEDULE 1

Comparative statement of gross proceeds, net operational income and excess of income over expenditures

	<u>1979 season</u>		<u>1978 season</u>	
	<u>Amount</u> <u>\$</u>	<u>Percentage of</u> <u>gross sales</u>	<u>Amount</u> <u>\$</u>	<u>Percentage of</u> <u>gross sales</u>
<u>Gross proceeds</u>	45,025,090	100.0	38,786,354	100.0
<u>Commissions, duties and taxes</u>	11,917,517	26.5	9,945,474	25.7
	33,107,573	73.5	28,840,880	74.3
<u>Deduct:</u>				
<u>Variable sales and production costs</u>	10,211,665	22.7	7,842,458	20.2
<u>Gross profit on sales</u>	22,895,908	50.8	20,998,422	54.1
<u>Less: Staff and other fixed costs</u>	7,193,649	15.9	5,538,038	14.3
<u>Operational net income</u>	15,702,259	34.9	15,460,384	39.9
<u>Other income and (expenses)</u>	1,348,630	3.0	859,420	2.2
<u>Excess of income over expenditure</u>	17,050,889	37.9	16,319,804	42.1

SCHEDULE 2

Other income for the 1979 season
with comparative figures for the 1978 season

	1979 season	1978 season	Increase (decrease)
	\$	\$	\$
Staff assessment plan	600,163.48	479,653.55	120,509.93
Exchange adjustments (net)	(63,332.10)	331,696.73	(395,028.83)
Donations and contributions for postage	75,957.56	34,016.88	41,940.68
Discounts from vendors on material purchased	58,451.39	31,983.77	26,467.62
Adjustment of accounts payable related to prior year's budget	(5,704.93)	1,645.86	(7,350.79)
Loss on sale or destruction of obsolete packing materials	(45,539.61)	(14,874.69)	(30,664.92)
Loss on Printshop operation	(68,987.89)		(68,987.89)
Gain on Shopping Bag project	824,656.26		824,656.26
Other miscellaneous income (net)	<u>(27,034.33)</u>	<u>(4,702.01)</u>	<u>(22,332.32)</u>
	<u>1,348,629.83</u>	<u>859,420.09</u>	<u>489,209.74</u>
	=====	=====	=====

SCHEDULE 3

Inventory at 30 April 1980 with comparative figures for previous year

	30 April 1980	30 April 1979	Increase (decrease)
Inventory (at cost)	\$	\$	\$
Raw materials (paper, envelopes, boxes, etc.)			
Greeting cards and stationery	2,418,579.27	1,963,819.20	
Calendars	166,469.92	85,623.07	
Promotional and educational materials	578,848.57	427,740.58	686,714.91
Products in process and finished (current campaign)			
Greeting cards	241,216.74	275,054.34	
Calendars	61,002.73	36,726.02	
Educational materials	61,686.62	66,902.53	
Stationery	366,085.50	729,991.59	351,308.70
Products in process (following campaigns)			
Greeting cards	2,869,362.27	2,753,160.40	
Calendars	621,065.64	372,606.80	
Educational materials	46,637.23	37,838.66	
Stationery	267,470.98	3,163,605.86	640,938.26
Total	7,698,433.47	6,019,471.60	1,678,961.87

SCHEDULE 4

Movement of finished cards for the 1979 season

(in millions of cards)

	1979 season	1978 season
Opening inventory	55.9 <u>a/</u>	49.8
<u>Add:</u>		
Cards boxed for sale or transferred to sales outlets in flat form	<u>143.8</u>	<u>135.4</u>
	199.7	185.2
<u>Deduct:</u>		
Cards sold	112.6 <u>b/</u>	106.0 <u>b/</u>
Cards decollated	11.2	8.9
Cards destroyed, used as samples or lost	<u>6.7 c/</u>	<u>11.6</u>
Closing inventory	<u>69.2</u>	<u>58.7</u>

a/ In 1978 stationery was included in card totals. Commencing with the 1979 season, stationery is excluded.

b/ Includes 15.0 million prior years' cards boxed in the 1979 season and 15.2 million in the 1978 season.

c/ 5.3 million old cards no longer saleable were destroyed or donated. Losses in transit and at sales outlets, use as samples and adjustments following physical count accounted for the remaining 1.4 million.

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