

**UNITED NATIONS
HABITAT AND HUMAN SETTLEMENTS FOUNDATION**

**FINANCIAL REPORT
and
AUDITED FINANCIAL STATEMENTS
for the biennium ended 31 December 1987
and
REPORT OF THE BOARD OF AUDITORS**

GENERAL ASSEMBLY

OFFICIAL RECORDS: FORTY-THIRD SESSION

SUPPLEMENT No. 5H (A/43/5/Add.8)



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New York, 1988

NOTE

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[15 August 1988]

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LETTERS OF TRANSMITTAL

31 March 1988

Sir,

Pursuant to financial rule 311.4, I have the honour to transmit the financial report and accounts of the United Nations Habitat and Human Settlements Foundation for the biennium 1986-1987 ended 31 December 1987, which I hereby approve.

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

Accept, Sir, the assurances of my highest consideration.

(Signed) Dr. Arcot RAMACHANDRAN
Executive Director of the
United Nations Centre for
Human Settlements (Habitat)

The Chairman of the Board of Auditors
United Nations
New York

23 June 1988

Sir,

I have the honour to transmit to you the financial statements of the United Nations Habitat and Human Settlements Foundation for the biennium 1986-1987 ended 31 December 1987, which were submitted by the Executive Director. These statements have been examined and include the audit opinion of the Board of Auditors.

In addition, 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) André CHANDERNAGOR
Senior President of the
Court of Accounts of France
and Chairman of the
United Nations Board of Auditors

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

I. FINANCIAL REPORT FOR THE BIENNIUM 1986-1987
ENDED 31 DECEMBER 1987

1. The Executive Director of the United Nations Centre for Human Settlements (Habitat) is responsible for administering the United Nations Habitat and Human Settlements Foundation (UNHHSF) and, accordingly, transmits herewith the financial report and accounts of the Foundation for the biennium 1986-1987 ended 31 December 1987.

Summary of significant accounting policies

2. The Foundation followed the accounting policies enumerated below:

(a) The accounts are kept in accordance with the Financial Regulations and Rules of the United Nations and the special annex thereto for the United Nations Habitat and Human Settlements Foundation (ST/SGB/UNHHSF Financial Rules/3 (1978));

(b) Assets, liabilities, income and expenditures are recorded on an accrual basis;

(c) The financial period of the Foundation is a biennium consisting of two consecutive calendar years. In accordance with the directives of the Office of Financial Services, the financial figures of the Foundation for the biennium are treated as a whole instead of in annual figures;

(d) The accounts are presented in United States dollars. Transactions in currencies other than United States dollars are recorded at the United Nations operational rate of exchange prevailing at the time the transaction took place;

(e) Pledged contributions. Pledges are recorded as income on the basis of a written commitment by a prospective donor to pay a monetary contribution at a specified time or times. Pledges received for future years are recorded as deferred income;

(f) Deferred charges. Deferred charges comprise expenditure items which are not properly chargeable in the current financial period and which will be charged as expenditure in the subsequent financial period;

(g) For balance-sheet statement purposes, only that portion of the education grant advance that is assumed to pertain to the scholastic year completed as at the date of the financial statement is shown under deferred charges. The full amount of the advance is maintained in the accounts receivable from staff members, until such time as the staff member produces the required proof of entitlement to the education grant, at which time the budgetary account is charged and the advance recovered;

(h) Surplus account. The surplus account of the Foundation Fund represents funds available for the future use of projected activities;

(i) Savings from the liquidation of prior periods' obligations are credited directly to the Foundation surplus account.

Financial position and operating results

3. The financial position and operating results for the biennium 1986-1987 ended 31 December 1987 of the Foundation and the International Year of Shelter for the Homeless (proclaimed by the General Assembly in its resolution 37/221 of 20 December 1982) are shown in the attached statements and are summarized as follows:

(a) The combined excess of expenditure over income ^{1/} (net deficit income) for the biennium 1986-1987 amounts to \$207,233 (statements V and VI). However, a saving from liquidation of prior financial period unliquidated obligations of \$362,195 was realized as at 31 December 1987;

(b) The Foundation has a combined unencumbered fund balance of \$6,974,174 available for existing and future commitments (statement VII).

4. The combined total income of \$9,721,178 includes contributions to the Foundation and the Year, recorded on the basis of receipt of firm and official letters of pledges (statements V and VI).

5. The Secretary-General of the United Nations is the custodian of the funds of the Foundation. During the biennium 1986-1987, pledges by Governments in the total of \$8,696,738 were recorded for the Foundation and the Year, and collections and adjustments of \$8,079,670 were made, of which \$1,010,809 was for the prior period. Current and prior years' pledged contributions in respect of the Foundation and the Year in the amount of \$1,432,436 and \$662,181, respectively, remained unpaid as at 31 December 1987. The unpaid pledged contributions for future years for the Foundation and the International Year amounted to \$1,847,631 and \$20,500 respectively (schedules 1.1 and 2.1).

6. Expenditures for the biennium 1986-1987 totalled \$9,896,350 and are detailed by expenditure components in statements I, II, III and IV. Of this amount, \$4,439,158 relates to programme and programme support activities (statements I and III) and \$5,457,192 to project activities of the Foundation and the Year.

7. The expenditure for programme and programme support activities (statements I and III) were incurred against an allocation of \$4,993,900 approved for the purpose by the Commission on Human Settlements at its eighth session, held at Kingston in 1985. This allocation and the related expenditures are analysed by programme as follows:

^{1/} The level of expenditure for 1986-1987 approved by the Commission on Human Settlements at its 10th plenary meeting on 10 May 1985, in its resolution 8/25 on budgetary matters, was \$10,712,800.

<u>Programme</u>	<u>Total expenditure</u>	
	<u>1987</u>	<u>1985</u>
	(United States dollars)	
Executive direction and management	858 509	746 554
Human settlements programmes	2 613 079	1 954 201
Administrative and common services	<u>967 570</u>	<u>722 207</u>
Total	<u>4 439 158</u>	<u>3 422 962</u>

8. Project expenditures are incurred against allocations of \$6,490,533 approved by the Executive Director and, as indicated in paragraph 6, totalled \$5,457,192 during the biennium 1986-1987.

9. Total expenditure in the biennium 1986-1987 is distributed as follows:

	<u>1987</u>	<u>1985</u>
	(United States dollars)	
Programme and programme support costs (Foundation)	3 610 700	2 677 300
Programme and programme support costs (the Year)	828 458	745 662
Project costs (Foundation)	4 362 556	3 973 690
Project costs (the Year)	<u>1 094 636</u>	<u>613 161</u>
Total	<u>9 896 350</u>	<u>7 829 813</u>

II. REPORT OF THE BOARD OF AUDITORS

Introduction

1. As required by General Assembly resolution 74 (I) of 7 December 1946, the Board of Auditors has audited the accounts of the United Nations Habitat and Human Settlements Foundation for the biennium ended 31 December 1987.
2. The examination was conducted in accordance with article XII of the Financial Regulations and Rules 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 headquarters at Nairobi.
3. During the biennium, the Board of Auditors continued its practice of reporting the results of specific audits and issuing management letters containing detailed audit observations to the Administration. This practice has helped to maintain a continuous dialogue with the Administration.
4. The following are the most significant matters arising from our audit examination during the biennium. We have discussed these matters with the Administration, whose responses have been incorporated where appropriate.

Summary of recommendations

5. We recommend that the following corrective actions, presented in order of priority, be taken:
 - (a) The Administration should institute measures to strengthen budgetary controls. It should seek post factum approval from the Commission on Human Settlements for over-expenditures incurred. Over-expenditures should be incurred only in compliance with rules and regulations, and budgetary limits should always be recognized;
 - (b) The Administration should formalize a policy statement that would define the criteria used in the sharing of common expenditures by the regular budget, programme support accounts, and the Habitat and Human Settlements Foundation for the guidance of the staff concerned;
 - (c) The practice of charging general temporary assistance funds for salaries of personnel that have been rendering services for more than one year should be discontinued and post factum approval obtained for charges already made;
 - (d) The Administration should comply with the cost-saving measures announced by the Secretary-General and the implementing memorandum of the Under-Secretary-General for Administration and Management, specifically, the prohibition of the renewal of short-term or fixed-term appointments of less than 12 months' duration;
 - (e) Efforts should be exerted for the collection of prior years' pledges.

Summary of findings

6. Our review of allotments and expenditures disclosed that over-expenditures were incurred in certain groups of compatible objects of expenditures for the Foundation and for the International Year of Shelter for the Homeless, as well as for programme support costs. The over-expenditures ranged from 5 to 30 per cent of allotments.
7. Our audit of general operating expenses revealed that most of the charges represented the share of the programme support special account for common expenditures. The expenditures are shared among the regular budget, the Foundation and the International Year of Shelter for the Homeless.
8. Our review of the staff list revealed that there were 12 posts, the salaries for which were being charged to general temporary assistance for a continuous period of more than one year.
9. Our audit of the staffing authorization table attached to the 1986-1987 allotment advice for the International Year of Shelter for the Homeless disclosed that three additional temporary posts, namely, two L-5 and one L-2 posts, had been provided.
10. The related costs for these posts have been and are being charged against the expenditure line for general temporary assistance in planning and co-ordinating demonstration projects.
11. Our examination disclosed six instances where short-term and fixed-term appointments of less than 12 months' duration were not allowed to lapse upon expiration, contrary to the cost-saving measures announced by the Secretary-General in ST/SGB/217 and clarified by the Under-Secretary-General for Administration and Management in his memorandum of 25 March 1986.
12. Our examination also disclosed that a G-7 staff member who had resigned was hired at the P-1 level and subsequently as a consultant.
13. Our examination of outstanding pledges as at 31 December 1987 for the Foundation and the International Year of Shelter for the Homeless disclosed that total pledges receivable amounted to \$3,962,748. Of this amount, \$268,333 pertains to the biennium 1984-1985 and prior periods.

Budgetary control

Over-expenditures in groups of compatible objects of expenditure

14. Our review and analysis of expenditures and allotments as at 31 December 1987 disclosed over-expenditures in the following groups of compatible objects of expenditure:

<u>Groups of compatible objects of expenditure</u>	<u>Allotments (\$)</u>	<u>Expenditures (\$)</u>	<u>Over- expenditures (\$)</u>	<u>Percentage of allotment</u>
(a) <u>UNHHSF</u>				
Consultants	94 700	123 292	28 592	30.19
Furniture and equipment	49 700	54 378	4 678	9.41
Supplementary conference and language services	2 500	3 117	617	24.69
(b) <u>Programme support expenditures</u>				
Communications	299 800	315 080	15 280	5.10
Furniture and equipment	83 000	108 373	25 373	30.5

15. Section 5.02.28 of the United Nations Finance Manual states that "within any given group of compatible objects of expenditure, over-expenditure in one object of expenditure account may be incurred for a purpose for which this group of accounts has been budgeted, provided it is offset by under-expenditure in another account in the group. Approved levels in a particular group may not be exceeded without the prior approval of the Budget Division". The aforesaid over-expenditures are therefore not within the purview of the provisions of the United Nations Finance Manual quoted above.

16. We recommended, and the Administration agreed, that post factum approval should be sought for over-expenditures incurred, that such over-expenditures should be incurred only in compliance with rules and regulations, and that budgetary limits should always be recognized. In the case of extrabudgetary resources, the Administration informed us that the higher use than expected of extrabudgetary funds was brought about by the financial crisis under the regular budget, having resulted in strict limitations on the resources allocated under it, which use of extrabudgetary funds was however authorized by the Executive Director on the condition that resources be made available through offsetting between programmes of under-expenditure and over-expenditure and for which the authority of the Commission on Human Settlements would be sought at its next regular session. In the case of programme expenditures, the Administration informed us that a pro forma budget revision would be authorized by the Executive Director under his authority to administer programme support income in accordance with the provisions of ST/AI/286 in consultation with the Budget Division.

17. In its response, the Administration, in addition to taking note of our comments, further stated that: "The Centre wishes, however, to reiterate its belief that the actions taken were necessary and within the implied authority of the Executive Director, while respecting specific objects of expenditure limitations, to administer the budget with the necessary flexibility and good judgement to ensure overall implementation of the activities mandated by the Commission, subject always to full and prompt reporting to the Commission at its next subsequent session. In this connection it is important to bear in mind the fact that the timing of sessions of the Commission is such that once the programme

budget proposals for a biennium are approved, it is generally not feasible to obtain the Commission's approval of any amendments thereto to meet unforeseen circumstances, except on a post factum basis."

Sharing of common expenditures

18. Our review of general operating expenses also revealed that most of the charges to this account represented the share of the programme support special account for common expenditures. We observed that these expenditures are charged to the regular budget, the programme support accounts, the Habitat and Human Settlements Foundation and the Foundation's International Year of Shelter for the Homeless at the rates of 45, 25, 25, and 5 per cent, respectively, of the total costs. There were, however, instances where the sharing of common expenditures was not made in accordance with the aforementioned percentages.

19. We recommended that a policy statement on the criteria to be used for the sharing of expenditures be formalized for the guidance of the staff concerned.

20. The Administration replied that "the criteria on the basis of which expenditures are apportioned by sources of funds are already in place and are familiar to the concerned staff. Accordingly, this recommendation is understood to require that these criteria be set out formally in writing, which will be done".

Payroll and personnel information systems

Posts charged to general temporary assistance funds

21. Our review of the staff lists as at 31 December 1987 for all fund sources disclosed 12 posts for which salaries were being charged to general temporary assistance for a continuous period of more than one year.

22. ST/SGB/177 and ST/AI/295 define temporary staff as those individuals whose temporary services are required by the organization from time to time to assist the regular staff in the performance of their functions by providing skills or knowledge similar to those possessed by regular staff or for which the organization has a continuing need. They also provide instructions as to when these temporary staff are to be hired and what functions they are to perform. It is significant to note that, in order to classify one as a temporary staff, the length of his or her contract should not be more than one year.

23. We recommended that the practice of charging the salaries of personnel who have been rendering services for more than one year to general temporary assistance funds be discontinued and that post factum approval be obtained for charges already made.

24. The Administration agreed to our recommendation that staff performing regular staff functions should not be charged to long-term general temporary assistance funds. It also stated that, effective 1 January 1988 and following a careful review of the duties of such staff, their salaries had all been charged to posts funded from the regular budget or extrabudgetary resources whenever possible in accordance with the nature of their duties. The needed approval for the past charges to general temporary assistance had already been sought and approved by the

General Assembly on the occasion of the Administration's submission to it of its second performance report within the biennium.

Economy measures of the Secretary-General

25. A memorandum dated 25 March 1986 was addressed to all heads of departments and offices by the Under-Secretary-General for Administration and Management for the purpose of clarifying the modalities for the implementation of the cost-saving measures announced by the Secretary-General in ST/SGB/217. Under paragraph 3 thereof, short-term or fixed-term appointments of less than 12 months' duration are to be allowed to lapse upon expiration and are not to be renewed.

26. Our review of the compliance by the Centre with the prohibition of renewal of appointments disclosed six instances where appointments were renewed after the expiration of appointments of those who were hired on a short-term and fixed-term basis of less than 12 months' duration.

27. We strongly recommended that the Administration comply with the cost-saving measures announced by the Secretary-General and the implementing memorandum of the Under-Secretary-General for Administration and Management. The Administration acceded, either by allowing the respective appointments to lapse, or by obtaining the approval of the Secretary-General for exceptions to the recruitment freeze.

Resigned General Service staff rehired at Professional level and subsequently as consultant

28. Our review of short-term or fixed-term appointments of 11 months' duration or less disclosed the case of a G-7 staff member on a fixed-term appointment who resigned effective 31 December 1985 and was rehired on 10 February 1986 at the P-1 level for a fixed-term of 11 months. At the time of the staff member's resignation, the staff member still had one full year unserved on a two-year extension up to 31 December 1986 at the G-7 level.

29. We also noted that the staff member sat the 1985 competitive examination for promotion to the Professional category given in March 1985. Our inquiry with the Office of Personnel Services at Headquarters disclosed that the staff member was not considered eligible for promotion to the Professional category.

30. Paragraph (g), section I, of General Assembly resolution 33/143 of 20 December 1978 provides that the "movement of staff from the General Service category to the Professional category should be limited to the P-1 and P-2 levels ... and such recruitment should be conducted exclusively through competitive methods of selection ...". The facts surrounding the appointment of the staff member concerned strongly suggest that the action was in contravention of the General Assembly resolution cited above.

31. When we disagreed with the Administration's contention that the appointment was well within the delegated authority of the Executive Director to fill on a temporary basis a post that had been reserved only for staff members who have successfully passed the competitive examination and which Headquarters had been unable to fill, the appointment of the staff member concerned was allowed to expire effective 31 December 1987, after extending the same six times, each extension ranging from one to two months.

32. Our further verification, however, disclosed that after the expiration of the appointment of the staff member concerned, the staff member was offered a special service agreement as an individual contractor under a project. Our examination of the project document relating to that project revealed that the project's only objective was to provide programme and financial management assistance for the programme and project activities funded by extrabudgetary resources.

33. In view of the circumstances pertaining to the appointment of the staff member concerned, we inquired as to the propriety of hiring the staff member as a consultant where the functions to be performed could be done by individuals who are already in the organization. We also inquired as to the propriety of establishing a project merely for the purpose cited above.

34. The Administration informed us that when the Commission approved the activities of the International Year of Shelter for the Homeless, provision was made for technical co-operation and that it has the mandate to hire the staff required to provide necessary project back-stopping. After the projects are completed and at the end of the activities of the Year, a review must be carried out in order to close the projects and to finalize the accounts of the Year.

35. We disagree with the Administration's contention and maintain that that undertaking could very well be performed by staff members within the organization, as has been done in the past in accounting for the transactions of the International Year of Shelter for the Homeless. The Administration took note of our comments. It also stated that "The Centre none the less feels that it is necessary to point out the exceptional and unavoidable circumstances compelling the recruitment action under consideration, action of which was taken solely in the interest of safeguarding project delivery and project accountability".

Consultants

Unfinished consultancy contract

36. Our review of a project dealing with an audio-visual information support programme for human settlements development disclosed that the project's duration had been extended to the end of 1986 to enable the consultant to complete his assignment, which extension entailed an increase in the project budget. Further verification likewise disclosed that, in 1987, the consultant was offered a special service agreement but that he had to perform functions different from those he had to undertake for the project under review.

37. We inquired from the Administration as to the current status of the project outputs, considering the length of time that had elapsed since the project was first implemented, given that in 1987 when the project should have long been completed, there were still outputs (such as editing, narration, music and final mixing) that had to be accomplished.

38. The Administration informed us that the initial work plan prepared by the consultant proved too ambitious in terms of the large number of outputs anticipated. Thus, the project document was subjected to four revisions and extended to December 1986 to permit completion of the work. It further stated that the delay in completion was due to the fact that some of the footage and interviews proved questionable for reasons entirely unrelated to their technical or artistic

quality. Resolution of this matter proved to be very time-consuming and a decision was finally taken not to proceed with completion and as such, the project was consequently closed.

39. Based on the preceding explanations, we recommend that, in future execution of projects, the Administration should make a careful assessment as to the feasibility of accomplishing the project outputs. Considering that the project under review had undergone four revisions, the Administration could have foreseen at the outset the problems to be met in the course of its execution.

Financial reporting

Prior periods' pledges receivable

40. Our review of outstanding pledges as at 31 December 1987 for the Foundation and the International Year of Shelter for the Homeless disclosed that total pledges receivable amounted to \$3,962,748. Of this amount, \$268,333 pertains to the biennium 1984-1985 and prior periods.

41. We recommended, and the Administration agreed, that efforts should be made to collect prior periods' pledges. The Administration, however, informed us that unpaid pledges prior to 31 December 1987 included pledges made during the years prior to 1981 and that efforts made to collect these pledges had not resulted in any positive response. This can be attributed to the declining economic and unstable political situation that developed in the pledging countries after the pledges were made.

42. In its response, the Administration further stated that: "UNCHS wishes to reiterate that sustained efforts are already being exerted through quarterly reviews of the status of pledges and contributions and subsequent requests for payments being sent to the Governments concerned. This is supplemented by occasional visits to the same Governments subject to the availability of travel funds. The Centre's task is made difficult in the case of some prior years' pledges where the latter were made by Governments no longer in power. This recommendation can, therefore, only be regarded as further encouragement to Habitat to persist in these efforts."

Comments on matters dealt with in the report on the biennium 1984-1985

43. The matters contained in our 1984-1985 report 1/ have either been dealt with to our satisfaction or have been mentioned again in this report.

1/ Official Records of the General Assembly, Forty-first Session, Supplement No. 5H (A/41/5/Add.8), sect. II.

Acknowledgement

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

(Signed) André CHANDERNAGOR
Senior President of the Court
of Accounts of France

(Signed) R. T. NELSON
Auditor General of Ghana

(Signed) Eufemio C. DOMINGO
Chairman, Commission on Audit,
the Philippines

III. AUDIT OPINION

We have examined the following appended financial statements, numbered I to VII, properly identified, and relevant schedules of the United Nations Habitat and Human Settlements Foundation for the financial period ended 31 December 1987. 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 present fairly the financial position as at the end of the period and the results of its operations for the period then ended.

The financial statements were prepared in accordance with the stated accounting principles, which were applied on a basis consistent with that of the preceding financial period. The transactions were in accordance with the Financial Regulations and legislative authority.

(Signed) André CHANDERNAGOR
Senior President of the Court
of Accounts of France

(Signed) R. T. NELSON
Auditor General of Ghana

(Signed) Eufemio C. DOMINGO
Chairman, Commission on Audit,
the Philippines

23 June 1988

**IV. FINANCIAL STATEMENTS FOR THE BIENNIUM 1986-1987
ENDED 31 DECEMBER 1987**

STATEMENT I

UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION

Status of allocations for the biennium 1986-1987 as at 31 December 1987:
programme and programme support activities

(United States dollars)

Objects of expenditure	Expenditure				Unencumbered balance
	Allocations	Disbursements	Unliquidated obligations	Total	
Salaries:					
Established posts	-	7 793	-	7 793	(7 793)
General temporary assistance	183 600	158 464	-	158 464	25 136
Consultants	94 700	96 959	26 333	123 292	(28 592)
Overtime and night differential	5 000	2 440	-	2 440	2 560
Other personnel (temporary)	1 417 700	1 234 645	-	1 234 645	183 055
Language training	12 000	9 252	-	9 252	2 748
Common staff costs	643 100	549 829	9 325	559 154	83 946
Travel on official business	204 200	179 653	11 785	191 438	12 762
Contractual services	309 800	253 143	27 378	280 521	29 279
General operating expenses	790 400	742 987	16 172	759 159	31 241
Supplies and materials	119 700	109 417	10 630	120 047	(347)
Acquisition of furniture and equipment	55 000	55 649	2 946	58 595	(3 595)
Fellowships, grants and contributions	105 900	105 343	557	105 900	-
Total	<u>3 941 100</u>	<u>3 505 574</u>	<u>105 126</u>	<u>3 610 700</u>	<u>330 400</u>

Certified correct

(Signed) Dr. Arcot RAMACHANDRAN
 Executive Director

Nairobi, 31 March 1988

STATEMENT II

UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION

Status of allocations for the biennium 1986-1987 as at 31 December 1987: project activities

(United States dollars)

Objects of expenditure	Allocations	Disbursements	Unliquidated obligations	Total	Unencumbered balance
Experts, other project personnel costs	2 314 957	1 799 921	228 191	2 028 112	286 845
Travel	328 300	220 804	8 359	229 163	99 137
Sub-contracts	515 175	410 039	82 911	492 950	22 225
Training	1 272 813	1 008 111	24 842	1 032 953	239 860
Equipment	262 412	142 064	35 610	177 674	84 738
Miscellaneous	494 658	253 775	80 700	334 475	160 183
Programme support costs	<u>67 229</u>	<u>67 229</u>	-	<u>67 229</u>	-
Total project costs	<u>5 255 544</u>	<u>3 901 943</u>	<u>460 613</u>	<u>4 362 556</u>	<u>892 988</u>

Certified correct

(Signed) Dr. Arcot RAMACHANDRAN
Executive Director

Nairobi, 31 March 1988

STATEMENT III

UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION

Status of allocations for the biennium 1986-1987 as at 31 December 1987: programme and programme support activities for the International Year of Shelter for the Homeless

(United States dollars)

Objects of expenditure	Expenditures				Unencumbered balance
	Allocations	Disbursements	Unliquidated obligations	Total	
Salaries:					
Established posts	-	-	-	-	-
General temporary assistance	317 100	307 343	1 192	308 535	8 565
Consultants	7 500	7 551	173	7 724	(224)
Overtime and night differential	2 000	1 021	-	1 021	979
Ad Hoc Expert Group	46 800	40 709	7 458	48 167	(1 367)
Other personnel (temporary)	119 500	105 847	-	105 847	13 653
Language training	1 000	897	-	897	103
Common staff costs	71 200	52 797	-	52 797	18 403
Travel on official business	110 000	104 718	5 279	109 997	3
Contractual services	71 700	47 017	10 813	57 830	13 870
General operating expenses	116 100	113 813	3 425	117 238	(1 138)
Supplies and materials	9 700	8 238	323	8 561	1 139
Acquisition of furniture and equipment	15 000	9 656	188	9 844	5 156
Total	887 600	799 607	28 851	828 458	59 142

Certified correct

(Signed) Dr. Arcot RAMACHANDRAN
Executive Director

Nairobi, 31 March 1988

STATEMENT IV

UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION

Status of allocations for the biennium 1986-1987 ended 31 December 1987 for the International Year of Shelter for the Homeless: project activities

(United States dollars)

Objects of expenditure	Allocations	Disbursements	Unliquidated obligations	Total	Unencumbered balance
Experts, other project personnel costs	327 982	178 991	74 761	253 752	74 230
Travel	81 604	60 899	6 076	66 975	14 629
Sub-contracts	312 500	175 650	119 000	294 650	17 850
Training	358 924	275 458	64 902	340 360	18 564
Equipment	35 000	17 701	13 633	31 334	3 666
Miscellaneous	<u>118 979</u>	<u>105 318</u>	<u>2 247</u>	<u>107 565</u>	<u>11 414</u>
Total project costs	<u>1 234 989</u>	<u>814 017</u>	<u>280 619</u>	<u>1 094 636</u>	<u>140 353</u>

Certified correct

(Signed) Dr. Arcot RAMACHANDRAN
Executive Director

Nairobi, 31 March 1988

STATEMENT V

UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION

Statement of income and expenditure for the biennium
1986-1987 ended 31 December 1987

(United States dollars)

<u>Income</u>	<u>1987</u>	<u>1985</u>
Contribution from Governments and others	7 097 262	5 241 300
Subventions	-	6 226
Income from investments	917 063	1 403 698
Refund of prior year's expenditure	680	19 260
Refund of contributions from the United Nations Joint Staff Pension Fund	1 177	17 117
Income from film, television, etc.	8 725	22 128
Other income	<u>25 365</u>	<u>1 385</u>
	<u>8 050 272</u>	<u>6 711 114</u>
<u>Expenditure</u>		
Expenditure and unliquidated obligations (statements I and II)	7 973 256	6 470 990
Gain or loss on exchange (net)	<u>32 061</u>	<u>184 449</u>
Total expenditure	<u>8 005 317</u>	<u>6 655 439</u>
Excess of income over expenditure	<u>44 955</u>	<u>55 675</u>

Certified correct

(Signed) Dr. Arcot RAMACHANDRAN
Executive Director

Nairobi, 31 March 1988

STATEMENT VI

UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION

Statement of income and expenditure for the International Year
of Shelter for the Homeless for the biennium 1986-1987 ended
31 December 1987

(United States dollars)

<u>Income</u>	<u>1987</u>	<u>1985</u>
Contribution from Governments	1 638 731	1 293 852
Contributions from public donors	5 197	11 504
Subventions	25 000	-
Gain on exchange	<u>1 978</u>	<u>-</u>
	<u>1 670 906</u>	<u>1 305 356</u>
 <u>Expenditure</u>		
Expenditure and unliquidated obligations (statements III and IV)	<u>1 923 094</u>	<u>1 358 823</u>
Total expenditure	<u>1 923 094</u>	<u>1 358 823</u>
Excess of income over expenditure (deficit)	<u>(252 188)</u>	<u>(53 467)</u>

Certified correct

(Signed) Dr. Arcot RAMACHANDRAN
Executive Director

Nairobi, 31 March 1988

STATEMENT VII

UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION

Statement of assets and liabilities for the biennium
1986-1987 ended 31 December 1987

(United States dollars)

<u>Assets</u>	<u>1987</u>	<u>1985</u>
Cash at banks, on hand and in transit	546 009	1 141 157
Investments (schedule 4.1)	6 160 506	5 818 010
Contributions from public donors (Foundation)	-	346 185
Pledged contributions receivable from Governments (schedule 1.1)	3 280 070	1 591 170
Pledged contributions from public donors (the Year)	2 000	5 500
Pledged contributions from Governments for the Year (schedule 2.1)	682 682	1 513 716
Accounts receivable	29 879	49 318
Seed capital loans (long-term)	-	33 333
Interest receivable	92 558	114 742
Deferred charges	11 241	12 996
Due from United Nations General Fund	308 511	1 003 378
Due from other United Nations agencies (net)	8 308	-
Total assets	<u>11 121 764</u>	<u>11 629 505</u>
 <u>Liabilities</u>		
Accounts payable	539 102	38 169
Unliquidated obligations (statements I, II, III, IV)	875 210	917 561
Deferred contributions from public donors	-	145 570
Deferred contributions (schedule 1.1)	1 847 631	387 220
Deferred contributions for the Year (schedule 2.1)	20 500	717 640
Financial Reserve	600 000	-
Due to United Nations General Fund	257 305	862 555
Interfund payable	7 842	31 450
Total liabilities	<u>4 147 590</u>	<u>3 100 165</u>
 <u>Fund balance</u>		
Balance available at 1 January 1986	8 529 340	9 165 748
Less: Provision for financial reserves	(600 000)	-
Add: Excess of income over expenditure (statements V and VI)	(207 233)	2 208
Add: Savings effected from liquidated prior years' unliquidated obligations	362 915	491 310
Less: Adjustments to prior years' contributions	<u>(1 110 848)</u>	<u>(1 129 926)</u>
Balance available at 31 December 1987	<u>6 974 174</u>	<u>8 529 340</u>
Total liabilities and fund balance	<u>11 121 764</u>	<u>11 629 505</u>

Certified correct

(Signed) Dr. Arcot RAMACHANDRAN
 Executive Director

Nairobi, 31 March 1988

SCHEDULES TO THE ACCOUNTS

SCHEDULE 1.1

UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION

Status of unpaid pledges as at 31 December 1987

(United States dollars)

Countries	Unpaid pledges as at 1 January 1986	Adjustments to prior years' pledges	Pledges for 1986-1987 and adjustments	Pledges for future years	Collections and adjustments during 1986-1987	Loss (gain) on exchange	Unpaid pledges for current and prior years as at 31 December 1987	Unpaid pledges for future years as at 31 December 1987
Argentina	-	-	10 000	-	-	-	10 000	-
Bangladesh	-	-	17 031	2 000	17 031	-	-	2 000
Barbados	-	-	1 000	-	-	-	1 000	-
Belgium	351 727	(246 689)	438 169 a/	288 184	366 681	-	176 526	288 184
Belize	2 000	-	-	-	-	-	2 000	-
Benin	2 000	-	-	-	-	-	2 000	-
Bhutan	-	-	-	600	-	-	-	600
Botswana	-	-	7 193	-	7 193	-	-	-
Burkina Faso	-	-	3 268	-	3 268	-	-	-
Burundi	-	-	877	-	-	-	877	-
Cameroon	31 915	-	8 309	-	-	-	40 224	-
Canada	-	-	307 692	152 672	153 846	-	153 846	152 672
Chile	-	-	10 000	5 000	5 000	-	5 000	5 000
China	-	-	-	23 477	-	-	5 000	5 000
Colombia	3 000	-	28 941	12 000	31 941	-	-	23 477
Congo	5 897	-	-	-	-	-	-	12 000
Cyprus	-	-	2 000	1 500	2 000	-	5 897	-
Democratic Yemen	-	-	-	575	-	-	-	1 500
Denmark	108 156	-	553 152 b/	-	661 308	-	-	575
Djibouti	-	-	2 000	-	-	-	-	-
Egypt	-	-	24 472	5 656	24 472	-	2 000	-
Finland	-	-	926 932 c/	-	926 932	-	-	5 656
France	-	-	202 146	115 044	202 146	-	-	-
Haiti	500	-	-	-	-	-	500	115 044
India	101 000	(6 792)	200 000	100 000	93 208	6 792	201 000	100 000
Indonesia	-	-	20 000	10 000	10 000	-	10 000	10 000
Iran (Islamic Republic of)	20 000	-	-	-	-	-	20 000	-
Iraq	10 170	-	-	-	-	-	10 170	-
Jamaica	-	-	24 545	14 652	24 545	-	-	-
Japan	2 677	(2 677)	1 250 000	-	1 250 000	2 677	-	14 652
Jordan	10 554	-	80 010 e/	-	90 564	-	-	-
Kenya	89 930	-	118 910	69 082	104 802	-	104 038	69 082
Kuwait	-	-	15 000	-	15 000	-	-	-
Lebanon	11 005	-	-	-	-	-	11 005	-
Lesotho	-	-	6 335	2 030	3 000	-	3 335 f/	2 030
Malawi	1 622	-	11 851	569	552	-	12 921	569
Malaysia	-	-	20 000	10 000	10 000	-	10 000	10 000
Mali	1 000	-	-	-	-	-	1 000	-
Netherlands	-	-	797 191 g/	427 807	797 191	-	-	427 807

SCHEDULE 1.1 (concluded)

Countries	Unpaid pledges as at 1 January 1986	Adjustments to prior years' pledges	Pledges for 1986-1987 and adjustments	Pledges for future years	Collections and adjustments during 1986-1987	Loss (gain) on exchange	Unpaid pledges for current and prior years as at 31 December 1987	Unpaid pledges for future years as at 31 December 1987
Nigeria	-	-	50 783	-	50 783	-	-	-
Norway	-	-	453 665 ^{b/}	124 031	453 665	-	-	124 031
Pakistan	10 000	-	12 000	6 000	17 000	-	5 000	6 000
Papua New Guinea	9 039	-	4 737	-	-	-	13 776	-
Philippines	2 000	54 757	27 000	5 000	83 757	-	-	5 000
Poland	-	-	17 372	6 452	17 372	-	-	6 452
Qatar	30 000	-	-	-	30 000	-	-	-
Republic of Korea	-	-	37 000	18 500	37 000	-	-	18 500
Sierra Leone	500	56	-	-	556	-	-	-
Somalia	1 733	(1 392)	269	-	610	-	-	-
Spain	-	-	167 344 ^{i/}	-	167 344	-	-	-
Sri Lanka	-	-	8 000	-	8 000	-	-	-
Sudan	5 000	-	-	-	-	-	5 000	-
Swaziland	-	-	8 910	8 122	6 477	-	2 433	8 122
Sweden	208 860	(176 953)	600 716	330 579	632 623	-	-	330 579
Togo	-	1 305	-	1 767	1 305	-	-	1 767
Trinidad and Tobago	1 005	(5)	667	-	1 667	5	-	-
Tunisia	-	-	48 197	21 945	27 171	-	21 026	21 945
Turkey	170 310	(62 195)	34 286	30 000	25 845	-	116 556	30 000
Uganda	3 508	-	-	4 000	-	-	3 508	4 000
United Republic of Tanzania	7 379	-	-	-	-	-	7 379	-
Union of Soviet Socialist Republics	-	-	441 821	-	-	-	441 821	-
Venezuela	-	-	20 759	26 800	20 759	-	-	26 800
Yemen	1 000	-	-	-	-	-	1 000	-
Yugoslavia	-	-	15 000	15 000	-	-	15 000	15 000
Zaire	1 000	-	2 000	2 000	-	-	3 000	2 000
Zambia	7 463	-	-	-	-	-	7 463	-
Zimbabwe	-	-	20 456	6 587	14 321	-	6 135	6 587
Grand total	<u>1 211 950</u>	<u>(440 585)</u>	<u>7 058 006</u>	<u>1 847 631</u>	<u>6 396 935</u>	<u>9 474 ^{j/}</u>	<u>1 432 436</u>	<u>1 847 631</u>

- a/ Includes pledge of \$11,395.08 for specific projects from the Government of Belgium.
- b/ Pledges of \$353,152.00 and \$200,000.00 for specific projects from the Government of Denmark.
- c/ Includes a pledge of \$324,245.62 for specific projects from the Government of Finland.
- d/ The Government of Jamaica prepaid \$5,000.00 in 1985.
- e/ Includes a pledge of \$29,870.13 for specific projects from the Government of Jordan.
- f/ The Government of Lesotho prepaid \$3,000.00 in 1983.
- g/ Includes pledges of \$74,074.07, \$96,700.11 and \$97,004.97 for specific projects from the Government of the Netherlands.
- h/ Includes pledge of \$9,848.98 for specific projects from the Government of Norway.
- i/ Pledge of \$167,344.00 for specific projects from the Government of Spain.
- j/ Loss (gain) on exchange for information only.

SCHEDULE 2.1

UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION

Status of unpaid pledges as at 31 December 1987 for the International Year of Shelter for the Homeless

(United States dollars)

Countries	Unpaid pledges as at 1 January 1986	Adjustments to prior years' pledges	Pledges for 1986-1987 and adjustments	Pledges for future years	Collections and adjustments during 1986-1987	Loss (gain) on exchange	Unpaid pledges for current and prior year as at 31 December 1987	Unpaid pledges for future years
Australia	-	-	34 812	-	34 812	-	-	-
Botswana	4 620	(1 120)	-	-	3 500	(1 120)	-	-
Burundi	6 000	-	-	-	-	-	6 000	-
Cameroon	10 638	-	-	-	-	-	10 638	-
China	-	-	10 000	-	10 000	-	-	-
Cyprus	-	-	1 500	-	1 500	-	-	-
Equatorial Guinea	-	-	573	-	573	-	-	-
Finland	-	(11 170)	-	-	-	-	-	-
France	-	-	19 211	-	19 211	-	-	-
Gabon	26 957	-	-	-	-	-	26 957	-
Greece	10 000	-	25 000	-	20 000	-	15 000	-
Indonesia	-	-	20 000	-	20 000	-	-	-
Ireland	-	-	33 688	-	33 688	-	-	-
Italy	-	-	350 000	-	-	-	350 000	-
Jamaica	-	-	18 182	-	18 182	-	-	-
Jordan	5 000	-	-	-	5 000	-	-	-
Kenya	-	-	50 000	-	-	-	50 000	-
Lesotho	3 000	-	-	-	-	-	3 000	-
Malawi	13 762	-	-	-	-	-	13 762	-
Malaysia	-	-	5 000	-	5 000	-	-	-
Morocco	-	-	5 000	-	-	-	5 000	-
Netherlands	93 093	27 107	73 555 a/	-	150 200	-	43 555	-
Nigeria	100 000	(100 000)	-	-	-	-	-	-
Pakistan	30 762	(7 807)	-	-	14 783	-	-	-
Panama	-	-	5 000	-	-	-	8 172	-
Papua New Guinea	15 661	-	-	-	-	-	5 000	-
Philippines	82 005	-	-	-	-	-	15 661	-
Rwanda	-	-	2 000	-	2 000	-	82 005	-
Sierra Leone	5 000	-	-	-	-	-	-	-
Sri Lanka	246 902	3 098	-	-	5 000	3 098	-	-
Sudan	5 000	-	-	-	250 000	-	5 000	-
Sweden	112 360	-	29 965	-	142 325	-	-	-
Turkey	10 000	-	45 000	20 000	45 000	-	10 000	20 000
United Kingdom of Great Britain and Northern Ireland	-	-	111 111	-	111 111	-	-	-
United States of America	-	-	783 000	-	783 000	-	-	-
Zaire	-	-	-	500	-	-	-	500
Zambia	4 146	-	-	-	-	-	4 146	-
Zimbabwe	-	-	16 135	-	7 850	-	8 285	-
	<u>784 906</u>	<u>(89 892)</u>	<u>1 638 732</u>	<u>20 500</u>	<u>1 682 725</u>	<u>1 978</u>	<u>662 181</u>	<u>20 500</u>

a/ Pledge of \$73,555 for specific projects from the Government of the Netherlands.

SCHEDULE 3.1

UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION

Project expenditure, by country and by region, for the
biennium 1986-1987 ended 31 December 1987

(United States dollars)

Country projects	Total expenditure
Barbados	46 026
Burundi	31 347
Burkina Faso	81 079
Brazil	34 266
Bolivia	292 878
British Virgin Islands	964
Cameroon	6 747
Chad	38
Colombia	103 617
China	45 295
Cape Verde	45 274
Costa Rica	19 819
Fiji	23 381
Democratic Yemen	12 021
Ghana	23 679
Guatemala	40 269
Gambia	29 682
Jamaica	40 943
Jordan	95 962
Kenya	66 944
Mexico	47 111
Nepal	23 752
Niger	36 251
Nigeria	6 580
Pakistan	32 167
Peru	503
Rwanda	75 125
Sierra Leone	643
Sri Lanka	2 370
Tunisia	6 977
Turkey	25 962
United Arab Emirates	2 912
United Republic of Tanzania	27 612
Yemen	7 880
Zaire	36 950
Zambia	4 618
Subtotal	<u>1 377 644</u>

SCHEDULE 3.1 (concluded)

Country projects	Total expenditure
<u>Regional projects</u>	
Caribbean	91 121
<u>Other projects</u>	<u>2 826 562</u>
Subtotal	2 917 683
Programme support costs	<u>67 229</u>
Total project expenditure	<u>4 362 556</u>
<u>Projects for the International Year of Shelter for the Homeless</u>	
Burundi	34 550
Fiji	42 000
Greece	2 058
Sri Lanka	213 268
<u>Other projects</u>	<u>802 760</u>
Total project expenditure	<u>1 094 636</u>

SCHEDULE 4.1

UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION

Investments administered by United Nations Headquarters
as at 31 December 1987*

(United States dollars)

	<u>Amount</u>
STATE BANK OF INDIA, NASSAU	
7.5000 per cent	800 000
27 January 1988	
7.3125 per cent	1 000 000
16 February 1988	
8.000 per cent	1 800 000
21 March 1988	
KOREA EXCHANGE BANK, NEW YORK	
8.0625 per cent	1 000 000
4 January 1988	
7.4300 per cent	500 000
5 February 1988	
CREDITO ITALIANO, NEW YORK	
7.8750 per cent	300 000
27 March 1988	
MORGAN GUARANTY TRUST COMPANY, NEW YORK	
6.1250 per cent	400 000
call account	
BANK OF MONTREAL, VANCOUVER	
6.0000 per cent (\$Can 150 000)	114 504
28 January 1988	
6.0000 per cent (\$Can 150 000)	114 504
10 March 1988	
6.2500 per cent (\$Can 200 000)	152 671
29 April 1988	
Certificate deposits maintained by United Nations Headquarters	<u>21 173</u>
	<u>6 160 506</u>

* Income from investments is shown in statement V.

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