

UNITED NATIONS CHILDREN'S FUND

FINANCIAL REPORT

and

AUDITED FINANCIAL STATEMENTS

for the year ended 31 December 1983

and

REPORT OF THE BOARD OF AUDITORS

GENERAL ASSEMBLY

OFFICIAL RECORDS: THIRTY-NINTH SESSION

SUPPLEMENT No. 5B (A/39/5/Add.2)



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UNITED NATIONS

New York, 1984

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.

[20 July 1984]

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ABBREVIATIONS

AFESD	Arab Fund for Economic and Social Development
AGFUND	Arab Gulf Programme for the United Nations Development Organizations
EEC	European Economic Community
OPEC	Organization of Petroleum Exporting Countries
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

18 June 1984

Sir,

I have the honour to transmit to you the financial statements of the United Nations Children's Fund, including the Greeting Card Operation, as at 31 December 1983, which were submitted by the Executive Director. These statements have been examined and include the audit opinion of the Board of Auditors.

In addition to the above, I have the honour to present the Report of the Board of Auditors with respect to the above accounts for the financial period ended 31 December 1983.

Accept, Sir, the assurances of my highest consideration.

(Signed) A. K. Azizul Hossain
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 1983

Introduction

1. The Executive Director of the United Nations Children's Fund (UNICEF) submits herewith the annual financial report on the accounts of UNICEF for the year ended 31 December 1983, comprising six statements supported by nine schedules.
2. UNICEF's financial system is described in "An overview of UNICEF's policies, organization and working methods" (E/ICEF/670/Rev.3). In addition, the medium-term plan for the period 1983-1987 (E/ICEF/1984/3) compares the actual 1983 figures with those planned for 1983 in the financial plan together with the financial projections for future years. This financial report provides the details of the 1983 financial results of UNICEF's activities. Highlights are commented upon in the following paragraphs.
3. The total 1983 financial results in nominal terms can be compared to those of 1982 as follows:

	Nominal		
	1982	1983	Percentage
	(millions of United States dollars)		
Income	378	342	(10%)
Expenditures	289	332	15%

4. Based on a 5 per cent decrease during 1983 in the United Nations index of unit value of manufactured export goods, which reflects the effects of both exchange rates and inflation, the significant growth in 1983 in UNICEF's programme expenditure (excluding the 1982 special activities for major emergency relief operations), in both nominal and real terms, may be summarized as follows:

	Nominal			In fixed 1982 prices		
	1982	1983	Percentage	1982	1983	Percentage
	(millions of United States dollars)					
Income	328	332	1	328	349	6
Expenditures	275	305	11	275	321	16

5. The continued strengthening of the United States dollar through the year resulted in a substantially lower valuation of income in dollar terms than expected. On the other hand, the higher purchasing power of the United States dollar resulted in lower prices in dollar terms for some of the goods and services that UNICEF bought for both programmes and budget. However, this saving of \$12 million did not fully compensate for the \$19 million downward effect that the high dollar rates had on income.

6. The policy of UNICEF is to maintain the lowest possible prudent cash reserve in order to make the maximum use of the money that it receives. General resources cash on hand continue to be at a rather low level; however, the substantial balances of supplementary funds on hand provide a liquidity situation ensuring financial security.

Income

7. Virtually all Governments of both the industrialized and the developing world contributed to UNICEF in 1983. Several donors made contributions additional to their original pledges to general resources for 1983, others contributed to large "adoptions" of general resources projects and very substantial contributions went to "noted" projects as supplementary funds.

8. UNICEF's income in 1983 totalled \$342 million. In conformity with the traditional pattern of the sources of UNICEF income, 75 per cent of income (\$255 million) came from Governments and intergovernmental organizations, 17 per cent (\$60 million) from private sources as a result of fund-raising campaigns, greeting card profit and individual donations; 3 per cent (\$11 million) from the United Nations system and 5 per cent (\$16 million) from miscellaneous sources. This latter sum of \$16 million is after a reduction of \$4 million due to the revaluation over the year, at the prevailing United Nations rate of exchange, of the assets held in currencies other than United States dollars.

9. Income for general resources was \$241 million, practically the same level as 1982. Income related to supplementary funds contributions was \$101 million, 7 per cent more than 1982, if the activities for the Lebanon relief operations are excluded from the comparison.

Expenditures

10. Expenditures in 1983 were \$332 million, \$43 million or 15 per cent more than in 1982. The expenditure of \$332 million consisted of \$148 million for supplies and equipment, \$98 million for non-supply assistance (such as training grants, project personnel and local costs) and \$45 million for support of programmes. The remaining expenditures were for administrative services in the amount of \$41 million. After deduction of contributions towards local budget costs from Governments, staff assessment and other income from the budget, the net costs of the programme support at field level and administrative services were \$38 million and \$37 million, respectively.

11. During 1983, donations-in-kind valued by donors at \$3 million were delivered by UNICEF to projects. These deliveries are not reflected in the financial accounts of UNICEF although handled through the administrative structures of the organization.

Funds-in-trust

12. Funds-in-trust not related to commitments approved by the UNICEF Executive Board were not entered into the financial accounts of UNICEF as income and expenditures. These funds were mainly to cover the cost of goods and services

purchased and delivered on a reimbursable basis by UNICEF on behalf of Governments, other agencies in the United Nations system and non-governmental organizations. In 1983, UNICEF received cash or pledges of \$28 million for these funds-in-trust. This was \$9 million more than in 1982. Disbursements and obligations from these funds-in-trust were \$23 million, \$5 million less than in 1982.

Funds-on-hand

13. UNICEF does not have a statutory reserve and is not authorized to borrow. Therefore, a cash provision is necessary to absorb temporary, within-year imbalances in cash flow; thus differences between the projected and the actual annual income and expenditures of general resources are inevitable. The policy of UNICEF is to maintain, within the bounds of prudence, the lowest possible general resources cash balances so as to make the maximum use of the general resources that are received. This policy also allows 50 per cent of supplementary funds cash balances to support, on a temporary basis and in case of need, the general resources liquidity pending necessary corrections in planning. At the end of 1983, the total cash holding (\$138 million), included the UNICEF liquidity provision of \$68 million, which was made up of general resources cash (\$12 million) and the remaining half of the balance of the supplementary funds cash (\$56 million).

14. The total cash of \$138 million (which also includes \$13 million of funds-in-trust) was held with first class banks in most countries where UNICEF operates. This comprised \$123 million on interest-bearing time deposit accounts and \$15 million in current bank accounts, many of them also interest-bearing. The total cash holdings of UNICEF includes currencies restricted for use in the donor countries for purchases and other expenditures. At the end of 1983, these balances were \$6 million, \$2 million less than in 1982.

15. Contributions receivable at the end of 1983 totalled \$118 million or \$6 million more than 1982. The relatively large amount of contributions receivable is mainly related to large contributions to adopted projects and to substantial pledges for "noted" projects and should not be construed as a deterioration in the pattern of the yearly payment of contributions to UNICEF. Actually, many Governments and National Committees for UNICEF paid their contributions early in 1983. An appeal is being made to all donors to continue their efforts in 1984 and 1985 to maintain, and possibly improve, this good record.

Commitments

16. During 1983, the Executive Board approved new programme commitments totalling \$182 million to programmes for children in 85 countries of the 113 countries with which UNICEF co-operates, as well as regional and interregional projects. This total includes \$109 million in commitments from UNICEF's general resources and \$73 million in projects that the Board "noted" as worthy of support and which were financed by supplementary funds pledges made in 1983. In addition, at its session in May 1983, the Board approved budget commitments of \$221 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, for the year ended 31 December 1983.
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 Greeting Card Operation headquarters in New York, at Geneva, Copenhagen and the field offices in Colombia, India, Thailand, and the United Republic of Tanzania.
3. During the year under review, the Board of Auditors continued its 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 audit approach of applying systems-based auditing to all the organizations in the United Nations systems for which the Board has audit responsibility.
4. The Board has noted with appreciation the speed with which the Administration has dealt with the matters brought to its attention and the efforts it has made to improve financial management and control systems. Our recommendations are intended to assist the Administration in considering and implementing further improvements. The following are the most significant matters arising from our examination. We have discussed these matters with the Administration whose responses are incorporated in this report where appropriate.

Summary of findings

5. Our review disclosed that in some cases project implementation was not satisfactory and the review, monitoring and evaluation of projects were inadequate. We also noted that delegation of authority to regional and field offices for local procurement was not adequate, deliveries of supplies to projects were sometimes delayed and relevant rules on bidding procedures were not strictly followed. Internal controls in respect of insurance claims were insufficient, and significant outstanding advances with Governments remained unsettled.
6. We further noted that in some field offices unspent balances of cash were maintained in non-interest bearing bank accounts. Moreover, outstanding reconciling items in bank reconciliation statements and long outstanding cheques were not promptly cleared. We also noted deficiencies in the present system of allotment control and the physical verification of property. Our review also indicated the necessity for further streamlining the procedure for the utilization of consultancy services.

7. During our audit of the Greeting Card Operation we noted long outstanding receivables. Procurement procedures followed in certain cases were not consistent with the Financial Rules of the United Nations. There was a substantial stock of unused paper and of unsold cards at every year-end and a lack of internal control in physical stock-taking of inventories.

Project activities

Review and monitoring

8. During our review we noted that reviews and monitoring exercises carried out by UNICEF on its assisted programmes were not adequate and effective. In some cases reports and statements required from field offices were not received by headquarters on a timely and regular basis, joint annual reviews by UNICEF and Governments were not undertaken in some field offices, and often projects could not be completed within the stipulated time-frame and had to be extended from year to year.

9. We further noted that in some projects substantial funds remained unutilized due to delay in the implementation of project activities whereas in some others, before completion of projects, expenditures had exceeded the funds authorized.

10. We also noted from the annual UNICEF-Government reviews of programmes, that UNICEF resources had been spread so thinly over numerous projects that it had become difficult to evaluate the impact of its assistance in some countries.

11. We recommended that more emphasis should be given to regular submission of reports and returns by field offices and that a system of periodic reports by field offices, showing the progress in implementation of projects, both in physical and financial terms, should be introduced. Furthermore, we recommended the strengthening of the monitoring and review processes at headquarters.

12. The Administration stated that in order to further reinforce UNICEF's technical and advisory functions and also to strengthen the project monitoring and review procedures, it had already reorganized the UNICEF secretariat and actions were under way to:

(a) Test a revised system for coding programme information in a number of country offices before its global application;

(b) Compile a programme manual;

(c) Upgrade the quality of situation analysis of children;

(d) Support efforts to deal with a number of other activities at a global level.

Evaluation

13. Evaluation of programmes is carried out by field offices in association with Governments, and the results are submitted to headquarters for analysis and record. We noted, however, that no mechanism had been developed at UNICEF headquarters to ensure that those reports were studied and the experience gained

used in future programming exercises. Moreover, responsibilities for initiating and completing evaluation exercises and their follow-up remained mostly with the field offices without any direct and active involvement of the regional offices or headquarters in the evaluation process.

14. We recommended that evaluation procedures should be further strengthened by instituting appropriate evaluation mechanisms at headquarters and adequately involving the regional offices in the evaluation process.

15. The Administration indicated that it had recently initiated action for further reinforcing the existing instructions which required that all new project plans of action should contain a tentative timetable for evaluation and also requested field offices to institutionalize annual reviews of programmes with Governments. Furthermore, it stated that the Programme Division of headquarters had already been reorganized to strengthen the role of headquarters in the implementation of country programmes, including monitoring and evaluation, and headquarters and regional offices were now playing more effectively their support role, including identifying and mobilizing technical support, abstracting evaluation reports, synthesizing evaluation findings and circulation of selective evaluation information.

Procurement

Delegation of authority

16. During our review we observed that as a result of centralization of procurement authority, regional and local offices had to approach headquarters for most purchase authorizations. This lengthy procedure often causes targeted objectives of projects to suffer. The Executive Board of UNICEF at its 1979 session favoured more local procurement of supplies and equipment where this would circumvent delays in delivery and transport problems and encourage the development of national capacity.

17. We recommended that in order to fully implement the decision of the Executive Board and also to simplify the procurement procedure to improve project implementation, the field offices should be given more authority for local procurement.

18. The Administration indicated that for procurement in bulk, such as that undertaken by UNICEF, it favoured centralized procurement for the overall best economy, both in terms of price and, equally important, in terms of use of staff. The Administration further said that it recognized the need for greater flexibility, increased authority, better guidelines and criteria and simplified procedures to facilitate local procurement, where justified, and as such it had already undertaken a local procurement study.

Target arrival dates (TAD)

19. We also noted that in a number of cases the actual delivery of supplies was not made in accordance with the target arrival dates mentioned in the supply call forwards, mainly owing to the following facts:

(a) The field offices indicated target arrival dates without considering the constraints of the procurement system;

(b) The purchase information required was not precise, resulting in delays while obtaining further information.

20. We recommended, and the Administration agreed, that in order to ensure that projects did not suffer for lack of supplies and equipment, TADs should be more closely monitored and field offices should be given adequate instructions to fix reasonable TADs and submit the supply call forwards well ahead of TADs. The Administration further stated that with the establishment of new computerized systems, more frequent reports for the monitoring of TADs would be possible and that it would co-operate more closely with the field offices to define supply requirements and establish realistic TADs.

Competitive bidding

21. Our review further disclosed that:

(a) One purchase order was split-up among several bidders and at different rates, without making any effort to obtain the supplies at the lowest quoted rate and without mentioning the reasons for non-acceptance of the lowest bid in full;

(b) Some purchase orders were not placed with lowest bidders and reasons for non-acceptance of the lowest bids were not adequately indicated. Such decisions resulted in substantial additional costs to UNICEF;

(c) In another case an error in routing the lowest offer resulted in the acceptance of a higher offer;

(d) In some cases bids were not invited from sufficient number of prospective suppliers;

(e) Contracts for printing and publications were awarded without calling for bids;

(f) In some cases contracts were awarded and subsequently modified without the prior approval of the relevant Contracts Review Committee;

(g) In some other cases blanket price approval was obtained from the Contracts Review Committee in anticipation of probable supply call forward from field offices;

(h) In some field offices updated lists of potential suppliers were not maintained.

22. We recommended that efforts should be made to award contracts to the lowest acceptable bidder, and in case of non-acceptance of the lowest bids sufficient justifications for the decision should be recorded. We further recommended that in all cases bids should be invited from all potential suppliers, the supplier's list should be updated and purchase decisions should not be taken without prior advice of the Contracts Review Committee.

23. The Administration informed us that within the overall framework of procurement constraints, the procurement transactions had, in fact, been carried out in the best interest of UNICEF and the recipient countries, and the reasons and justifications leading to procurement decisions would henceforth be reflected in

bid records and Contracts Review Committee submissions. It also agreed to review the procedure relating to routing of bids and the blanket price approval by the Contracts Review Committee.

Delay in delivery

24. We further noted that in one field office, in a number of instances supplies were not delivered within the time specified in the purchase orders, and in some cases deliveries were outstanding for more than two years, mainly owing to transport difficulties faced by the suppliers and in some other cases the inability of some consignees to complete required paperwork in time. We further noted that in some purchase orders no specific dates for the supply of the articles were mentioned except the months.

25. The Administration replied that owing to some extenuating circumstances prevailing in the country, deliveries could not be effected in time and that the problem in this case was caused by an administrative procedure.

26. We recommended that if delivery schedule could not be maintained for genuine reasons, those should be revised in good time, with the agreement of all parties concerned.

Insurance claims

27. We further noted that in UNICEF Procurement and Assembly Centre (UNIPAC) insurance claims had been written off on such grounds as incomplete documentation or value identification; that the out-turn report did not contain any discrepancies and in some cases the justification for write-off had not been mentioned. Furthermore, we noted that in UNICEF, Geneva, the responsibility for waiving and writing-off of claims for more than \$200 had been vested in the insurance clerk.

28. We recommended, and the Administration agreed, that the write-off decisions should be adequately documented, write-off action should not be taken without sufficient justification and write-off decisions on insurance claims for more than \$200 should be decided at a level higher than that of the insurance clerk.

Accounting cc trol

29. During our audit of field offices we once more noted that in some field offices subsequent advances had been made to Governments for implementation of projects before receiving expenditure statements/certificates for prior advances and that substantial balances with Governments remained outstanding.

30. We recommended, and the Administration agreed, that advances to Governments should be properly monitored in terms of the relevant UNICEF financial instructions. It was further stated by the Administration that as a result of constant follow-up, the situation was improving gradually.

Cash management

Investment

31. During our audit of field offices we noted that substantial cash balance was maintained in non-interest bearing local currency bank accounts.

32. We recommended that cash management at field offices should be further strengthened by ensuring that significant cash balances were not retained in non-interest bearing bank accounts. The Administration informed us that a variety of circumstances, such as receipt of unexpected donations, postponement of disbursement etc., might lead to higher cash balances than the desirable levels. It further informed us that established systematic procedures permitted, however, to take immediate corrective action.

Bank reconciliations

33. Our review of the field offices' bank reconciliation statements further revealed that reconciling items were not cleared in time or remained unsettled for months. We further observed that some bank statements were not promptly received from the banks and stop payment instructions were not issued in respect of long outstanding cheques.

34. We recommended that reconciling items should be appropriately followed up and that banks should be advised to ensure prompt submission of bank statements. We further recommended that long outstanding cheques should be regularly reviewed for necessary stop payment and accounting action.

35. The Administration stated that action on reconciling items had subsequently been taken, and that it would follow up with banks for prompt submission of bank statements, and stop payment procedures in respect of long outstanding cheques would be further pursued.

Budgetary control

Undistributed costs

36. During our review of the status of allotments we noted that occasionally substantial expenditures in local costs remained undistributed which created problems in monitoring the status of allotments on a monthly basis.

37. The Administration indicated that owing to non-classification of expenditures, the computer could not take those costs into account and that distribution of costs to the related functions was usually done in the following month.

38. We recommended that undistributed costs should be incorporated in the monthly accounts by developing an appropriate computer programme.

39. The Administration stated that this problem would be eliminated under the new budget format being introduced which would show allotment by objects of expenditure.

Allotment procedures

40. We further observed that the UNICEF budget was approved and allotments were controlled on the basis of four chapters, within which functions had been grouped. During the course of the year over-utilization or under-utilization of allotments made by different field offices were balanced by budget transfers prior to the end of the year, so that the allotments in aggregate were not exceeded. We also noted that in one regional office there was a wide difference between the amount of expenditures recorded by that office and the one mentioned in the computer print out of the status of allotment maintained at UNICEF headquarters.

41. We recommended that in order to ensure that budgetary controls became more effective, allotments should be controlled at the object of expenditure level rather than on the basis of chapters, and that the discrepancy between the records of headquarters and those of the regional offices on expenditures data should be reconciled.

42. The Administration stated that the problems in question would be taken care of in the new budget layout which had been approved by the UNICEF Executive Board in May 1984.

Expendable and non-expendable property

Physical verification

43. We also noted that, in spite of provisions in United Nations financial rule 110.26 that physical inventories should be taken at regular intervals, no physical verification of inventories had taken place in UNICEF headquarters since 1981.

44. We recommended that in accordance with the requirements of the financial rule, physical inventories should be taken as soon as possible and a system of taking annual inventories should be established.

45. The Administration stated that until the ongoing process of computerization of inventories and relocations of offices from one floor to another was completed it would be difficult to take a physical inventory. It also stated that a complete physical inventory of furniture and equipment would be completed by the end of 1984.

Field office inventory

46. We further noted that occasionally field office inventory reports did not reach headquarters in time, that action was not taken timely on missing property or it was disposed of without reference to the Property Survey Board.

47. We recommended that appropriate action should be taken promptly and the Administration agreed to comply.

Write-off of property

48. Our review disclosed that in UNIPAC pharmaceuticals worth approximately \$278,400 and \$298,100 bought in excess of requirement were written off and offered to the UNICEF programme free of charge owing to their limited shelf life.

49. The Administration stated that, for the major part of these pharmaceuticals, the surplus was created by a late cancellation and decrease of field office requests after the purchase had been made.

50. We recommended that more care and caution should be exercised in planning procurement of commodities with limited shelf life. The Administration informed us that planning and procurement of commodities of limited shelf life is a normal UNICEF procedure; however, sporadic occurrences like the instances quoted in paragraph 48 above are sometimes unavoidable.

Consultancy services

51. Our review further disclosed that at the Geneva office, no established procedure was followed for the selection and appointment of consultants and no roster of consultants was maintained. Consultants were also engaged for periods beyond the normal duration established in the relevant administrative instruction. Moreover, in some cases consultants were appointed repeatedly without an evaluation of their performances.

52. We further noted that in a number of cases contracts were signed after commencement or extension of consultants' services or even after the expiration of contracts.

53. We recommended that established procedures should be followed in the matter of selection and appointment of consultants on the basis of a comprehensive roster. Furthermore, the Administrative Instruction on the duration of consultants' services and an evaluation of consultants' performance should be strictly followed and contracts with consultants should be finalized before the commencement of their services.

54. In agreeing with our observation, the Administration indicated that as of 1 March 1984, the responsibility in respect of utilization of consultancy services had been placed under the Recruitment and Placement Section in order to provide for more consistency in the use of special service contracts. It also stated that a comprehensive consultants' roster would be built up which would enable UNICEF to provide a broader nationality and skills base for the hiring of consultants, and that all concerned had been requested to give closer attention to the provisions of the relevant administrative instructions.

Greeting Card Operations (GCC)

Accounting control

55. During our review we noted that as at 31 December 1983 accounts receivable stood at \$508,195 out of which \$327,766 represented outstanding balances receivables from 1975 to 1982, from the national committees, and some United Nations organizations.

56. We recommended, and the Administration agreed, to intensify efforts for earlier realization of long outstanding balances. We have been further informed that the outstanding balance has further been reduced, in comparable terms, by half at the end of April 1984.

Procurement

57. During our review of the procurement function we noted the following in addition to the observations made in paragraph 21 above:

(a) Quantity of cards to be produced and delivered and delivery schedules were not mentioned in the invitations to bids in certain cases;

(b) The Contracts Review Committee advised allocations of expenditure amongst the printers without indicating the type and number of cards to be printed by each printer, and such allocations were subsequently changed by the GCO without obtaining approval of the CRC.

58. We recommended the requirements of the Financial Rules in connection with procurement should be adhered to. Furthermore, we recommended that the advice of the Contracts Review Committee should be followed or resubmitted for its review.

59. The Administration informed us that it will review the situation and make efforts to improve it.

Inventory

Stock of paper

60. GCO maintains a paper stock to be supplied for printing of cards. Our review revealed that as at 31 December 1983, GCO was left with an unused stock of 6,188,660 sheets of paper, subject to adjustment on final stock-taking. We further noted that in addition to the opening stock of 5,506,609 sheets of paper for the year under review, GCO purchased 5,633,745 sheets and that the total usage during the year was only 4,951,694 sheets. This indicated that the stock in hand at the beginning of the year was sufficient to meet the requirements.

61. Our review also disclosed that for procurement of paper GCO had neither fixed any reordering level nor a consumption plan for paper.

62. We recommended, and the Administration agreed, to review the existing inventory levels of paper and to fix appropriate inventory reordering levels.

Physical verification

63. Our review disclosed a lack of adequate documentation pertaining to procedures for physical verification of stock and non-expendable property and its subsequent reconciliation with balances reflected in accounting records. We also noted that the custodian of the non-expendable property had been vested with the responsibility of conducting physical verification of property.

64. We recommended, and the Administration agreed, to take appropriate action.

Overprinting of cards

65. GCO determines the volume of cards to be printed on the basis of requisitions of National Committees and various other sales outlets. To this requisition 12 per cent excess production over distribution and 15 per cent excess distribution

over sales margin for excess demand is added. Our review, however, disclosed that printing of cards was made without adequate market survey and as a result GCO ended with 28.7 million unsold cards.

66. We recommended that in order to reduce the volume of unsold cards, printing should be undertaken on the basis of adequate market surveys and the margin for excess of demands should be reviewed in the light of present conditions. The Administration informed us that to reverse the present stagnant sales trend, GCO proposed a new interregional sales development programme which was recently approved by the Executive Board.

Comments on matters dealt with in the 1982 report

67. The matters contained in our 1982 report 1/ have either been dealt with to our satisfaction or have been mentioned once more in this report.

Acknowledgement

68. 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) A. K. Azizul HUQ
Comptroller and Auditor General
of Bangladesh

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

(Signed) A. DEFOY
Senior President of the Court
of Accounts of Belgium

1/ Official Records of the General Assembly, Thirty-eighth Session,
Supplement No. 5B (A/38/5/Add.2), part one, sect. II.

III. AUDIT OPINION

We have examined the following appended financial statements, numbered I to VI, properly identified, and relevant schedules of the United Nations Children's Fund for the financial period ended 31 December 1983. 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 and the transactions were in accordance with the Financial Regulations and legislative authority.

(Signed) A. K. Azizul HUQ
Comptroller and Auditor General
of Bangladesh

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

(Signed) A. DEFOY
Senior President of the Court
of Accounts of Belgium

13 June 1984

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

Introduction

1. 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, the paragraph numbers of the report of the Board of Auditors are shown beside the headings of the Executive Director's observations.

Project activities (audit, paras. 8-15)

2. It is important to clarify the basis of UNICEF's co-operation with Governments with regard to programme implementation. UNICEF is not an executing agency in that it does not implement programmes or activities. As a general rule, the responsibility for implementation rests with Governments. However, UNICEF provides both project assistance, i.e., materials, transport, cash, etc., and technical assistance, i.e., technical advice, training, support to institution building, etc., for improving Governments' implementation capacities, with the aim of improving the effectiveness of UNICEF assistance. Support to monitoring and evaluation systems referred to in the observations is part of this technical assistance. UNICEF monitors its own inputs to programmes and activities.

3. In addition to the detailed information on the matter already provided to the Auditors, the UNICEF secretariat has taken a number of steps to strengthen monitoring review and evaluation processes, as follows:

(a) A reorganization of the secretariat in 1981 included the creation of the Programme Development and Planning Division, which has greatly reinforced UNICEF's technical and advisory functions, including monitoring and evaluation. The reorganization was carried out to strengthen UNICEF's overall capacities for the delivery of services to children and women;

(b) Action is under way to test a revised system for coding programme information in a number of country offices before its global application. This coding is a part of a plan to introduce a Programme Information Management System (PIMS);

(c) Compilation of a new programme manual is proceeding;

(d) Efforts are being made to upgrade the quality of situation analysis of children. Instructions issued on 29 March 1983 contained proposals for systemization and improvement of situation analysis of children at the country level. To improve data and information about children, country offices also assist Governments in undertaking special studies, evaluations and applied research activities to gather information and develop a better understanding of specific problems affecting children and ways in which they can be overcome;

(e) UNICEF is supporting a number of other relevant activities at a global level. Among these are (i) the National Household Survey Capability Programme being undertaken by the United Nations Statistical Office; (ii) collection of reliable data on births and infant and child deaths through improved registration

systems or alternative low-cost sources, being undertaken by the United Nations Statistical Office; (iii) generation and utilization of a few critical indicators on the health status of children, being undertaken in close collaboration with the World Health Organization and the United Nations Statistical Office; (iv) generation and utilization of village or country data for local decision-making, being undertaken as part of a United Nations system-wide effort; (v) obtaining reliable estimates and projections of infant mortality rates, being undertaken by the United Nations Population Division; (vi) obtaining reliable estimates and projections of adult literacy rates, especially including female literacy rates, being undertaken by the United Nations Educational, Scientific and Cultural Organization and (vii) measurement of the health and environmental aspects of water programmes in collaboration with the United Nations Statistical Office;

(f) Instructions of 27 July 1983 further reinforced prior instructions on the matter and required that all new project plans of action should contain a tentative timetable for evaluation through an annual review of programmes with Governments;

(g) Complete information on country programmes and the various activities within them are found in Plans of Operations and Plans of Action which could be of one or more years' duration. Annual progress reports describe activities in operational terms, and computerized financial tables give detailed financial information. Detailed operational information is provided through the "call-forwards" as they come to the geographic sections. All these are available at headquarters. Further information from evaluations, assessments, reports on field trips, etc., is also available at headquarters.

Supply matters (audit, paras. 16-28)

4. In 1983 some \$37 million of supplies and equipment were purchased locally by UNICEF field offices. This represents about 30 per cent of UNICEF's 1983 total procurement activities (\$130 million). While recognizing the desirability of increasing local procurement and the need to further simplify procedures and established guidelines and criteria for local procurement, UNICEF experience shows that centralized procurement is the most economic, both in terms of price and, equally important, in terms of use of staff.

5. The UNICEF Supply Division procures an enormous range of supplies, especially pharmaceuticals, medical and engineering equipment, and audio visuals and educational materials. For this, UNICEF needs procurement staff with the appropriate technical background. A further significant increase of procurement in assisted countries or through regional offices would probably require an increase of specialized procurement staff who could not be used efficiently because of lack of procurement volume in individual offices within all areas of specialization.

6. This has also been the background against which the reorganization and consolidation of the Supply Division in Copenhagen has been recommended and accepted. It is also the background for the local procurement study being undertaken by the Supply Division.

7. The comments made by the Auditors in respect of Target Arrival Dates (TAD) indicate administrative inconveniences more than substantive problems. The Supply Division has already issued instructions to field offices, providing information on procurement lead times and other constraints which should allow field offices to

fix reasonable TADs and submit supply call-forwards (SCFs) well ahead of the TADs. These instructions will be updated or reissued, as necessary, to establish realistic target arrival dates.

8. Observations by the Auditors on competitive bidding may be grouped in two main categories. The first group, which included a recommendation that information made available to the Contract Review Committee (CRC) should be adequately reported, is endorsed by the secretariat, and appropriate instructions have been issued. The second group refers to specific cases, and comments on the main issues are as follows:

(a) Financial rule 110.18 of the United Nations does not specify how many invitations to bid are needed when calling for bids or proposals. As a general rule, UNICEF calls for three bids. The overriding criteria in determining invitations to bid relates to the expected total value of the transaction and individual item costs;

(b) A formal master mailing list is maintained in the main procurement centres, namely headquarters, Copenhagen and Geneva. Field offices request additions to this list as required;

(c) Comments on the blanket price approval obtained from the Contract Review Committee in anticipation of probable supply call-forwards from field offices relate specifically to UNICEF vehicle purchases and UNICEF practices which have been followed for many years. In this case, CRC authorization is given to make repeat purchases in accordance with available manufacturers' price lists, thereby reducing the administrative work involved in submitting individual CRC submissions for approximately 1,500 vehicles per year. This procedure not only reduces costs and paper work but expedites delivery to UNICEF programmes. The secretariat believes that this procedure can be extended to other proprietary items, such as pipes, spare parts, etc. As indicated to the Auditors, this procedure is now being reviewed and, if policy and procedure changes are necessary, they will be made as requested.

9. The observations by the Auditors on delays in delivery refer to occurrences in one field office, in a country affected by difficult local circumstances. According to information recently received, the matter has now been solved and administrative procedures to document genuine reasons for delays in delivery will be reinforced.

10. According to UNICEF's procedures, damages/losses below \$200 need not be claimed. The purpose of this is to reduce paper work and costly non-productive administrative work.

11. It is pointed out that all claim settlements are presented on a quarterly basis to the Insurance Survey Board for approval.

Accounting and financial matters (audit, paras. 29-35)

12. It is sometimes difficult to obtain documentation from Governments, owing to various local difficulties. With the concurrence of the Auditors, UNICEF has introduced a simplified form of reporting which should assist some recipient Governments in overcoming the administrative problems which delay submission of

documentation. However, the introduction of the simplified procedures is a process involving discussions with Governments and governmental departments, and therefore requires time.

13. At the end of 1983 only \$15 million were held in more than 100 current accounts (many of them interest-bearing) with banks all over the world. This was some 10 per cent of the total UNICEF holdings and corresponds to less than two weeks of UNICEF average cash expenditure. The secretariat considers this to be an average minimum to ensure the payment functions of approximately 70 offices operating in more than 100 countries. It is recognized that, for a variety of circumstances (receipt of unexpected donations, postponement of disbursements, etc.), cases may occur when cash balances are higher than the desirable levels. However, established systematic procedures permit immediate corrective action.

14. Certain problems are sometimes experienced in obtaining statement of accounts from banks in countries with difficult local conditions. These cases are closely monitored (by obtaining bank statements and ensuring follow-up of long outstanding cheques).

Budgetary matters (audit, paras. 36-42)

15. Some procedural problems encountered in 1983 resulted from the format of the budget whereby "objects of expenditure" were segregated by functions, and these functions were grouped in budgetary chapters. This format was introduced in 1982 with the first biennial budget of UNICEF, subject to possible revision based on experience. This proved that better control and saving of work would have been achieved by changing the budget format and reintroducing budget estimates, allocations, allotments and controls by objects of expenditure.

16. Supported by a favourable report from the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (E/ICEF/1984/AB/L.2), the secretariat submitted a proposal to the 1984 Executive Board (E/ICEF/1984/AB/L.1) that future budget formats should reflect the structures of the organization and present the budget costs by objects of expenditure. The Board approved the proposal and also the restatement of the 1984-1985 budget resolution as per document E/ICEF/1984/AB/L.1/Add.1.

Administrative matters (audit, paras. 43-50)

17. The Auditors' comments refer mainly to inventories of administrative equipment and furniture, the cost of which has been already accounted for as budget expenditure in the year in which it was incurred. The main purpose of those inventories (which do not support equivalent assets in the organization balance sheet) is to provide listings for administrative verification and to monitor the allocation and use of the administrative property. In fact, United Nations financial rule 110.26 does not mandate yearly inventory and, in accordance with United Nations practices, UNICEF systematically carries out inventories covering only attractive and high risk items. Other items are verified only through periodic inventory.

18. A complete physical inventory at UNICEF headquarters will be completed by the end of 1984 to coincide with the planned computerization of this work. To reduce

paper work and costs, UNICEF has decentralized the responsibility for inventories of administrative property to field offices. The information maintained locally enables offices and UNICEF internal auditors to verify and monitor local administrative equipment and furniture more closely.

19. As far as the disposal of certain pharmaceuticals is concerned, these commodities were not destroyed, but offered to UNICEF programmes free of charge as additional project assistance. Planning of procurement of commodities of limited shelf life is a normal UNICEF procedure. However, sporadic occurrences like the one mentioned by the Auditors are sometimes unavoidable.

Consultancy matters (audit, paras. 51-54)

20. The matter was discussed at the 1984 session of the UNICEF Executive Board (E/ICFF/1984/AB/L.8), and the secretariat indicated that UNICEF had administrative instructions and procedures in place to control and monitor the use of consultants. There is always the possibility of sporadic problems, which were and are the object of constant follow-up for corrective action. From 1 March 1984, responsibility for utilization of consultancy services has been placed under the Recruitment and Placement Section in order to provide for more consistency in the use of special service contracts. A comprehensive consultants' roster would be built up, which would enable UNICEF to provide a broader nationality and skills base for hiring of consultants. All concerned have been requested to give closer attention to the provisions of relevant and current Administrative Instructions.

Greeting Card Operation (GCO)

Accounting matters (audit, paras. 55-56)

21. The sum of \$508,195 being accounts receivable outstanding at the end of 1983, has been reduced, in comparable terms, by half at the end of April 1984. GCO is systematically following up the collection of receivables and it is expected that the majority of the outstanding balances will be collected in the course of 1984.

Procurement and inventory matters (audit, paras. 57-65)

22. Taking into consideration the characteristics of the GCO production and sales operations, specifications for printing are necessarily general in nature, pending receipt by GCO of the exact information regarding technical parameters, sizes, quality and delivery schedules. However, the comprehensive details are issued when the exact product requirements become known. The secretariat considers that the procurement transactions were carried out within established procurement procedures. However, the procedural refinements suggested by the Auditors will be considered in order to improve present practices.

23. GCO's ability to produce greeting cards on a timely basis to meet delivery schedules depends, above all, on the availability of appropriate paper supplies. Procurement policy regarding raw materials therefore must take into account future availability and lead times as well as cost. Generally, this must be guided by prudence and foresight in order to ensure timely production. Occasional over-ordering of a particular item is unavoidable in the paper market and efforts are routinely made to reduce excess inventory when this occurs.

24. The Auditors indicated that GCO determines the volume of cards to be printed by adding up 27 per cent to requisitions received from National Committees and other sales outlets. It would appear that the above statement is the result of a misunderstanding. The volume of cards to be printed is determined according to the GCO plan based on estimated sales forecasted by National Committees, other sales outlets and UNICEF offices. The 27 per cent consists of two parameters established internally by GCO to measure if the actual performances within two acceptable limits, namely 12 per cent excess production over distribution and 15 per cent excess distribution over sales.

25. The stock of raw materials, production and printing of cards are determined on sales forecasts which are projections and, by nature, estimates. If sales, for whatever reason, do not materialize as anticipated, stocks of raw materials and finished products will exceed desirable limits.

V. FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1983

COMPARATIVE STATEMENT OF INCOME AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 1983

(United States dollars)

1982		1983
INCOME		
<u>General resources</u>		
188 004 843.96	Contributions from Governments (schedule 1)	184 919 818.03
28 734 863.36	Contributions from non-governmental sources (schedule 1)	21 600 921.76
16 712 983.42	Greeting Card and related operations	18 127 268.48
<u>20 581 767.53</u>	Other income (schedule 2)	<u>20 304 817.31</u>
254 034 458.27	<u>Total general resources</u>	244 952 825.58
<u>Supplementary funds</u>		
110 412 812.40	From Governments (schedule 1)	69 593 421.21
16 717 999.57	From non-governmental sources (schedule 1)	19 694 430.65
<u>7 886 817.87</u>	From the United Nations system (schedule 1)	<u>11 420 491.08</u>
135 017 629.84	<u>Total supplementary funds</u>	100 708 342.94
389 052 088.11	TOTAL INCOME	345 661 168.52
(11 010 048.73)	Net change in value of assets and liabilities due to exchange rates	<u>(3 753 317.49)</u>
378 042 039.38	NET INCOME	341 907 851.03
EXPENDITURES		
<u>For programme co-operation from:</u>		
152 649 018.99	General resources	150 372 845.70
56 682 471.53	Supplementary funds other than United Nations system (statement IV)	86 450 759.54
3 764 769.28	United Nations system (statement IV)	9 341 182.84
39 551 047.70	<u>For programme development, preparation, implementation and evaluation (statement VI)</u>	<u>44 684 198.92</u>
252 647 307.50	<u>Total programme co-operation</u>	290 848 987.00
6 372 112.19	Overall policy-making, direction, co-ordination and control (statement VI)	7 252 371.04
10 004 841.31	External relations (statement VI)	11 531 843.18
<u>20 371 613.91</u>	General administration (statement VI)	<u>22 346 103.35</u>
289 398 874.91	TOTAL EXPENDITURES (statement V)	<u>331 979 304.57</u>
<u>88 643 164.47</u>	EXCESS OF INCOME OVER EXPENDITURE	<u>9 928 546.46</u>

Statements III to VI and notes 1 to 20 form an integral part of this statement and should be read in conjunction therewith.

CERTIFIED CORRECT

APPROVED

(Signed) Giovanni CAVAGLIA
Comptroller

(Signed) James P. GRANT
Executive Director

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND THE FINANCIAL POSITION AS AT 31 DECEMBER 1983

(United States dollars)

1982		1983
ASSETS		
128 372 888.10	Cash holdings (schedule 3)	137 544 287.03
	Contributions receivable:	
112 406 304.89	For current and prior years (schedule 4)	118 247 405.51
55 147 445.86	For future years (schedule 7)	26 816 318.02
695 721.09	Deposits with governmental agencies and suppliers	883 410.75
23 715 140.35	Accounts receivable, advances and deposits (schedule 5)	24 349 279.77
34 520 088.32	Inventories (schedule 6)	33 357 006.98
<u>2 520 417.93</u>	Capital assets	<u>2 903 414.81</u>
357 378 006.54		344 101 122.87
LIABILITIES		
	Contributions for following years pledged and received in advance (schedule 7)	27 507 466.89
56 023 024.51	Greeting card and related operations income received in advance	3 529 845.91
5 763 342.26	Accounts payable and other unliquidated obligations (schedule 8)	22 820 655.81
20 525 351.70	Trust funds:	
	Reimbursable procurement and other services (schedule 9)	15 299 121.38
10 056 731.09	Maurice Pate Memorial Fund	64 428.55
58 499.11	Reserve for insurance	200 000.00
<u>200 000.00</u>		
<u>92 626 948.67</u>		<u>69 421 518.54</u>
<u>264 751 057.87</u>	EXCESS OF ASSETS OVER LIABILITIES	<u>274 679 604.33</u>

Statements III to VI and notes 1 to 20 form an integral part of this statement and should be read in conjunction therewith, especially in regard to outstanding commitments. Statement IV shows \$685 million of commitments to be financed from future income.

CERTIFIED CORRECT

APPROVED

(Signed) Giovanni CAVAGLIA
Comptroller

(Signed) James P. GRANT
Executive Director

STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 1983
(United States dollars)

1982		1983
SOURCES OF FUNDS		
378 042 039.38	Total income for the year (statement I)	341 907 851.02
	Increase in trust funds	5 248 319.73
	Decrease in contributions receivable For future years	28 331 127.84
4 515 462.94	Decrease in inventory	1 163 081.34
4 757 102.98	Increase in accounts payable and other unliquidated obligations	2 295 304.11
44 375 228.91	Increase in contribution for following years pledged and received in advance	
<u>2 421 926.11</u>	Increase in greeting card and related operations income received in advance	
434 111 760.32	TOTAL FUNDS PROVIDED	378 945 684.05
APPLICATION OF FUNDS		
289 398 874.91	Total expenditures for the year (statement I)	331 979 304.57
	Increase in contributions receivables:	
56 587 434.48	For current and prior years	5 841 100.62
43 499 650.26	For future years	
	Decrease in contributions for following years pledged and received in advance	28 515 557.62
	Decrease in greeting card and related operations income received in advance	2 233 496.35
8 948 095.59	Decrease in trust funds	
269 509.38	Increase in deposits with governmental agencies and suppliers	187 689.66
2 230 977.79	Increase in accounts receivables	634 139.42
<u>1 942 933.33</u>	Increase in capital assets	<u>382 996.88</u>
<u>401 113 971.74</u>	TOTAL FUNDS USED	<u>369 774 285.12</u>
<u>32 997 788.58</u>	INCREASE IN CASH AND INVESTMENTS	<u>9 171 398.93</u>

COMMITMENTS IN 1983
(Summary of statement V)

(United States dollars)

	From general resources	From supplementary funds Government and others	United Nations system	Total
Unspent balance of commitments as at 1 January 1983	674 681 445.72	210 223 587.78	13 355 739.26	898 260 772.76
Approved at the Executive Board session:				
New commitments a/ Savings and deficits b/	330 396 690.00 (2 276.00)			330 396 690.00 (2 276.00)
Made between Executive Board sessions		63 315 592.56	9 182 390.00	72 497 982.56
Adjustments to commitments:				
Budget savings for 1982 and 1983	(9 753 898.40)			(9 753 898.40)
Other	<u>995 321 960.66</u> (0.66)	<u>(19 100.00)</u> 273 520 080.34	<u>19 097.31</u> 22 557 226.57	<u>(3.35)</u> 1 291 399 267.57
Expenditures	<u>236 187 362.19</u>	<u>86 450 759.54</u>	<u>9 341 182.84</u>	<u>331 979 304.57</u>
Unspent balance of commitments as at 31 December 1983	759 134 598.47	187 069 320.80	13 216 043.73	959 419 963.00
Excess of assets over liabilities	<u>101 805 376.41</u>	<u>163 170 155.19</u>	<u>9 704 072.73</u>	<u>274 679 604.33</u>
To be financed from future income	<u>657 329 222.06</u>	<u>23 899 165.61</u>	<u>3 511 971.00</u>	<u>684 740 358.67</u>

a/ E/ICEFF/P/L.2149 and E/ICEFF/AB/L.249 and 254.

b/ E/ICEFF/P/L.2186(REC) and E/ICEFF/AB/L.248.

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 1983

(United States dollars)

Area and country assistance	Unspent balances of commitments 1 January	New commitments	Total	Expenditure	Unspent balances of commitments 31 December
AFRICA					
Angola	7 101 218.32	863 960.00	7 965 178.32	2 948 477.37	5 016 700.95
Benin	2 539 461.76	71 247.36	2 610 709.12	867 095.46	1 743 613.66
Botswana	1 189 569.47	486 000.00	1 675 569.47	212 411.33	1 463 158.14
Burundi	4 577 871.66	660 262.00	5 238 133.66	1 149 182.22	4 088 951.44
Cameroon	1 971 574.04	154 796.00	2 126 370.04	422 719.44	1 703 650.60
Cape Verde	1 206 374.13	100 000.00	1 306 374.13	415 211.82	891 162.31
Central African Republic	4 092 639.11	42 714.00	4 135 353.11	771 489.40	3 363 863.71
Chad	4 380 971.01	337 965.00	4 718 936.01	1 901 014.85	2 817 921.16
Comoros	275 361.75	51 306.00	326 667.75	149 943.24	176 724.51
Conqo	169 797.38	334 000.00	503 797.38	97 827.67	405 969.71
Djibouti	1 358 156.08	770 452.00	2 128 608.08	1 012 213.28	1 116 394.80
Equatorial Guinea	105 220.50		105 220.50	122 385.35	(17 164.85)
Ethiopia	18 182 871.18	30 009 247.00	48 192 118.18	12 550 612.99	35 641 505.19
Gabon	6 568.33	(6 568.33)			
Gambia	322 042.01	798 196.00	1 120 238.01	111 655.27	1 008 582.74
Ghana	3 255 977.75	782 250.00	4 038 227.75	1 266 741.31	2 771 486.44
Guinea	2 078 512.04	55 000.00	2 133 512.04	733 692.84	1 399 819.20
Guinea-Bissau	968 753.09	1 326 703.00	2 295 456.09	327 447.22	1 968 008.87
Ivory Coast	2 163 161.28	292 683.00	2 455 844.28	509 528.98	1 946 315.30
Kenya	6 170 438.49	145 737.00	6 316 175.49	636 507.26	5 679 668.23
Lesotho	1 521 926.56	158 804.00	1 680 730.56	178 916.48	1 501 814.08
Liberia	1 189 528.99		1 189 528.99	443 873.79	745 655.20
Madagascar	2 886 331.08		2 886 331.08	1 053 019.02	1 833 312.06
Malawi	2 149 461.83		2 149 461.83	1 043 375.42	1 106 086.41
Mali	9 493 794.04	1 556 423.00	11 050 217.04	1 314 493.84	9 735 723.20
Mauritania	3 079 044.30	203 568.00	3 282 612.30	713 323.32	2 569 288.98
Mauritius	97 543.24	421 501.00	519 044.24	120 944.66	398 099.58
Mozambique	6 664 428.06	559 080.00	7 223 508.06	1 920 328.34	5 303 179.72
Niger	4 338 169.49		4 338 169.49	1 028 907.62	3 309 261.87
Nigeria	3 311 832.86	11 746 000.00	15 057 832.86	4 719 312.23	10 338 520.63
Rwanda	1 626 573.73	2 181 296.98	3 807 870.71	1 252 209.08	2 555 661.63
Sao Tome and Principe	180 016.82		180 016.82	94 987.58	85 029.24
Senegal	2 239 619.49	2 583 765.00	4 823 384.49	962 292.53	3 861 091.96
Seychelles	36 042.68	35 000.00	71 042.68	25 244.57	45 798.11
Sierra Leone	1 647 118.88	235 813.00	1 882 931.88	314 328.85	1 568 603.03
Somalia	7 885 845.67	1 260 321.00	9 146 166.67	4 026 322.59	5 119 844.08
Swaziland	410 500.37	(91.00)	410 409.37	85 578.44	324 830.93
Togo	906 315.32	53 800.00	960 115.32	269 678.69	690 436.63
Uqanda	8 286 335.10	8 867 144.00	17 153 479.10	6 113 295.38	11 040 183.72

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 1983

(United States dollars)

Area and country assistance	Unspent balances of commitments 1 January	New commitments	Total	Expenditure	Unspent balances of commitments 31 December
United Republic of Tanzania	50 059 434.60	590 231.00	50 649 665.60	6 478 802.26	44 170 863.34
Upper Volta	3 403 559.68	6 178 533.00	9 582 092.68	1 695 820.21	7 886 272.47
Zaire	11 669 742.79		11 669 742.79	1 957 974.45	9 711 768.34
Zambia	594 510.87		594 510.87	384 663.06	209 847.81
Zimbabwe	3 735 975.28	4 260 000.00	7 995 975.28	1 446 427.71	6 549 547.57
Regional	4 811 087.94	481 355.66	5 292 443.60	1 134 915.49	4 157 528.11
AREA TOTAL	194 341 279.05	78 648 494.67	272 989 773.72	64 985 192.91	208 004 580.81
EAST ASIA AND PAKISTAN					
Bangladesh	77 075 260.02	9 793 823.00	86 869 083.02	12 610 633.70	74 258 449.32
Burma	38 462 896.34	1 369 149.04	39 832 045.38	7 039 259.71	32 792 785.67
China	21 303 924.73	100 000.00	21 403 924.73	6 131 977.01	15 271 947.72
Indonesia	24 781 139.96	2 378 132.00	27 159 271.96	9 586 735.92	17 572 536.04
Kampuchea	5 771 069.05	2 366 608.00	8 137 677.05	3 790 180.35	4 347 496.70
Kampuchean Relief	5 061 448.92		5 061 448.92	3 566 120.36	1 495 328.56
Lao People's Democratic Republic	5 027 011.64	50 252.00	5 077 263.64	897 727.96	4 179 535.68
Malaysia	1 484 312.25		1 484 312.25	536 590.95	947 721.30
Pakistan	66 815 777.92	6 460 688.30	73 276 466.22	11 520 005.35	61 756 460.87
Papua New Guinea	107 753.67	674 000.00	781 753.67	166 119.67	615 634.00
Philippines	5 514 407.94	10 827 000.00	16 341 407.94	3 284 720.62	13 056 687.32
Republic of Korea	2 517 373.77		2 517 373.77	582 502.83	1 934 870.94
Thailand	18 695 012.87	795 999.00	19 491 011.87	2 664 421.52	16 826 590.35
Viet Nam	34 576 118.30	58 000.00	34 634 118.30	3 672 615.68	30 961 502.62
Pacific Island territories	171 684.87	1 465 005.97	1 636 690.84	578 716.62	1 057 974.22
Regional	165 311.30	240 000.00	405 311.30	252 048.93	153 262.37
AREA TOTAL	307 530 503.55	36 578 657.31	344 109 160.86	66 880 377.18	277 228 783.68
SOUTH CENTRAL ASIA					
Afghanistan	9 600 369.42		9 600 369.42	2 466 464.60	7 133 904.82
Bhutan	4 260 738.12	1 774 640.00	6 035 378.12	1 233 183.35	4 802 194.77
India	106 950 047.19	(478 219.75)	106 471 827.44	33 213 008.29	73 258 819.15
Maldives	355 905.42	837 963.00	1 193 868.42	242 323.81	951 544.61
Mongolia	68 987.89		68 987.89	22 878.11	46 109.78
Nepal	17 713 085.62	2 858 663.70	20 571 749.32	4 023 174.82	16 548 574.50
Sri Lanka	5 693 471.19	6 451 314.00	12 144 785.19	2 621 373.37	9 523 411.82
AREA TOTAL	144 642 604.85	11 444 360.95	156 086 965.80	43 822 406.35	112 264 559.45

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 1983

(United States dollars)

Area and country assistance	Unspent balances of commitments 1 January	New commitments	Total	Expenditure	Unspent balances of commitments 31 December
EASTERN MEDITERRANEAN					
Algeria	272 417.56		272 417.56	76 793.45	195 624.11
Bahrain	1 393 203.42		1 393 203.42	680 481.90	712 721.52
Democratic Yemen	1 480 707.06		1 480 707.06	479 613.71	1 001 093.35
Egypt	16 190 601.67	341 500.00	16 532 101.67	6 218 431.14	10 313 670.53
Iran (Islamic Republic of)		150 000.00	150 000.00	108 992.68	41 007.32
Jordan	816 275.04		816 275.04	128 151.15	688 123.89
Lebanon	41 190 946.97	2 624 029.00	43 814 975.97	19 631 270.00	24 183 705.97
Lebanon rehabilitation	5 643 699.84	7 264 939.00	12 908 638.84	7 597 694.75	5 310 944.09
Morocco	7 498 477.90	(33 955.55)	7 464 522.35	1 526 819.16	5 937 703.19
Oman	1 434 944.66		1 434 944.66	295 477.71	1 139 466.95
Sudan	22 393 368.18	637 657.00	23 031 025.18	6 593 547.00	16 437 478.18
Syrian Arab Republic	1 838 840.77		1 838 840.77	456 583.28	1 382 257.49
Tunisia	954 313.57	1 681 825.89	2 636 139.46	205 822.48	2 430 316.98
Turkey	980 203.16	45 000.00	1 025 203.16	209 154.61	816 048.55
Yemen	7 282 946.99	1 092 598.00	8 375 544.99	3 854 218.47	4 521 326.52
Regional	539 187.42		539 187.42	363 655.86	175 531.56
Palestinian children and mothers	754 715.81		754 715.81	345 305.27	409 410.54
AREA TOTAL	110 664 850.02	13 803 593.34	124 468 443.36	48 772 012.62	75 696 430.74
EUROPE					
Poland	25 230.08	5 180.00	30 410.08		30 410.08
AREA TOTAL	25 230.08	5 180.00	30 410.08		30 410.08
THE AMERICAS					
Antigua	5 268.25	70 000.00	75 268.25	5 991.81	69 276.44
Argentina		25 000.00	25 000.00		25 000.00
Barbados	5 192.94		5 192.94	1 000.00	4 192.94
Belize	48 293.17	168 000.00	216 293.17	48 086.27	168 206.90
Bolivia	1 835 723.58	1 559 022.00	3 394 745.58	1 589 781.01	1 804 964.57
Brazil	895 371.95	699 621.00	1 594 992.95	1 122 482.15	472 510.80
Chile	152 699.52	(3 750.00)	148 949.52	61 684.97	87 264.55
Colombia	2 688 371.40	6 205 772.00	8 894 143.40	2 047 725.12	6 846 418.28
Costa Rica	36 744.15	120 000.00	156 744.15	89 119.27	67 624.88
Cuba	50 421.82	233 000.00	283 421.82	50 531.55	232 890.27

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 1983

(United States dollars)

Area and country assistance	Unspent balances of commitments 1 January	New commitments	Total	Expenditure	Unspent balances of commitments 31 December
Dominica	80 641.95	30 244.00	110 885.95	39 566.91	71 319.04
Dominican Republic	651 843.46		651 843.46	401 052.46	250 791.00
Ecuador	665 479.33	949 826.27	1 615 305.60	537 797.04	1 077 508.56
El Salvador	530 779.21		530 779.21	257 008.49	273 770.72
Grenada	64 057.00		64 057.00	27 422.22	36 634.78
Guatemala	2 815 156.24		2 815 156.24	576 355.66	2 238 800.58
Guyana	461 971.95		461 971.95	143 180.35	318 791.60
Haiti	5 808 182.13	211 382.00	6 019 564.13	1 396 703.73	4 622 860.40
Honduras	788 047.93	200 000.00	988 047.93	346 567.65	641 480.28
Jamaica	477 361.51		477 361.51	250 137.32	227 224.19
Mexico	1 269 777.49	687 567.00	1 957 344.49	907 069.61	1 050 274.88
Nicaragua	1 717 280.59	1 335 796.00	3 053 076.59	521 774.38	2 531 302.21
Panama	23 450.01	109 000.00	132 450.01	83 161.80	49 288.21
Paraguay	898 632.46		898 632.46	328 498.44	570 134.02
Peru	4 034 441.77	1 484 808.00	5 519 249.77	1 487 492.94	4 031 756.83
Saint Christopher and Nevis	5 055.74		5 055.74		5 055.74
Saint Lucia	16 587.91	103 000.00	119 587.91	24 980.21	94 607.70
Saint Vincent and the Grenadines	8 326.39		8 326.39	4 382.80	3 943.59
Suriname	28 531.19		28 531.19	1 751.74	26 779.45
Regional	<u>2 511 360.75</u>	<u>1 719 942.00</u>	<u>4 231 302.75</u>	<u>1 264 085.54</u>	<u>2 967 217.21</u>
AREA TOTAL	<u>28 575 051.79</u>	<u>15 908 230.27</u>	<u>44 483 282.06</u>	<u>13 615 391.44</u>	<u>30 867 890.62</u>
TOTAL FOR ALL AREAS	785 779 519.34	156 388 516.54	942 168 035.88	238 075 380.50	704 092 655.38
GENERAL ASSISTANCE					
Food and nutrition surveillance	101 828.72		101 828.72		101 828.72
International Children's Centre	692 050.00		692 050.00	250 095.62	441 954.38
Regional women's projects	313 910.27		313 910.27	84 073.12	229 837.15
Project preparation and training	5 610 874.57	14 433 000.00	20 043 874.57	3 815 225.15	16 228 649.42
Emergency reserve a/	2 634 159.33	(2 634 159.33)			
Reduction of infant and child mortality	7 190 075.19	9 642 000.00	16 832 075.19	2 753 936.57	14 078 138.62
Joint WHO/UNICEF nutrition support programme	1 278 970.45	4 238 306.00	5 517 276.45	1 186 077.12	4 331 199.33
Essential drugs for primary health care in Africa		<u>132 000.00</u>	<u>132 000.00</u>		<u>132 000.00</u>
GENERAL ASSISTANCE TOTAL	<u>17 821 868.53</u>	<u>25 811 146.67</u>	<u>43 633 015.20</u>	<u>8 089 407.58</u>	<u>35 543 607.62</u>

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 1983

(United States dollars)

Area and country assistance	Unspent balances of commitments 1 January	New commitments	Total	Expenditure	Unspent balances of commitments 31 December
Programme development, preparation, implementation and evaluation	<u>52 017 652.30</u>	<u>117 150 246.62</u>	<u>169 167 898.92</u>	<u>44 684 198.92</u>	<u>124 483 700.00</u>
TOTAL ASSISTANCE	<u>855 619 040.17</u>	<u>299 349 909.83</u>	<u>1 154 968 950.00</u>	<u>290 848 987.00</u>	<u>864 119 963.00</u>
Overall policy-making, direction co-ordination and control	7 189 587.81	13 162 783.23	20 352 371.04	7 252 371.04	13 100 000.00
External relations	11 799 258.69	26 532 584.49	38 331 843.18	11 531 843.18	26 800 000.00
General administration	<u>23 652 886.09</u>	<u>54 093 217.26</u>	<u>77 746 103.35</u>	<u>22 346 103.35</u>	<u>55 400 000.00</u>
GRAND TOTAL	<u>898 260 772.76</u>	<u>393 138 494.81</u>	<u>b/ 1 291 399 267.57</u>	<u>331 979 304.57</u>	<u>959 419 963.00</u>

a/ In 1983, the Executive Director made the following allocations from the emergency reserve: \$50,000 to Ecuador; \$36,000 to Comoros; \$92,500 to Bolivia; \$71,247.36 to Benin; \$232,300 to Ghana; \$53,800 to Togo; \$43,500 to Peru; \$60,000 to Fiji; \$510,000 to Ethiopia; \$130,000 to Nepal; \$120,000 to Colombia; \$100,000 to Uganda; \$32,000 to Panama; \$20,000 to Senegal; \$400,000 to Angola; \$70,000 to Sri Lanka; \$150,000 to the Islamic Republic of Iran; \$250,000 to Chad; \$120,000 to Upper Volta; \$160,000 to Mozambique; \$25,000 to Argentina; \$100,000 to Cape Verde; \$55,000 to Guinea; \$25,000 to Lebanon; \$25,000 to Turkey; \$58,000 to Viet Nam and \$15,355.66 to Africa regional programme.

b/ This includes the cancellation of commitments for \$9,753,898.40 representing the savings for the biennial budget 1982-1983.

STATEMENT OF BUDGET ESTIMATES, OBLIGATIONS INCURRED AND UNENCUMBERED BALANCES
FOR THE BIENNIAL BUDGET 1982-1983

(United States dollars)

	Budget estimates	Obligations incurred	Unencumbered balances
<u>Part 1: Overall policy making, direction, co-ordination and control</u>			
SECTION 01. Office of the Secretary of the Executive Board, N.Y.	1 267 040.00	1 221 388.63	45 651.37
SECTION 02. Executive Director's Office and related units, N.Y.	4 901 630.00	4 878 421.61	23 208.39
SECTION 03. Directors' offices; Europe, regional and joint offices	3 757 910.00	3 714 517.46	43 392.54
SECTION 04. Internal and external audit, and Joint Inspection Unit	3 950 340.00	3 810 155.53	140 184.47
Subtotal part 1	13 876 920.00	13 624 483.23	252 436.77
<u>Part 2: External relations</u>			
SECTION 05. Programme funding, New York and Geneva	3 486 620.00	3 246 056.56	240 563.44
SECTION 06. Information, New York	9 551 740.00	9 349 520.36	202 219.64
SECTION 07. Information; Geneva, joint offices, and regional and field	8 035 200.00	8 006 438.80	28 761.20
SECTION 08. Liaison with National Committees and non-governmental organizations, New York and Geneva	938 380.00	934 668.77	3 711.23
Subtotal part 2	22 011 940.00	21 536 684.49	475 255.51
<u>Part 3: General administration</u>			
SECTION 09. Personnel and administration, New York, Geneva and joint offices	12 527 480.00	12 378 152.31	149 327.69
SECTION 10. Budget, New York	1 450 470.00	1 190 044.23	260 425.77
SECTION 11. Finance, accounts and data processing, New York and Geneva	12 431 570.00	11 288 752.92	1 142 817.08
SECTION 12. Personnel, administration, finance and accounts, regional and field offices	18 006 950.00	17 863 767.80	143 182.20
Subtotal part 3	44 416 470.00	42 720 717.26	1 695 752.74

STATEMENT OF BUDGET ESTIMATES, OBLIGATIONS INCURRED AND UNENCUMBERED BALANCES
FOR THE BIENNIAL BUDGET 1982-1983

(United States dollars)

	Budget estimates	Obligations incurred	Unencumbered balances
<u>Part 4: Programme development, preparation, implementation and evaluation</u>			
SECTION 13. Programme group, New York and Geneva	16 028 100.00	13 838 214.00	2 189 886.00
SECTION 14. Supply, New York, Geneva, and joint offices	16 150 000.00	13 771 005.28	2 378 994.72
SECTION 15. UNIPAC, Copenhagen	a/	a/	a/
SECTION 16. Programme development, preparation, implementation and evaluation, regional and field offices	59 387 600.00	56 626 027.34	2 761 572.66
Subtotal part 4	<u>91 565 700.00</u>	<u>84 235 246.62</u>	<u>7 330 453.38</u>
Total of all parts	171 871 030.00 b/	162 117 131.60 c/	9 753 898.40
<u>Less:</u>			
Income from staff assessment	15 071 000.00	14 078 657.53	992 342.47
Other income related to budget	4 810 000.00	4 400 428.57	409 571.43
Contributions from Governments towards local cost	<u>3 940 000.00</u>	<u>3 709 692.85</u>	<u>230 307.15</u>
<u>Grand total</u>	<u>148 050 030.00</u>	<u>139 928 352.65</u>	<u>8 121 677.35</u>

a/ This item is not included in part 4, in line with the self-financing concept for the operation as reflected on E/ICEF/AB/L.225.

b/ See note 19 to the financial statements.

c/ Obligations were incurred as follows:

	<u>1982</u>	<u>1983</u>	<u>Total</u>
Programme development, preparation, implementation and evaluation	39 551 047.70	44 684 198.92	84 235 246.62
Overall policy-making direction, co-ordination and control	6 372 112.19	7 252 371.04	13 624 483.23
External relations	10 004 841.31	11 531 843.18	21 536 684.49
General administration (see statement I)	<u>20 374 613.91</u>	<u>22 346 103.35</u>	<u>42 720 717.26</u>
	<u>76 302 615.11</u>	<u>85 814 516.49</u>	<u>162 117 131.60</u>

Income and expenditures

1. Contributions from Governments and intergovernmental agencies to general resources were \$185,091,277. Outstanding pledges from Governments for general resources have been written off in an amount of \$171,459, thus leaving a balance of \$184,919,818 (see statement I and schedule 1).
2. The net income taken into the 1983 accounts from the Greeting Card and related operations in the 1982/1983 season was \$18,127,268 (statement I). A report on this season is given in the UNICEF Greeting Card and related operations financial report and accounts for the year 1 May 1982 to 30 April 1983 (E/ICEF/1984/AB/L.5; see also part two below).
3. Other income from miscellaneous sources was \$20,304,817 (schedule 2). It consisted mainly of \$9,913,224 in interest on funds held in interest-bearing deposits as well as in current accounts with banks, and \$7,136,256 in income from staff assessment. Total income is then adjusted by the net change from gains or losses in "translations" of assets and liabilities into United States dollars (see note 4).
4. The strengthening of the United States dollar (the accounting unit) in relation to other currencies in which assets and liabilities were held resulted, in 1983, in a net decrease of their accounting value amounting to \$3,753,317. In accordance with the Financial Regulations and Rules of the United Nations, this variance is shown before arriving at "net income" (statement I).
5. Supplies for UNICEF input to country programmes packed (shipped and being shipped) by the UNICEF Packing and Assembly Centre in Copenhagen (UNIPAC) were valued at \$29,396,760. They were charged to the country programmes at standard material costs, plus an average charge to cover operating expenses (14 per cent) and inward freight (7.5 per cent) from the manufacturer to Copenhagen (E/ICEF/AB/L.251).
6. The portion of the 1982-1983 budget commitments available for 1983 was \$94,659,385. Expenditure (gross) incurred in 1983 was \$85,814,516, thus a savings of \$9,753,898 was realized at the year-end. Income related to the 1983 budget expenditures and going to general resources amounted to \$10,323,159, therefore, net budget costs for 1983 were \$75,491,357. The implementation of the 1982-1983 biennial budget as approved by the Executive Board is reflected on statement VI.
7. With the 1982-1983 biennial budget, the previous distinction between administrative services and programme support costs was replaced by four parts, representing particular functions: parts I, II and III correspond broadly to the former budget for administrative services and part IV to the programme support budget. Although the new definition of the first three functions is broader than the previous definition of administrative services, for reporting purposes, UNICEF continues to distinguish between administrative services and programme support for which the net costs in 1983 were \$37,260,919 and \$38,230,438 respectively. The full cost of non-expendable equipment used for administrative purposes is charged to UNICEF budget in the year in which it is purchased. An inventory is maintained of all non-expendable equipment.

Assets and liabilities

8. As at 31 December 1983, cash in banks, in transit and on hand totalled \$137,544,287 (statement II). It was held as follows:

\$131,280,745 in currencies of unrestricted use; and
\$ 6,263,542 in other currencies.

Among the liabilities for which these assets were held were funds-in-trust for \$15,363,550 in cash and pledges (statement II) mainly for procurement of goods and services on reimbursable basis.

9. Total contributions outstanding were \$118,247,405, receivable from Governments and intergovernmental organizations (\$84,108,446), from National Committees for UNICEF and other non-governmental organizations (NGOs) (\$25,838,658) and from agencies of the United Nations system (\$8,300,301). The total receivable was comprised of \$61,701,946 for supplementary funds where payment to UNICEF is normally related to the progress of implementation of specific projects and it occurs in accordance with payment schedules agreed with donors and \$56,545,459 for general resources which included \$15,623,711 from National Committees and other NGOs. Unless the Committees make payment in advance of due dates, their contributions are usually made a few months after the closing of the Committee's fiscal year. The balance of \$40,921,748 was due from Governments (\$18,532,688 for current year and \$22,389,060 for prior years). It included \$36,421,723 for adoptions of general resources projects usually paid according to the financial requirements of the projects, leaving a balance of \$4,500,025 due from 1983 (\$3,798,965) and from prior years (\$701,060).

10. Supplementary funds contributions have been pledged/paid in advance for \$27,411,137 to finance "noted" projects in 1984 and beyond. Details are given in schedule 7 which includes also \$96,330 received in advance for general resources. These contributions will be recorded as income in 1984 and following years in accordance with the conditions specified in the relevant pledges.

11. Accounts receivable other than for contributions (\$8,520,532) are shown in detail in schedule 5 together with administrative deposits and pre-payments (\$5,399,193) and advances made to the Greeting Card Operation (GCO) for current and future campaigns (\$10,429,554). The aggregate total of \$24,349,279 appears in statement II.

12. The consolidated value of programme supplies in stock at the UNICEF Packing and Assembly Centre (UNIPAC) in Copenhagen and the GCO stocks of raw materials and finished products are shown as "inventories" in statement II. Details are provided in schedule 6 for each of these operations separately. Total inventories at the year-end were \$33,357,007.

13. In recent years, UNICEF has purchased 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 \$2,516,485, included in "capital assets" in statement II, represents the acquisition cost, less accumulated amortization of \$748,205, of one house in Brasilia, Brazil; one house in Lagos, Nigeria; two houses in Jakarta, Indonesia; one house in Juba, Sudan; five houses in Harare, Zimbabwe; and office buildings in Santiago, Chile; New Delhi, India; Dar-Es-Salaam, United Republic of Tanzania; and Sana'a, Yemen. The cost of the

buildings in Santiago and Juba have been completely amortized. Owing to a change in accounting procedure, the value of GCO machinery and equipment purchased less depreciation is included in "capital assets" for an amount of \$386,929.

14. Accounts payable and other unliquidated obligations amounted to \$22,820,656 (see statement II). Details are provided in schedule 8. At 31 December 1983, there were in addition outstanding contractual obligations for a net amount of \$37,506,203 for supplies and equipment ordered against unfulfilled commitments, trust funds and for the replenishment of the UNIPAC warehouse effective at that date.

15. To replace lost supplies and equipment, \$1,900 has been used from the insurance reserve. By a transfer of the equivalent amount from UNICFF income, the reserve has been restored to \$200,000.

Commitments

16. Statement IV gives the summary of commitments approved by the Executive Board at its annual session for support of programmes and budget expenses, and commitments made between Board sessions of "noted" projects, and expenditures made to fulfil them. Commitments made between Board sessions were \$72,497,983.

17. At the year-end, the unspent balance of commitments to be fulfilled in the future totalled \$959,419,963. This sum includes \$219,783,700, the commitment for the 1984-1985 biennial budget approved by the Executive Board in 1983. The balance of \$739,636,263 represents commitments approved for support of programmes which, in some cases, cover several years and therefore are planned for fulfilment over the period 1984-1986.

18. Statement V gives commitments and expenditures for programmes in each country. Footnote a/ of statement V enumerates transfers from the emergency reserve to commitments for operations in various countries. The commitment for emergency reserve was replenished in 1983 by an amount of \$365,840.67 to bring it to the authorized level of \$3,000,000 as approved by the Executive Board (E/ICEF/P/L.2016).

19. Statement VI gives the summary of the 1982-1983 biennial budget as approved by the Executive Board in 1981 (E/ICEF/CRP/81-57) for the amount of \$170,962,000, including a revision of parts I, II, III and IV for a net decrease of \$10,970 (E/ICEF/AB/L.248) and an increase of \$920,000 to cover the pre-1984 non-recurrent cost for Supply Division consolidation (E/ICEF/701, para. 80).

20. Statement III gives the changes in financial position for the year. This statement reflects the amount of funds generated (sources) and used (application), thus arriving at the increase or decrease in cash for the year. In 1983, the net increases or decreases in the assets and liabilities are approximately offsetting; therefore, the increase in cash is approximately equal to the excess of income over expenditure for the year.

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 are required by the nature of the work of UNICEF.
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, income, 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 in the statement of income and expenditure.
6. The financial report and accounts reflect UNICEF income, expenditure, assets and liabilities, including those of UNIPAC and of GCO. The principles of consolidation reflect the accounting policies outlined in this summary.
7. The net income of GCO at the end of its campaign on 30 April each year is reflected as part of UNICEF's income. The expenditures incurred and income earned during the ongoing campaign are included in the UNICEF asset and liability accounts, respectively, as "advances" and "income received in advance". Before consolidation, the estimates of sales based on goods delivered to consignees and the corresponding costs, receivable and inventory accounts are adjusted to reflect the value of goods not yet reported as sold by consignees.

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 GCO, proceeds of unearmarked funds contributed by the public and certain general income. Supplementary funds are those contributed to UNICEF by Governments, intergovernmental organizations, NGOs and United Nations agencies for specific purposes and which are earmarked for UNICEF programmes "noted" by the UNICEF Executive Board and for emergencies, 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 the current year. Pledges for purposes specified by donors and received for future years are considered as deferred income and recorded as "pledged and received in advance" (statement II).
10. Donations-in-kind which are recorded as memorandum entries in the books of account are not part of the income of UNICEF. The value attributed by donors to their donations is disclosed in the notes to the financial statements.
11. Expenditures are recorded when funds are disbursed or when the liability of UNICEF is recognized. Except for machinery and equipment for GCO, office furniture and other non-expendable properties are charged against the relevant budget accounts in the year on the date of purchase.
12. The statement of income and expenditure (statement I) does not include funds received and expenditures made from trust funds which are reflected in schedule II. Those transactions which do not require commitments by the Executive Board are considered as trust funds.

Assets and liabilities

13. All funds received are deposited into UNICEF bank accounts, including those on trust fund arrangements, and reflected as cash holdings.
14. All outstanding pledges for contributions are recorded as receivables (see para. 9).
15. Buildings purchased for office accommodation and staff housing as well as machinery for use in greeting cards production are considered capital assets. They are valued at cost less amortization or depreciation in accordance with the following principles:
- (a) Office buildings are amortized by annual charges to the budget for amounts estimated to be equivalent to their annual rents while buildings for staff housing are amortized by the rental income earned from the occupants;
- (b) Machinery for the production of greeting cards is depreciated over its estimated useful period.
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 GCO stock of raw materials, products in process and finished goods are, as of 1983, valued at standard cost.
17. Contractual obligations contingent upon delivery of supplies and equipment ordered against unfulfilled programme commitments are recorded as memorandum entries in the books of account except as may be otherwise agreed with donors of supplementary funds. The total outstanding contingent liability at year-end is disclosed in the notes to the financial statements. The same accounting treatment is given to contractual obligation for delivery of raw material to GCO.

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 budget appropriations as required.

19. A reserve for insurance of \$200,000 was established in November 1950 to absorb losses of UNICEF programme supplies and equipment not covered by commercial insurance. The reserve is restored to its authorized limit by a transfer from income.

SCHEDULES SUPPORTING THE FINANCIAL STATEMENTS

Schedule 1

CONTRIBUTIONS RECEIVED OR PLEDGED FOR THE YEAR ENDED 31 DECEMBER 1983

(United States dollars)

	General resources			Supplementary funds		
	Governments and inter-governmental agencies	Non-governmental sources	Total	Governments and inter-governmental agencies	Non-governmental sources	United Nations system
Afghanistan	30 000.00		30 000.00			
Algeria	142 500.00		142 500.00			
Angola	10 200.54		10 200.54			
Antigua	300.00		300.00			
Argentina	136 400.00		136 400.00			
Australia	3 809 190.00		3 809 190.00	3 188 080.00	290 118.89	3 478 198.89
Austria	758 857.75	69.35	758 927.10	476 406.12	91 867.35	568 273.47
Bahamas	3 000.00		3 000.00			
Bahrain	15 000.00	402.63	15 402.63			
Bangladesh	5 000.00	823.82	6 823.82			
Barbados	5 000.00		5 000.00			
Belgium	890 557.62	110 270.24	1 000 827.86	354 358.61	261 896.81	616 255.42
Belize	495.00		495.00			
Benin	8 823.53		8 823.53			
Bhutan	2 876.20		2 876.20			
Bolivia	16 000.00		16 000.00			
Botswana	9 174.31	46.79	9 221.10			
Brazil	100 000.00	68.57	100 068.57		11 238.82	11 238.82
British Virgin Islands	150.00		150.00			
Bulgaria	50 761.42		50 761.42		5 181.35	5 181.35
Burma	204 086.51		204 086.51			
Burundi	2 964.81		2 964.81			
Byelorussian Soviet Socialist Republic	78 125.00		78 125.00			
Cameroon	66 913.74		66 913.74			
Canada	10 731 707.32		10 731 707.32	1 038 329.27	7 865 036.39	8 903 365.66
Chile	150 000.00		150 000.00			
China	300 000.00		300 000.00			
Colombia	396 926.61		396 926.61			
Congo	16 097.36		16 097.36			
Cook Islands	648.98		648.98			
Costa Rica	21 928.26		21 928.26		10 000.00	10 000.00
Cuba	117 350.49		117 350.49			
Cyprus		809.96	809.96			
Czechoslovakia	81 037.28		81 037.28			
Democratic Yemen	6 401.00		6 401.00			
Denmark	5 180 036.15		5 228 283.63	14 007 393.80	31 073.48	14 038 467.28
Djibouti	2 000.00		2 000.00			
Dominica	1 479.06		1 479.06			
Dominican Republic	20 000.00		20 000.00			
Ecuador	51 051.00		51 051.00			
Egypt	77 278.80		77 278.80			

CONTRIBUTIONS RECEIVED OR PLEDGED FOR THE YEAR ENDED 31 DECEMBER 1983

(United States dollars)

	General resources			Supplementary funds		
	Governments and inter-governmental agencies	Non-governmental sources	Total	Governments and inter-governmental agencies	Non-governmental sources	United Nations system Total
Ethiopia	49 756.10	23.02	49 779.12		256.10	256.10
Fiji	2 000.00		2 000.00			
Finland	3 606 237.81	892.47	3 607 130.28	515 000.00	672 118.06	1 187 118.06
France	4 183 006.54	2 540 993.31	6 723 999.85		459 347.40	459 347.40
Gambia	2 769.03		2 769.03			
German Democratic Republic	116 666.67		116 666.67			
Germany, Federal Republic of	4 815 698.00	4 476 061.73	9 291 759.73	1 332 407.41	1 833 457.66	3 165 865.07
Ghana	21 000.00		21 000.00			
Greece	135 000.00	18 248.59	153 248.59		3 633.16	3 633.16
Guatemala	53 375.13	145.45	53 520.58		288.00	288.00
Guyana		3 333.33	3 333.33			
Haiti	11 750.00		11 750.00			
Holy See	1 000.00		1 000.00			
Honduras	20 000.00		20 000.00			
Hong Kong	17 304.74		17 304.74			
Hungary	21 079.26	6 392.86	27 472.12		7 026.42	7 026.42
Iceland	12 068.33		12 068.33			
India	1 814 475.03		1 814 475.03		41 532.25	41 532.25
Indonesia	557 731.96	1 884.95	559 616.91			
Ireland	344 431.69	76 841.08	421 272.77			
Israel	50 000.00		50 000.00			
Italy	16 116 352.20	252 417.72	16 368 769.92	18 108 490.00	1 551 240.46	19 659 730.46
Ivory Coast	23 663.55	212.69	23 876.24			
Jamaica	5 483.87		5 483.87			
Japan	10 421 361.70	2 024 085.28	12 445 446.98		601 064.10	601 064.10
Jordan	27 434.84		27 434.84			
Kenya	19 259.26		19 259.26			
Kuwait	200 000.00		200 000.00			
Lao People's Democratic Republic	5 000.00		5 000.00			
Lebanon	50 000.00		50 000.00	7 264 936.18	2 029.00	7 266 965.18
Lesotho	2 500.00		2 500.00			
Liberia	20 000.00		20 000.00			
Libyan Arab Jamahiriya	9 174.31		9 174.31			
Liechtenstein	2 000.00	48 076.92	50 076.92			
Luxembourg	15 454.55	17 845.23	33 299.78		3 102.40	3 102.40
Malawi	3 909.09		3 909.09			
Malaysia	184 266.99	538.65	184 805.64			
Maldives	3 000.00		3 000.00			
Malta	4 788.00		4 788.00			
Mexico	136 932.81	202.02	137 134.83		19 749.94	19 749.94
Monaco	3 563.79		3 563.79			
Mongolia	3 611.78		3 611.78			
Morocco	100 000.00	272.25	100 272.25			
Nepal		5.00	5.00			

CONTRIBUTIONS RECEIVED OR PLEDGED FOR THE YEAR ENDED 31 DECEMBER 1983

(United States dollars)

	General resources			Supplementary funds			
	Governments and inter-governmental agencies	Non-governmental sources	Total	Governments and inter-governmental agencies	Non-governmental sources	United Nations system	Total
Netherlands	7 862 453.74	660 066.00	8 522 519.74	2 978 531.13	1 522 725.51		4 501 256.64
New Zealand	457 516.34	15 863.81	473 380.15		1 607.35		1 607.35
Niger		75.08	75.08				
Nigeria	402 684.56		402 684.56				
Norway	16 617 069.20	8 290.13	16 625 359.33	4 107 815.80	2 812.27		4 110 628.07
Oman	50 000.00		50 000.00				
Pakistan	113 840.96	2 207.67	116 048.63				
Panama	44 000.00		44 000.00				
Peru		30.00	30.00				
Philippines	496 518.09	27.55	496 545.64				
Poland	78 929.55		78 929.55				
Portugal	15 000.00	3.26	15 003.26				
Qatar	200 000.00		200 000.00				
Republic of Korea	147 000.00	63.69	147 063.69				
Romania	10 845.99		10 845.99	1 500.00	6 888.48		8 388.48
Rwanda	4 016.61		4 016.61				
Saint Christopher and Nevis	750.00		750.00				
Saint Vincent and the Grenadines	750.00		750.00				
San Marino		2 537.40	2 537.40	1 386.27			1 386.27
Saudi Arabia	1 000 000.00	135.57	1 000 135.57				
Senegal	2 876.71		2 876.71				
Singapore		667.89	667.89				
Solomon Islands	500.00		500.00				
Somalia	3 452.24		3 452.24				
Spain	282 715.44	27 326.14	310 041.58		793 033.59		793 033.59
Sri Lanka	9 825.33		9 825.33				
Sudan	32 064.97	4 158.32	36 223.29				
Swaziland	6 018.52		6 018.52				
Sweden	19 483 513.24	41 083.33	19 484 596.57	7 171 830.36	159 373.90		7 331 204.26
Switzerland	3 969 414.83	687 569.09	4 656 983.92	4 147 655.33	1 014 367.42		5 162 022.75
Syrian Arab Republic	25 641.03		25 641.03				
Thailand	292 399.82	43.55	292 443.37				
Trinidad and Tobago	10 364.84		10 364.84				
Tunisia	44 239.98		44 239.98				
Turkey	151 780.16	648.15	152 428.31				
Uganda	1 529.05	1.80	1 530.85				
Ukrainian Soviet Socialist Republic	153 688.52		153 688.52				
Union of Soviet Socialist Republics	843 750.00		843 750.00				
United Arab Emirates	694 574.80	1 614.52	696 189.32				
United Kingdom of Great Britain and Northern Ireland	9 177 974.85	55 582.65	9 233 557.50	14 598.54	321 131.46		335 730.00

CONTRIBUTIONS RECEIVED OR PLEDGED FOR THE YEAR ENDED 31 DECEMBER 1983

(United States dollars)

	General resources		Supplementary funds		
	Governments and inter-agencies	Non-governmental sources	Governments and inter-agencies	Non-governmental sources	United Nations system
United Republic of Tanzania	23 418.24				
United States of America	42 500 000.00	4 449 091.54	10 000.00	2 118 551.91	2 128 551.91
Upper Volta	1 816.50				
Venezuela	199 651.16				
Viet Nam	4 857.62				
Yemen	14 410.48				
Yugoslavia	205 401.99	16 831.45			
Zambia	54 519.45				
Zimbabwe	26 041.67				
	<u>172 372 242.25</u>	<u>15 603 129.98</u>	<u>64 718 718.82</u>	<u>19 707 142.88</u>	<u>84 425 861.70</u>
AFESD					106 250.00
AGFUND	12 719 034.65	6 051 322.93	106 250.00		1 882 000.00
EPC			1 882 000.00		2 764 632.96
OPEC FUND			2 764 632.96		635 000.00
	<u>185 091 276.90</u>	<u>21 654 452.91</u>	<u>70 106 601.78</u>	<u>19 707 142.88</u>	<u>89 813 744.66</u>
UNITED NATIONS SYSTEM					
United Nations and UNEP Secretariat		1 144.39		888.36	888.36
United Nations Secretary-General Appeals					193 019.25
UNCDF, New York					8 421 800.00
UNDP, New York					113 000.00
UNDRO, Geneva					1 838 000.00
UNFPA, New York					144 995.00
UNHCR, Geneva					860 848.46
		<u>1 144.39</u>		<u>888.36</u>	<u>11 571 662.71</u>
	185 091 276.90	21 655 597.30	70 106 601.78	19 708 031.24	11 571 662.71
					101 386 295.73
LESS - ADJUSTMENTS TO PRIOR YEARS INCOME	(171 458.87)	(54 675.54)	(513 180.57)	(13 600.59)	(151 171.63)
	<u>184 919 818.03</u>	<u>21 600 921.76</u>	<u>69 593 421.21</u>	<u>19 694 430.65</u>	<u>11 420 491.08</u>
					<u>100 708 342.94</u>

Summary

Governments and inter-governmental agencies	254 513 239.24
Non-governmental sources	41 295 352.41
United Nations system	11 420 491.08
TOTAL	<u>307 229 082.73</u>

OTHER INCOME IN 1983 WITH COMPARATIVE FIGURES FOR 1982

(United States dollars)

	1983	1982	Increase (decrease)
INCOME RELATED TO THE BUDGET EXPENDITURE a/			
INCOME FROM STAFF ASSESSMENT	7 136 255.53	6 942 402.00	193 853.53
SERVICES TO GREETING CARD OPERATION	378 952.87	491 759.69	(112 806.82)
ADJUSTMENTS OF ACCOUNTS PAYABLE RELATED TO PRIOR YEAR'S BUDGET	319 293.83	1 329 867.24	(1 010 573.41)
AGENCY COMMISSIONS AND REIMBURSEMENT FOR SERVICES	507 457.94	638 556.09	(131 098.15)
INCOME COVERING OVERHEAD OF INFORMATION SPECIAL EVENTS		56.98	(56.98)
INCOME FROM SALE OF FILMS BOOKS AND OTHER INFORMATION MATERIALS	9 904.13	20 074.00	(10 169.87)
INCOME FROM SALE OF SURPLUS AND OBSOLETE ADMINISTRATIVE PROPERTY	112 562.31	129 151.88	(16 589.57)
REFUND OF UNICEF CONTRIBUTIONS FROM THE UNITED NATIONS JOINT STAFF PENSION FUND	88 220.87	303 345.38	(215 124.51)
MISCELLANEOUS	8 207.14	63 018.22	(54 811.08)
	<u>8 560 854.62</u>	<u>9 918 231.48</u>	<u>(1 357 376.86)</u>
INCOME RELATED TO PROGRAMME OPERATIONS			
SHIPPING AND INSURANCE CLAIMS RECEIVED	145 337.09	121 685.70	23 651.39
INCOME FROM SALE OF SURPLUS AND OBSOLETE PROGRAMME PROPERTY	37 530.19	20 963.75	16 566.44
	<u>182 867.28</u>	<u>142 649.45</u>	<u>40 217.83</u>
INCOME RELATED TO FINANCIAL OPERATIONS			
RENTAL INCOME	50 026.05		50 026.05
INTEREST ON CURRENT BANK ACCOUNTS AND SHORT-TERM INVESTMENTS	9 913 223.93	10 058 379.67	(145 155.74)
CASH DISCOUNTS	303 312.22	347 530.74	(44 218.52)
GAINS/LOSSES ON FOREIGN EXCHANGE TRANSACTIONS	993 790.81	(162 594.06)	1 156 384.87
MISCELLANEOUS	300 742.40	277 570.25	23 172.15
	<u>11 561 095.41</u>	<u>10 520 886.60</u>	<u>1 040 208.81</u>
	<u>20 304 817.31</u>	<u>20 581 767.53</u>	<u>(276 950.22)</u>

a/ Government contributions towards local budget costs are obligated in government contributions for an amount of \$1,762,304 in 1983 and \$1,947,389 for 1982 (statement VI).

CASH HOLDINGS AS AT 31 DECEMBER 1983

(United States dollar equivalent)

	Time remaining to maturity					
	Call and savings	2-7 days	8-30 days	31-90 days	Over 90 days	Total
IN CURRENT ACCOUNTS, ON HAND AND IN TRANSIT						
Currencies of unrestricted use	8 683 606.07					8 683 606.07
Currencies of restricted use	6 153 152.59					6 153 152.59
SUBTOTAL	14 836 758.66					14 836 758.66
ON INTEREST-BEARING TIME DEPOSITS						
European currency unit	165 255.59			1 700 680.27	1 700 680.27	3 566 616.13
German mark	1 733 834.87		4 074 074.07	9 629 629.62	5 185 185.18	20 622 723.74
Japanese yen		1 293 103.45	11 637 931.04	5 818 965.53		18 750 000.02
Swiss franc		2 293 577.98	6 422 018.35	11 028 183.93	2 752 293.58	22 496 073.84
United States dollar	2 072 356.02	16 000 000.00	30 000 000.00	6 000 000.00		54 072 356.02
Other currencies of unrestricted use	169 452.33	1 202 454.05	1 624 870.51	92 592.59		3 089 369.48
Other currencies of restricted use	110 389.14					110 389.14
SUBTOTAL	4 251 287.95	20 789 135.48	53 758 893.97	34 270 051.94	9 638 159.03	122 707 528.37
TOTAL	19 088 046.61	20 789 135.48	53 758 893.97	34 270 051.94	9 638 159.03	137 544 287.03
SUMMARY:						
Currencies of unrestricted use						131 280 745.30
Currencies of restricted use						6 263 541.73
						137 544 287.03

CONTRIBUTIONS RECEIVABLE AS AT 31 DECEMBER 1983
FOR GENERAL RESOURCES AND SUPPLEMENTARY FUNDS

(United States dollars)

	General resources		Supplementary funds		Grand total
	Governments and inter-governmental agencies	Non-governmental sources	Governments and inter-governmental agencies	Non-governmental sources	
	Current and prior years	Current and prior years	Current and prior years	Current and prior years	
Algeria	142 500.00				142 500.00
Australia			89 300.00		89 300.00
Austria			118 026.32		118 026.32
Bahrain	7 500.00				7 500.00
Bangladesh	5 014.89				5 014.89
Barbados	5 000.00				5 000.00
Belgium	240 000.00	29 602.11	163 636.36	17 818.19	451 056.66
Benin	2 000.00				2 000.00
Bhutan	2 530.00				2 530.00
Bolivia	32 000.00				32 000.00
Botswana	9 174.31				9 174.31
Brazil	200 000.00				200 000.00
Burundi	1 289.77				1 289.77
Canada			302 556.92	7 130 341.29	7 432 898.21
Cuba	17 287.08				17 287.08
Democratic Yemen	6 401.00				6 401.00
Denmark		40 816.33	10 000 000.00	15 306.12	10 056 122.45
Djibouti	2 000.00				2 000.00
Ecuador	36 042.20				36 042.20
Ethiopia	49 756.10				49 756.10
Finland		202.59	396 551.72	577 806.07	974 357.79
France		890 623.48		192 397.29	1 083 020.77
Germany, Federal Republic of		3 875 806.17	155 947.14	755 680.00	4 787 433.31
Greece		18 045.48		1 149.36	19 194.84
Holy See	3 000.00				3 000.00
Indonesia	300 000.00				300 000.00
Iraq	116 129.03				116 129.03
Ireland	344 431.69	76 806.40			421 238.09
Israel	100 000.00				100 000.00
Italy	10 513 723.27	170 419.57	14 782 490.00	14 782 490.00	25 466 632.84
Jamaica					
Japan	5 483.87				5 483.87
Kuwait	200 000.00	2 000 000.00		519 422.81	2 519 422.81
Laos People's Democratic Republic					200 000.00
Lebanon	5 000.00		4 422 099.43		4 427 099.43
Lesotho	75 000.00				75 000.00
Libyan Arab Jamahiriya	2 500.00		1 000 000.00		1 000 000.00
Luxembourg	15 454.55				15 454.55
Mauritania	2 000.00				2 000.00
Morocco	100 000.00				100 000.00
Netherlands		660 066.00	1 460 000.00	660 066.01	2 120 066.01
					2 780 132.01

CONTRIBUTIONS RECEIVABLE AS AT 31 DECEMBER 1983
FOR GENERAL RESOURCES AND SUPPLEMENTARY FUNDS

(United States dollars)

	General resources		Supplementary funds		General resources and supplementary funds
	Governments and inter-governmental agencies	Non-governmental sources	Governments and inter-governmental agencies	Non-governmental sources	
	Current and prior years	Current and prior years	Current and prior years	Current and prior years	Grand total
Nigeria	402 684.56				402 684.56
Norway				2 812.27	2 812.27
Oman	50 000.00				50 000.00
Pakistan	88 522.14				88 522.14
Philippines	232 313.28				232 313.28
Portugal			1 500.00		1 500.00
Republic of Korea	147 000.00				147 000.00
Romania	10 845.99				10 845.99
Seychelles	1 000.00				1 000.00
Singapore			2 500.00		2 500.00
Solomon Islands	500.00				500.00
Spain	22 383.00				22 383.00
Saint Christopher and Nevis	750.00				750.00
Sudan	102 064.97				102 064.97
Sweden					
Switzerland					
Thailand	315 614.11				315 614.11
Togo	7 263.92				7 263.92
Trinidad and Tobago	10 364.84				10 364.84
Uganda	1 529.05				1 529.05
United Arab Emirates	828 136.44				828 136.44
United Kingdom of Great Britain and Northern Ireland					
United States of America	200 000.00	4 200 000.00	4 010 000.00	116 788.32	116 788.32
Uruguay	5 000.00				5 000.00
Viet Nam	4 857.62				4 857.62
Yugoslavia	11 103.91				11 103.91
Zambia	30 597.02				30 597.02
	15 013 748.61	11 962 388.13	38 429 791.38	10 214 947.22	75 620 875.34
AFESD					
AGFUND	25 908 000.00	3 661 322.93	222 943.15	222 943.15	222 943.15
BEC			1 382 000.00	1 382 000.00	30 951 322.93
OPPC FUND			2 393 662.64	2 393 662.64	2 393 662.64
	40 921 748.61	15 623 711.06	758 300.00	758 300.00	758 300.00
			43 186 697.17	10 214 947.22	109 947 104.06
UNITED NATIONS SYSTEM					
UNCDF, NEW YORK					
UNDP, NEW YORK					
UNDRO, GENEVA					
UNHCR, NEW YORK					
	40 921 748.61	15 623 711.06	43 186 697.17	18 515 248.67	118 247 405.51
TOTAL					

ACCOUNTS RECEIVABLE, ADVANCES AND DEPOSITS
1983 COMPARED WITH 1982

(United States dollars)

	1983	1982	Increase (decrease)
<u>Accounts receivable:</u>			
From the United Nations and specialized agencies for supplies and advances for fellowships and other jointly assisted projects	988 447.91	1 445 755.88	(457 307.97)
From non-governmental organizations from fund-raising campaigns:			
National Committees for UNICEF	935 941.05	521 827.17	414 113.88
Other organizations	66 482.89	20 676.85	45 806.04
Governments - other	170 686.39	241 302.27	(70 615.88)
For shipping and insurance claims	184 025.45	248 641.61	(64 616.16)
Miscellaneous	549 114.21	1 351 275.05	(802 160.84)
Funds-in-trust from Governments and other organizations	3 609 421.11	1 600 639.27	2 008 781.84
<u>Advances:</u>			
To suppliers for goods purchased and freight	674 547.04	1 848 203.64	(1 173 656.60)
To the Greeting Card Operation:			
Budgetary expenditure for the current campaign	7 781 464.70	10 073 651.95	(2 292 187.25)
Budgetary expenditure for the following year's campaign	2 648 090.92	423 257.11	2 224 833.81
Customs duties and taxes	184 948.67	301 194.76	(116 246.09)
<u>Deposits and prepayments for office services</u>	5 399 193.55	4 919 395.38	479 798.17
<u>Accrued interest</u>	1 156 915.88	719 319.41	437 596.47
Total	<u>24 349 279.77</u>	<u>23 715 140.35</u>	<u>634 139.42</u>

INVENTORIES
1983 COMPARED WITH 1982

(United States dollars)

	1983	1982	Increase (decrease)
<u>UNICEF programme supplies</u>			
<u>UNICEF Packing and Assembly Centre, Copenhagen (UNIPAC)</u>			
In stock at average cost	14 322 184.32	17 639 502.13	(3 317 317.81)
Packed but not shipped (at issue order value)	524 658.01	3 151 688.94	(2 627 030.93)
In transit (at cost)	<u>5 062 911.06</u>	<u>1 241 393.53</u>	<u>3 821 517.53</u>
	19 909 753.39	22 032 584.60	(2 122 831.21)
<u>Less: difference between average and actual cost</u>	<u>-</u>	<u>(768 274.47)</u>	<u>768 274.47</u>
	19 909 753.39	21 264 310.13	(1 354 556.74)
<u>Packing materials</u>	<u>182 137.00</u>	<u>104 632.01</u>	<u>77 504.99</u>
Total stocks in UNIPAC and in transit	20 091 890.39	21 368 942.14	(1 277 051.75)
<u>Stocks in other locations</u>			
With suppliers (miscellaneous goods at cost)	<u>30 666.72</u>	<u>148 318.95</u>	<u>(117 652.23)</u>
	20 122 557.11	21 517 261.09	(1 394 703.98)
<u>Greeting Card Operation</u>			
Raw materials (at cost)	3 790 712.30	2 528 904.00	1 261 808.30
Products in process and finished for the current campaign (at cost)	6 595 186.25	8 437 316.87	(1 842 130.62)
Products in process for the following year's campaign (at cost)	<u>2 848 551.32</u>	<u>2 036 606.36</u>	<u>811 944.96</u>
	<u>13 234 449.87</u>	<u>13 002 827.23</u>	<u>231 622.64</u>
Total inventories	<u>33 357 006.98</u>	<u>34 520 088.32</u>	<u>(1 163 081.34)</u>

CONTRIBUTIONS FOR FOLLOWING YEARS PLEDGED/PAID IN ADVANCE
AS AT 31 DECEMBER 1983

(United States dollars)

Governments and intergovernmental agencies	Pledges	Paid in advance	Total
Austria	85 157.89		85 157.89
Canada	730 081.30		730 081.30
Denmark	10 163 265.31		10 163 265.31
Germany, Federal Republic of	1 090 555.56		1 090 555.56
Italy	1 890 000.00		1 890 000.00
Netherlands	1 530 000.00		1 530 000.00
Sweden	5 019 911.57	35 822.60	5 055 734.17
Switzerland	1 613 486.24		1 613 486.24
	<u>22 122 457.87</u>	<u>35 822.60</u>	<u>22 158 280.47</u>
NON-GOVERNMENTAL SOURCES			
Australia		36 036.04	36 036.04
Canada	1 210 418.70		1 210 418.70
France		494 430.40	494 430.40
Switzerland		96 330.28	96 330.28
	<u>1 210 418.70</u>	<u>626 796.72</u>	<u>1 837 215.42</u>
UNITED NATIONS SYSTEM			
UNCDF	2 907 000.00		2 907 000.00
UNFPA	576 441.45	28 529.55	604 971.00
	<u>3 483 441.45</u>	<u>28 529.55</u>	<u>3 511 971.00</u>
GRAND TOTAL	<u>26 816 318.02</u>	<u>691 148.87</u>	<u>27 507 466.89</u>

**ACCOUNTS PAYABLE AND OTHER UNLIQUIDATED OBLIGATIONS
1983 COMPARED WITH 1982**

(United States dollars)

	1983	1982	Increase (decrease)
<u>Accounts payable</u>			
To the United Nations and specialized agencies mainly for staff salaries and related allowances	1 745 824.68	3 499 350.15	(1 753 525.47)
For supplies, equipment and freight	10 526 404.81	8 275 621.42	2 250 783.39
Miscellaneous	908 532.36	1 445 451.69	(536 919.33)
<u>Unliquidated obligations</u>			
Budgetary obligations outstanding	8 323 338.24	3 835 126.04	4 488 212.20
Greeting Card Operation obligations outstanding	816 555.72	3 019 802.40	(2 203 246.68)
Provision made for amounts payable to staff members under the tax equalization plan	<u>500 000.00</u>	<u>450 000.00</u>	<u>50 000.00</u>
Total	<u>22 820 655.81</u>	<u>20 525 351.70</u>	<u>2 295 304.11</u>

TRUST FUNDS FOR REIMBURSABLE PROCUREMENT AND SERVICES

(Summary of 1983 transactions)

(United States dollars)

Donors	Balances at 1 January 1983	Funds			Total funds available	Expenditure	Funds/returned transferred	Balances at 31 December 1983
		Received	Advanced/ pledged					
<u>Governments and non-governmental organizations</u>								
Abu Dhabi	13 933.89				13 933.89			13 933.89
Bahrain		12 075.00			12 075.00	10 294.54		1 780.46
Bangladesh	1 213 682.67	2 255 894.20		3 469 576.87	1 509 852.27	2 966.21		1 956 758.39
Barbados	153.00	506.20		659.20	11.03	141.97		506.20
Belize		10 785.23			10 785.23	8 146.32		2 638.91
Benin	71 037.48	83 830.96	2 542.29	157 410.73	157 410.73			
Bolivia		12 825.28			12 825.28	(88.90)		12 914.18
Botswana	42 402.36	13 669.72		56 072.08	2 636.94			53 435.14
Brazil	101 458.59	123 458.82	13 585.40	238 502.81	234 835.65			3 667.16
Burma		200 000.00		200 000.00	200 000.00			
Cameroon, Republic of		34 285.21		34 285.21	16 821.26			17 463.95
Canada	42 243.84	262 646.31		304 890.15	164 152.30	4 122.39		136 615.46
Cape Verde	.01	54 737.69		54 737.69	5 511.30			49 226.39
Cayman Islands				.01	.01			
Colombia	1 458.75	26 613.44		28 072.19	54.85	1 403.90		26 613.44
Comoros	33 077.61			33 077.61	27 740.50	5 337.11		
Congo	585.85			585.86	99.30			486.56
Costa Rica	12 830.99			12 830.99		12 830.99		
Denmark	740 939.25	631 094.95		1 372 034.20	414 415.65	479 856.25		477 762.30
Ecuador	772.48	5 948.28		6 720.76	1 620.13			5 100.63
Finland	14 814.97	8 680.00	614.24	24 109.21	24 109.21			
Gambia		15 800.00		15 800.00				15 800.00
Germany, Federal Republic of	104 888.58	44 289.61		149 178.19	49 843.72			99 334.47
Ghana	93 997.96	12 805.82	1 883.65	108 687.43	85 937.21	22 750.22		22 770.00
Guatemala	5 842.29	17 670.71		23 513.00	727.28	15.72		794.78
Guinea-Bissau	38 204.79			38 204.79	31 748.19	5 661.82		25 700.48
Guyana	5 131.96	25 700.48		30 832.44	5 131.96			26 535.50
Haiti		26 535.50		26 535.50				38 903.19
Honduras		31 201.80		39 587.72	684.53			
India	8 385.92			16 295.85		16 295.85		
Iran (Islamic Republic of)	16 295.85			6 779.05	(1 012.50)			7 791.55
Iraq	6 779.05			205 014.19				205 014.19
Italy	205 014.19		1 500 000.00	1 779 957.34	394 796.27			1 385 161.07
Ivory Coast	7 165.68	218.90		7 384.58	5 717.37	1 448.31		218.90
Jamaica	7 823.59			7 823.59	4 704.11	2 087.00		1 032.48
Japan	262 322.48	90 956.14		353 278.62	247 055.51			106 223.11
Kenya			37 759.95	37 759.95	37 759.95			
Kuwait	861.21			861.21				861.21

TRUST FUNDS FOR REIMBURSABLE PROCUREMENT AND SERVICES

(Summary of 1983 transactions)

(United States dollars)

Donors	Balances at 1 January 1983	Funds			Expenditure	Funds/returned transferred	Balances at 31 December 1983
		Received	Advanced/ pledged	Total funds available			
<u>Governments and non-governmental organizations</u>							
Lebanon	2 293.93			2 293.93		2 293.93	
Liberia	72 154.90	26 102.81		98 257.71	77 569.47	7 978.84	12 709.40
Madagascar		65 436.35		65 436.35	746.81		64 689.54
Maldives	45 000.00			45 000.00	31 929.65	13 070.35	
Mauritania			3 569.71	3 569.71	3 569.71		
Mexico	39 513.54			39 513.54	3 495.74	35 934.32	83.48
Morocco	281 322.30			281 322.30	272 332.02		8 990.28
Mozambique	30 381.85			30 381.85			30 381.85
Nepal	9 144.02	71 527.08		80 671.10	44 557.34		36 113.76
Nigeria	188 694.88	184 563.75		373 258.63	22 958.09		350 300.54
Norway		169 327.53		169 327.53	141 636.24		27 691.29
Oman	1 387.90	9 264.47		10 652.37	9 264.47	1 387.90	
Pakistan	351 604.83	3 296 323.23		3 647 928.06	2 211 926.22	18 941.77	1 417 060.07
Papua New Guinea	5 441.73	20 937.94		26 379.67	17 470.74	4 075.12	4 833.81
Paraguay		15 185.00		15 185.00	8 657.97		6 527.03
Philippines	6 364.86	32 000.00		38 364.86	(1 281.57)	7 646.43	32 000.00
Poland	5 874.43	1 463 157.89		1 469 032.32	3 825.21		1 465 207.11
Portugal	1 040.60	7 910.12	2 846.59	11 797.31	10 841.66	955.65	
Republic of Korea	398.91	400.00		798.91	586.21	20.09	192.61
Rwanda		3 195.65		3 195.65	2 414.19		781.46
Saint Christopher and Nevis	5 384.76	1 547.88		6 932.64	6 709.75	222.89	
Saudi Arabia	702 177.03			702 177.03	406 100.39		296 076.64
Somalia	373 898.13	311 069.48		684 967.61	306 875.53	(703.59)	378 795.67
Sri Lanka	88 742.07			88 742.07	58 473.39		30 268.68
Sudan	19 799.29			19 799.29	13 910.57	4 530.43	1 358.29
Sweden	150 732.87	91 474.64		242 207.51	105 940.63		136 266.88
Thailand	156 858.05	1 144 797.57		1 301 655.62	821 247.31		480 408.31
Tunisia	20 514.24	42 275.15		62 789.39	17 040.41		45 748.98
Turkey	740 263.01	120 276.61		860 539.62	536 571.03		323 968.59
Uganda		35 410.88		35 410.88	7 862.07		27 548.81
United Republic of Tanzania	658 690.88	812 261.93	1 470 952.81	1 470 952.81	341 305.88	69 420.09	1 060 226.84
United States of America	28 954.27			28 954.27	28 954.27		27 977.30
Yemen	87 606.71	522 114.94		609 721.65	561 593.59	20 150.76	198.48
Yugoslavia	389.49			389.49	191.01		509.47
Zaire	2 772.46			2 772.46	2 262.99		240 462.25
Zambia	193 410.50	314 778.15		508 188.65	267 726.40		46 296.30
Zimbabwe		52 083.33		52 083.33	5 787.03		
	7 602 875.08	12 815 652.63	1 562 801.83	21 981 329.54	9 991 769.11	740 842.72	11 248 717.71

TRUST FUNDS FOR REIMBURSABLE PROCUREMENT AND SERVICES

(Summary of 1983 transactions)

(United States dollars)

Donors	Balances at 1 January 1983	Funds		Advanced/ pledged	Total funds available	Expenditure	Funds/returned transferred	Balances at 31 December 1983
		Received						
<u>United Nations system</u>								
UNDP, New York		5 289.82		772.15	6 061.97	3 965.75	1 984.16	112.06
UNCDF, New York	55 599.69	414 334.00			469 933.69	21 948.23		447 985.46
WHO, Geneva		127 019.04			127 019.04	78 071.57		48 947.47
UNESCO, Paris	17 850.00				17 850.00	15 440.60		2 409.40
UNRWA, Vienna		1 427.10		966.11	2 393.21	1 948.14	445.07	
UNFPA, New York	1 303 039.13	1 287 756.00	1 656 320.00	4 247 115.13	2 512 872.53			1 734 242.60
UNHCR, Geneva	35 264.41				35 264.41	8 820.04		26 444.37
UNDRO, Geneva		281 376.75			281 376.75	281 376.75		
UNARDOL, Lebanon		642 073.00			642 073.00	305 973.00		336 100.00
	1 411 753.23	2 759 275.71	1 658 058.26	5 829 087.20	3 230 416.61		2 429.23	2 596 241.36
Others	1 042 102.78	8 642 998.30	378 795.52	10 063 896.60	8 104 309.20		505 425.09	1 454 162.31
GRAND TOTAL	10 056 731.09	24 217 926.64	3 599 655.61	37 874 313.34	21 326 494.92		1 248 697.04	15 299 121.38

ANNEX TO PART ONE

STATISTICS AND OTHER DATA

This annex 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 1983

B. UNICEF expenditures

2. Expenditures for co-operation, by programme in 1983 and 1982
3. Summary of expenditures in 1983, by region and type of programme

C. UNICEF commitments

4. Summary of commitments approved by the Executive Board at its May 1983 session by region and main fields of co-operation
5. Commitments entering into effect during 1983 between Board sessions corresponding to specific contributions received or pledged during 1983, and adjustments and transfers
6. Total commitments approved in 1983 (summary by region and type of programme)

A. STATUS OF FUNDS FROM THE UNITED NATIONS SYSTEM

Table 1

Status of funds from the United Nations system related to Board commitments as at 31 December 1983

(United States dollars)

	Opening balance	Received	Advanced	Total	Expenditures	Returned/ transferred	Balance
Office of the United Nations Disaster Relief Co-ordinator	26 498.18	2 931 732.66	-	2 958 230.84	3 237 359.24	-	(279 128.40)
Office of the United Nations High Commissioner for Refugees	69 903.64	780 848.46	-	850 752.10	536 770.45	-	313 981.65
United Nations Capital Development Fund	192 596.62	6 206 226.99	-	6 398 823.61	5 276 039.02	-	1 122 784.59
United Nations Development Programme	(5 081.40)	30 000.00	-	24 918.60	85 459.74	-	(60 541.14)
United Nations Environment Programme	85 078.83	(122 845.63)	122 845.63	85 078.83	(37 766.80)	-	122 845.63
United Nations Fund for Population Activities	15 224.93	200 000.00	-	215 224.93	214 918.03	-	306.90
United Nations Secretary- General Appeals	-	193 019.25	-	193 019.25	9 382.76	-	183 636.49
World Health Organization	19 020.40	-	-	19 020.40	19 020.40	-	-
TOTAL	403 241.20	10 218 981.73	122 845.63	10 745 068.56	9 341 182.84	-	1 403 885.72

B. UNICEF EXPENDITURES

Table 2

Expenditures for co-operation, by programme,
in 1983 and 1982

(Thousands of United States dollars)

	1983		1982		Increase over previous	
	Amount	Percentage of total	Amount	Percentage of total	year	
					Amount	Percentage
<u>Child survival</u>						
Basic child health	58 351	23.7	50 953	24.0	7 398	14.5
Child feeding	1 187	0.5	1 312	0.6	(125)	(9.5)
Weaning food production	656	0.2	1 367	0.6	(711)	(52.0)
Other nutrition	17 396	7.1	16 334	7.7	1 062	6.5
Total child survival	77 590	31.5	69 966	32.9	7 624	10.9
<u>Water supply/sanitation</u>	67 842	27.6	60 075	28.2	7 767	12.9
<u>Social welfare services for children</u>	17 667	7.2	15 647	7.3	2 020	12.9
<u>Formal education</u>	29 972	12.2	20 560	9.6	9 412	45.8
<u>Non-formal education</u>	10 409	4.2	8 571	4.0	1 838	21.4
<u>Emergency relief</u>	13 393	5.4	16 263	7.7	(2 870)	(17.6)
<u>General a/</u>	29 292	11.9	22 014	10.3	7 278	33.1
Subtotal programme aid	246 165	100.0	213 096	100.0	33 069	15.5
Programme support services	44 684		39 551		5 133	13.0
TOTAL ASSISTANCE	290 849		252 647		38 202	15.1

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

Table 3

Summary of expenditures in 1983, by region and type of programme

(Thousands of United States dollars)

	Africa (excluding North Africa)	Americas	East Asia and Pakistan	South Central Asia	Middle East and North Africa	Inter- regional	Total	Percentage
<u>Child survival</u>								
Child health	18 617	2 521	16 704	9 361	8 992	2 156	58 351	23.7
Child nutrition	3 019	1 623	5 047	8 942	206	402	19 239	7.8
Total child survival	21 636	4 144	21 751	18 303	9 198	2 558	77 590	31.5
<u>Water supply/sanitation</u>	20 594	1 481	16 748	11 391	17 535	93	67 842	27.6
<u>Social welfare services for children</u>	2 850	2 513	4 482	6 447	1 350	25	17 667	7.2
<u>Formal education</u>	5 195	607	8 502	2 527	13 121	20	29 972	12.2
<u>Non-formal education</u>	4 035	996	2 337	2 445	432	164	10 409	4.2
<u>Emergency relief</u>	4 614	385	4 630	554	3 210		13 393	5.4
<u>General a/</u>	6 061	3 489	8 431	2 156	3 926	5 229	29 292	11.9
Subtotal programme aid	64 985	13 615	66 881	43 823	48 772	8 089	246 165	100.0
Programme support services							44 684	
Total assistance							290 849	
Administrative services							41 130	
TOTAL EXPENDITURE							331 979	

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 1983 session, by region and main field of co-operation

(Thousands of United States dollars)

	Africa (excluding North Africa)	Americas	East Asia and Pakistan	South Central Asia	Middle East and North Africa	Inter- regional	Total	Percentage
<u>Child survival</u>								
Child health	14 480	3 025	2 367	1 204	490	8 885	30 451	27.5
Child nutrition	3 286	102	1 039	903	-	225	5 555	5.1
Total child survival	17 766	3 127	3 406	2 107	490	9 110	36 006	33.0
<u>Water supply and sanitation</u>	16 464	718	1 873	-	90	800	19 945	18.3
<u>Social welfare services for children</u>	4 004	2 550	110	-	320	235	7 219	6.6
<u>Formal education</u>	10 696	541	1 470	-	394	1 270	14 371	13.1
<u>Non-formal education</u>	2 926	1 234	1 851	332	213	250	6 806	6.2
<u>General a/</u>	6 908	1 141	5 600	874	-	10 368	24 891	22.8
Subtotal programme aid	58 764	9 311	14 310	3 313	1 507	22 033	109 238	100.0
Deficits (over-expenditure)	89	41	-	-	-	-	130	
Total programme commitments	58 853	9 352	14 310	3 313	1 507	22 033	109 368	
Budget	19 878	13 973	24 064	15 080	19 049	128 649 b/	220 693 b/	
Total new commitments	78 731	23 325	38 374	18 393	20 556	150 682	330 061	
Savings (cancellations)	(32)	-	-	-	-	-	(32)	
Emergency reserve fund c/	-	-	-	-	-	366	366	
Net increase in commitment	78 699	23 325	38 374	18 393	20 556	151 048	330 395 c/	

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

b/ Including an adjustment of \$90,080 overstatement in the Report of the Executive Board, 9-20 May 1983 (Official Records of the Economic and Social Council, 1983, Supplement No. 10 (E/1983/21, E/ICBP/701)).

c/ The emergency reserve fund is automatically replenished at the start of each calendar year by an amount corresponding to the disbursements authorized by the Executive Director during the previous year (E/ICBP/670/Rev.2, para. 181 (b)). In 1983 the amount to replenish the fund to \$3 million was \$365,841.

Table 5

Commitments entering into effect during 1983 between Board sessions corresponding to specific contributions received or pledged during 1983, and adjustments and transfers

(Thousands of United States dollars)

	Africa	Americas	East Asia and Pakistan	South Central Asia	Eastern Medi- terranean	Inter- regional	Total	Percentage
<u>Child survival</u>								
Child health	3 035	2 802	1 247	2 678	2 708	52	12 522	17.3
Child nutrition	2 412	346	5 598	1 053	1 299	132	10 840	14.9
Total child survival	5 447	3 148	6 845	3 731	4 007	184	23 362	32.2
<u>Water supply and sanitation</u>	9 864	1 150	13 282	2 431	2 427	-	29 154	40.2
<u>Social welfare services for children</u>	542	1 893	369	1 213	176	-	4 193	5.8
<u>Formal education</u>	266	-	587	469	4 628	-	5 950	8.2
<u>Non-formal education</u>	676	450	959	520	-	-	2 605	3.6
<u>Emergency relief</u>	1 539	158	-	157	1 421	5	3 280	4.5
<u>General a/</u>	1 307	(69)	108	-	608	2 000	3 954	5.5
Total programme commitments	19 641	6 730	22 150	8 521	13 267	2 189	72 498	100.0
Budget savings for 1982/1983							(9 755)	
Total commitments entering into effect during 1983 outside Board sessions							62 743	

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

Table 6

Total commitments approved in 1983 (summary by region and type of programme)
(Thousands of United States dollars)

	Africa (excluding North Africa)	Americas	East Asia and Pakistan	South Central Asia	Middle East and North Africa	Inter- regional	Total	Percentage
<u>Child survival</u>								
Child health	17 515	5 827	3 614	3 882	3 199	8 936	42 973	23.6
Child nutrition	5 698	448	6 637	1 956	1 299	357	16 395	9.0
Total child survival	23 213	6 275	10 251	5 838	4 498	9 293	59 368	32.6
<u>Water supply and sanitation</u>	26 328	1 868	15 155	2 431	2 517	800	49 099	27.0
<u>Social welfare services for children</u>	4 546	4 443	479	1 213	496	235	11 412	6.3
<u>Formal education</u>	10 962	541	2 057	469	5 022	1 270	20 321	11.1
<u>Non-formal education</u>	3 602	1 684	2 810	852	213	250	9 411	5.2
<u>Emergency relief</u>	3 649	521	118	357	1 621	(2 620) a/	3 646	2.0
<u>General b/</u>	8 215	1 073	5 707	874	608	12 368	28 845	15.8
Subtotal programme aid	80 515	16 405	36 577	12 034	14 975	21 596	182 102	100.0
Deficits (over-expenditure)	89	41	-	-	-	-	130	
Total programme assistance	80 604	16 446	36 577	12 034	14 975	21 596	182 232	
Budget							220 693	
Total new commitments							402 925	
Savings (cancellations)							(9 787)	
Net increase in commitments							393 138	

a/ Funds authorized from Executive Director's emergency reserve during 1983 were distributed by regions.

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

PART TWO
GREETING CARD OPERATION

FOREFWORD

The Greeting Card Operation not only furnishes UNICEF with 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 42 countries contributed their creative talents and distinguished works of art for the 1982 season. As in past years, National Committees for UNICEF and other groups were the main sales agents, and sales and distribution costs were kept low 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 115 million cards, 441,000 calendars, 314,000 packs of stationery and other related items were sold in the 1982 season (1 May 1982 to 30 April 1983), bringing gross proceeds of sales of \$46.9 million. This was \$0.1 million or 0.2 per cent higher than in the previous year. Operational expenditures were \$19.7 million, which was \$1.0 million or 5.3 per cent higher than the previous year. The operational net income, including special programmes, was \$18.0 million. This was \$0.2 million or 1.1 per cent higher than in 1981. The excess of income over expenditure, which constitutes the net income for UNICEF, increased by 8.4 per cent to \$18.1 million in the 1982 season compared to \$16.7 million in the 1981 season.

I. BPIFF ACCOUNT OF THE 1982 SEASON

1 May 1982-30 April 1983

1. The financial results of the 1982 Greeting Card Operation (GCO) season compared to the 1981 season's results are shown in statement I and II. Table 1 compares the actual and provisional results for the 1982 season. In table 2, the 1982 season's results are compared with the estimates approved in May 1982 as well as with the actual results of the previous season.
2. Table 1 shows that the 1982 season's actual (at budgeted rate) is approximately at the same level as the provisional with respect to gross proceeds. The operational net income, which represents the result which GCO management can influence, was \$2 million higher than the provisional (column 3 compared with column 1). The net income after the effect of exchange rate fluctuations was \$1 million higher than the provisional.
3. The proceeds results for the 1982 season were on the same level as in 1981 (table 2). The net income was \$1.4 million higher than in 1981. This has occurred despite the fact that the world economies have been weak and companies around the world have reported reverses and losses.

Sales

4. Gross proceeds from sales of cards, calendars and related items amounted to \$46.9 million compared to \$46.8 million in 1981, an increase of 0.2 per cent. The number of cards sold in 1982 was the same as for 1981, namely 115 million.
5. Table 3 shows that the gross proceeds of sales increased in Africa and the Eastern Mediterranean (22.2 per cent), Asia (12.2 per cent) and Europe (2.2 per cent). Decreases were shown in Central and South America (10.8 per cent), South West Pacific (5.3 per cent) and North America (4.7 per cent).
6. Gross proceeds from major selling countries on the basis of sales per 1,000 of population are given in table 4.
7. The target for gross proceeds of sales of \$61.9 million included in the 1982 budget estimates (E/ICEF/AB/L.241, p. 17) was not met, mainly due to the effect of exchange rate fluctuations of major European currencies in relation to the United States dollar. Another factor was the lower volume of sales than anticipated. The 1982 revenue estimates were based on exchange rates prevailing at 31 October 1981. Table 5, which summarizes the effect of these exchange fluctuations, shows that if the exchange rates had remained as budgeted, gross proceeds of sales would have amounted to \$55.3 million or \$6.6 million less than the target. The above comparisons are no longer considered meaningful and will be eliminated in the 1984 financial report.

Table 1

Summary of results of the 1982 season: provisional compared to actual

(Millions of United States dollars)

	<u>1982 season</u>	<u>1982 session</u>	
	Provisional	Actual <u>a/</u>	Adjusted to budget rate <u>a/</u>
Number of cards (millions)	117	115	115
<u>Gross proceeds</u>	54	47	55
Less: Commissions	<u>14</u>	<u>12</u>	<u>15</u>
<u>Net proceeds</u>	40	35	40
Less: Cost of goods delivered	9	8	8
Duties and taxes	<u>1</u>	<u>1</u>	<u>1</u>
<u>Gross margin - regular products</u>	30	26	31
Add: Special programmes	<u>3</u>	<u>3</u>	<u>4</u>
<u>Gross margin</u>	33	29	35
Less: Fixed costs	13	11	12
Add: Miscellaneous income and loss	<u>1</u>	<u>-</u>	<u>-</u>
<u>Operational net income</u>	21	18	23
Less: Effect of exchange rates fluctuation	<u>4</u>	<u>-</u>	<u>5</u>
<u>Net income</u>	<u>17</u>	<u>18</u>	<u>18</u>

a/ More detailed figures are provided in table 5.

Table 2

Summary of Greeting Card Operation

(with variable and fixed costs distributed by function)

Description	1982 season approved estimates		1982 season actual		Percentage increase or (decrease) 1982 actual compared to approved estimates	1981 season actual		Percentage increase or (decrease) 1982 over 1981
	130 million Millions of \$US	Percentage of gross sales	115 million Millions of \$US	Percentage of gross sales		115 million Millions of \$US	Percentage of gross sales	
Cards sold					(11.5)			-
Gross proceeds of sales	61.9	100.0	46.9	100.0	(24.2)	46.8	100.0	0.2
Less:								
Commissions	14.5	23.4	11.9	25.3	(20.7)	12.1	25.9	(1.7)
Duties and taxes	0.8	1.3	0.7	1.5	(12.5)	0.6	1.2	16.7
Net proceeds of sales	46.6	75.3	34.3	73.2	(26.4)	34.1	72.9	0.6
Less:								
Sales and distribution costs	8.8	14.2	5.8	12.3	(34.1)	6.3	13.5	(7.9)
Production costs	13.9	22.5	10.5	22.4	(24.5)	9.8	20.9	7.1
Administrative costs	3.1	4.9	3.4	7.3	9.7	2.6	5.6	30.8
Total operational expenditures	25.8	41.6	19.7	42.0	(23.6)	18.7	40.0	5.3
Add:								
Special programmes	2.9	4.6	3.4	7.3	17.2	2.4	5.2	41.7
Operational net income	23.7	38.3	18.0	38.5	(24.1)	17.8	38.1	1.1
Other income and losses	0.7	1.1	0.1	0.2	(85.7)	(1.1)	(2.4)	109.1
Net income	24.4	39.4	18.1	38.7	(25.8)	16.7	35.7	8.4

Table 3

Gross proceeds of sales, by area and major selling country and numbers of cards sold:
1982 season compared with 1981

	<u>1982 season</u>		<u>1981 season</u>		<u>Percentage</u>	<u>Thousands of cards sold</u>	
	<u>Total</u>	<u>Percentage</u>	<u>Total</u>	<u>Percentage</u>	<u>increase</u>	<u>1982</u>	<u>1981</u>
	<u>gross</u>	<u>of total</u>	<u>gross</u>	<u>of total</u>	<u>(decrease)</u>	<u>season</u>	<u>season</u>
	<u>(thousands of</u>	<u>proceeds</u>	<u>(thousands of</u>	<u>proceeds</u>	<u>1982 over 1981</u>		
	<u>\$US)</u>		<u>\$US)</u>				
<u>Europe</u>							
Germany, Federal Republic of	8 172	17.4	7 480	16.0	9.3	12 812	13 356
France	5 412	11.5	5 825	12.5	(7.1)	11 653	11 616
Switzerland	2 891	6.2	2 804	6.0	3.1	4 018	4 104
Netherlands	2 121	4.5	2 091	4.5	1.4	3 917	4 109
Spain	1 194	2.6	877	1.9	36.1	6 186	4 237
Finland	1 162	2.5	1 427	3.1	(18.6)	2 195	2 727
Sweden	1 082	2.3	1 287	2.8	(15.9)	2 468	2 795
Italy	1 049	2.3	956	2.0	9.7	4 115	4 014
Belgium	1 027	2.2	1 052	2.2	(2.4)	2 012	2 202
Norway	913	1.9	1 038	2.2	(12.0)	1 978	1 968
Poland	798	1.7	394	0.8	102.5	3 401	2 451
Denmark	782	1.7	771	1.6	1.4	1 657	1 820
United Kingdom of Great Britain and Northern Ireland	646	1.4	761	1.6	(15.1)	2 136	2 289
Austria	632	1.4	536	1.2	17.9	1 262	1 234
Bulgaria	590	1.3	614	1.3	(3.9)	1 518	1 198
Yugoslavia	483	1.0	501	1.1	(3.6)	3 413	2 780
Greece	294	0.6	317	0.7	(7.3)	846	880
Czechoslovakia	136	0.3	42	0.1	223.8	282	116
Turkey	132	0.3	152	0.3	(13.2)	737	807
Luxembourg	114	0.2	107	0.2	6.5	252	225
German Democratic Republic	111	0.2	58	0.1	91.4	382	200
Other countries	282	0.6	292	0.6	(3.4)	995	1 066
	30 023	64.1	29 382	62.8	2.2	68 235	66 194
<u>North America</u>							
United States of America	6 789	14.5	7 292	15.6	(6.9)	19 248	20 701
Canada	2 206	4.7	2 151	4.6	2.6	5 779	5 584
	8 995	19.2	9 443	20.2	(4.7)	25 027	26 285
<u>Central and South America</u>							
Brazil	2 434	5.2	2 264	4.8	7.5	6 704	6 997
Colombia	340	0.7	348	0.7	(2.3)	810	937
Peru	182	0.4	181	0.4	0.6	432	578
Chile	178	0.4	448	1.0	(60.3)	480	809
Mexico	152	0.3	228	0.5	(33.3)	437	384
Argentina	144	0.3	248	0.5	(41.9)	608	360
Uruguay	117	0.2	222	0.5	(47.3)	298	515
Other countries	387	0.8	471	1.0	(17.8)	880	1 198
	3 934	8.3	4 410	9.4	(10.8)	10 649	12 278
<u>Africa and Eastern Mediterranean</u>							
	1 530	3.3	1 252	2.7	22.2	2 745	2 573
<u>Asia</u>							
India	911	1.9	764	1.6	19.2	3 345	3 215
Japan	148	0.3	137	0.3	8.0	385	273
Other countries	418	0.9	415	0.9	0.7	1 231	1 298
	1 477	3.1	1 316	2.8	12.2	4 961	4 786
<u>South West Pacific</u>							
Australia	737	1.6	794	1.7	(7.2)	2 315	2 213
New Zealand	181	0.4	171	0.4	5.8	654	681
Other countries	3	-	8	-	(62.5)	6	20
	921	2.0	973	2.1	(5.3)	2 975	2 914
Total	46 880	100.0	46 776	100.0	0.2	114 592	115 030

Table 4

Gross proceeds from sales in major selling countries: 1982 season
compared with 1981 on a population basis a/
(United States dollars)

Gross proceeds from sales per 1,000 of population		
Country	1982	1981
Switzerland	446.14	433.38
Luxembourg	316.66	297.22
Finland	241.08	297.29
Norway	222.14	253.17
Denmark	152.73	150.59
Netherlands	148.22	146.84
Germany, Federal Republic of	132.57	121.29
Sweden	129.89	154.69
Belgium	104.26	106.69
France	99.82	107.95
Canada	89.57	88.85
Austria	83.49	71.37
Bulgaria	64.76	69.07
New Zealand	57.28	54.63
Australia	48.58	53.43
Uruguay	39.66	75.77
Spain	31.48	23.29
Greece	30.03	32.65
United States of America	29.26	31.73
Poland	22.02	10.97
Yugoslavia	21.32	22.25
Brazil	19.19	18.63
Italy	18.54	16.71
Chile	15.49	39.68
Colombia	12.55	12.85
United Kingdom	11.58	13.63

a/ The list includes countries where gross proceeds from sales exceeded \$50,000 and \$10 per 1,000 of population in the 1982 season.

Table 5

Summary of results of 1982 season compared to results adjusted to budgeted exchange rates
and approved budget

(United States dollars)

	(1)	(2)	(3)	(4)	(5)
	(Actual) results of 1982 season	Results of 1982 season (adjusted to budgeted exchange rate)	Exchange rate variance (1) - (2)	1982 budget as approved	Budgetary variance (2) - (4)
1. <u>Total gross proceeds of sales</u>	46 880 515	55 285 342	(8 404 827)	61 900 000	(6 614 658)
2. <u>Deduct: authorized discounts to consignees and taxes</u>	<u>12 559 681</u>	<u>14 696 484</u>	<u>(2 136 803)</u>	<u>15 272 000</u>	<u>(575 516)</u>
3. <u>Gross proceeds less authorized discounts and taxes</u>	34 320 834	40 588 858	(6 268 024)	46 628 000	(6 039 142)
4. <u>Expenditures</u>	19 687 432	21 000 617	(1 313 185)	25 789 000	(4 788 383)
5. <u>Add: special programmes</u>	<u>3 419 739</u>	<u>3 530 656</u>	<u>(110 917)</u>	<u>2 860 000</u>	<u>670 656</u>
6. <u>Operational net income</u>	18 053 141	23 118 897	(5 065 756)	23 699 000	(580 103)
7. <u>Other income and losses</u>	<u>74 127</u>	<u>88 785</u>	<u>(14 658)</u>	<u>688 000</u>	<u>(599 215)</u>
Net income	<u>18 127 268</u>	<u>23 207 682</u>	<u>(5 080 414)</u>	<u>24 387 000</u>	<u>(1 179 318)</u>

Operational expenditures

8. Compared with 1981, operational expenditures in 1982 were \$1.0 million or 5.3 per cent higher (table 2). This was due mainly to the expenditures for the modernization of the plant operation in New York.
9. As shown in table 2, operational expenditures for the 1982 season amounted to \$19.7 million or 23.6 per cent less than the budget estimate of \$25.8 million. This was due mainly to lower production costs and sales and distribution costs. Seventeen million fewer cards were printed than planned. The expenditures accounted for 42 per cent of gross sales compared to 41.6 per cent planned. Without the effect of currency fluctuations on proceeds of sales and expenditures, the ratio would have been 38 per cent, which is lower than the percentage originally estimated. The variations in exchange rates have an effect on expenses as recorded in United States dollars; however, since the expenditures are mostly incurred early in the season and therefore closer to the time when budget estimates are prepared, the effect is not as great as on recorded revenues which are received more than a year later.

Operational net income

10. The operational net income, including net income from special programmes (stamp and coin programmes and shopping bag programme), amounted to \$18.0 million as compared with \$17.8 million in 1981, an increase of 1.1 per cent. This figure is particularly significant as it represents the result which the management of GCO can influence. At the budgeted rate of exchange, the operational net income would have been \$23.1 million (table 5, line 6).

Net income

11. Net income in 1982 was \$18.1 million, the second highest sum ever achieved by GCO. At budgeted rates of exchange, net income would have amounted to \$23.2 million (table 5, last line). The net income of \$18.1 million represented 38.7 per cent of gross sales as compared with 35.7 per cent in 1981. At budgeted rates of exchange, the net income for 1982 would have been 42 per cent.

Other income and losses

12. The total in 1982 was a gain of \$0.1 million, as compared with a loss of \$1.1 million in 1981. This was due to smaller fluctuations in the exchange rates than in the previous year. The other items in schedule 1 amounted to a gain of \$0.8 million. Included in this amount was \$0.6 million in staff assessment.

Promotional materials produced

13. During the 1982 season, \$2.1 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 14 million brochures and 22 million information leaflets, folders and stuffers. The remaining \$0.6 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

14. Reproduction rights were given by 235 artists and museums from 42 countries. Fifty-nine designs were used for the calendars and 218 designs were used for the cards. The generosity of these artists and institutions has made possible the continuing high standard of design.

II. FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1983

Statement I

Comparative statement of income and expenditure for the season ended 30 April 1983

(United States dollars)

	1982 season - 1 May 1982 to 30 April 1983	1981 season - 1 May 1981 to 30 April 1982
<u>Sales</u>		
Greeting cards	41 274 077.63	41 229 337.00
Stationery materials	4 221 841.29	4 026 724.20
Educational materials	1 384 596.70	1 519 625.47
	46 880 515.62	46 775 686.67
Less: Commissions paid	11 869 748.36	12 067 137.43
Duties and taxes	689 933.22	632 055.12
	12 559 681.58	12 699 192.55
	34 320 834.04	34 076 494.12
Less: Variable sales and distribution costs	2 866 312.92	3 337 903.78
Variable production costs	7 826 724.34	7 831 599.33
	10 693 037.26	11 169 503.11
<u>Gross profit on sales</u>	23 627 796.78	22 906 991.01
Less: <u>Other expenditures</u>		
Fixed staff costs	5 824 257.75	4 846 154.47
Other fixed costs	3 170 136.98	2 666 502.64
	8 994 394.73	7 512 657.11
Add: Special programmes	3 419 739.59	2 413 365.36
<u>Operational net income</u>	18 053 141.64	17 807 699.26
Other income and losses	74 126.84	(1 094 715.84)
<u>Excess of income over expenditures</u>	18 127 268.48	16 712 983.42

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 CAVAGLIA
Comptroller

(Signed) James P. GRANT
Executive Director

Comparative statement of assets and liabilities at 30 April 1983

(United States dollars)

	1982 season	1981 season	Increase/decrease
<u>Assets</u>			
Cash on hand and in current bank accounts	87 790.81	126 429.97	(38 639.16)
Accounts receivable, advances and deposits	17 525 886.56	25 316 045.74	(7 790 159.18)
Inventory	8 061 007.52	8 839 130.09	(778 122.57)
Prepaid expenses - future campaigns	1 836 940.84	2 967 483.27	(1 130 542.43)
	27 511 625.73	37 249 089.07	(9 737 463.34)
<u>Liabilities</u>			
Accounts payable and other unliquidated obligations	1 503 596.96	3 315 982.56	(1 812 385.60)
UNICFP interoffice account	7 845 885.03	17 097 414.90	(9 251 529.87)
Deferred income - future campaigns	34 875.26	122 708.19	(87 832.93)
	9 384 357.25	20 536 105.65	(11 151 748.40)
Excess of assets over liabilities	18 127 268.48	16 712 983.42	1 414 285.06

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 CAVAGLIA
Comptroller

(Signed) James P. GRANT
Executive Director

Budget commitments, obligations incurred and unencumbered balances
for the season ended 30 April 1983

(United States dollars)

	Budget estimates			Obligations incurred	
	Original	Approved revisions	Revised	Liquidated and unliquidated	Unencumbered balances
Section 1: Fixed staff costs					
Established posts	4 603 000.00	(141 000.00)	4 462 000.00	3 981 769.67	480 230.33
Short-term Professional personnel	180 000.00	170 000.00	350 000.00	225 599.55	124 400.45
Short-term General Service personnel	708 000.00	140 000.00	848 000.00	698 414.05	149 585.95
Overtime	41 000.00	40 000.00	81 000.00	72 509.87	8 490.13
Travel and removal	47 000.00	2 000.00	49 000.00	5 269.19	43 730.81
Installation payments	-	3 500.00	3 500.00	3 483.89	16.11
Separation and repatriation payments	45 000.00	6 000.00	51 000.00	48 957.00	2 043.00
Contributions, Pension Fund	627 000.00	12 000.00	639 000.00	565 603.74	73 396.26
Dependency allowances and education grants	128 000.00	(3 000.00)	125 000.00	99 998.76	25 001.24
Compensatory payments	6 000.00	10 000.00	16 000.00	14 003.90	1 996.10
Travel on home leave	47 000.00	(20 000.00)	27 000.00	7 497.27	19 502.73
Staff training	59 000.00	(26 000.00)	33 000.00	13 679.13	19 320.87
Staff welfare	10 000.00	(3 000.00)	7 000.00	3 026.23	3 973.77
Medical insurance and related payments	118 000.00	(23 000.00)	95 000.00	84 445.50	10 554.50
Total, section 1	6 619 000.00	167 500.00	6 786 500.00	5 824 257.75	962 242.25
Section 2: Other fixed costs					
Travel on official business	295 000.00	12 000.00	307 000.00	236 002.34	70 997.66
Freight - miscellaneous	19 000.00	23 000.00	42 000.00	38 514.45	3 485.55
Order handling	125 000.00	(60 000.00)	65 000.00	57 722.91	7 277.09
Communications	241 000.00	-	241 000.00	191 407.98	49 592.02
Rental and maintenance of premises and storage	1 149 000.00	133 000.00	1 282 000.00	961 193.86	320 806.14
Office supplies	125 000.00	(5 000.00)	120 000.00	89 691.94	30 308.06
Miscellaneous supplies and services	135 000.00	(9 000.00)	126 000.00	107 368.12	18 631.88
Conference and liaison	208 000.00	(67 000.00)	141 000.00	108 810.46	32 189.54
Production and distribution equipment	826 000.00	406 000.00	1 232 000.00	352 365.18	879 634.82
Rental and maintenance of office and accounting equipment	38 000.00	4 000.00	42 000.00	29 160.42	12 839.58
Computer services	450 000.00	(26 000.00)	424 000.00	398 784.71	25 215.29
External audit costs	60 000.00	3 000.00	63 000.00	62 000.00	1 000.00
Hospitality	17 000.00	(5 000.00)	12 000.00	5 783.23	6 216.77
Furniture and office equipment	101 000.00	57 000.00	158 000.00	123 355.02	34 644.98
Payment to UNICEF for services	431 000.00	-	431 000.00	407 976.36	23 023.64
Total, section 2	4 220 000.00	466 000.00	4 686 000.00	3 170 136.98	1 515 863.02
Section 3: Variable production costs					
Greeting cards	8 585 000.00	7 000.00	8 592 000.00	6 307 708.60	2 284 291.40
Stationery material	1 466 000.00	(96 000.00)	1 370 000.00	1 120 196.44	249 803.56
Educational material	563 000.00	1 500.00	564 500.00	363 469.37	201 030.63
Other	-	37 000.00	37 000.00	35 349.93	1 650.07
Total, section 3	10 614 000.00	(50 500.00)	10 563 500.00	7 826 724.34	2 736 775.66
Section 4: Variable sales and promotion costs					
Freight on finished goods	1 052 000.00	(38 000.00)	1 014 000.00	792 547.99	221 452.01
Brochure printing	2 130 000.00	(190 000.00)	1 940 000.00	1 535 844.19	404 155.81
Publicity and promotions	1 154 000.00	(355 000.00)	799 000.00	537 920.74	261 079.26
Total, section 4	4 336 000.00	(583 000.00)	3 753 000.00	2 866 312.92	886 687.08
TOTAL OPERATING EXPENDITURES	25 789 000.00	-	25 789 000.00	19 687 431.99	6 101 568.01

NOTES TO THE FINANCIAL STATEMENTS

1. The financial report for 1982 comprises three statements supported by five tables and three schedules. It 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 closure of UNICEF accounts.
2. Accounts receivable as of 30 April 1983 totalled \$17 525,887 compared with \$25,316,046 at 30 April 1982. Of the amount of \$17,525,887, receivables from National Committees for UNICEF totalled \$14,745,351 and from United Nations agencies, \$1,051,365. Miscellaneous receivables amounted to \$1,729,171. 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 \$2,927,135 at the date of preparation of this report.
3. The production and distribution equipment in use at New York headquarters had an acquisition cost of \$447,107. The value of this equipment is presently not reported in the accounts as an asset, since its cost has been 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 \$360,953.
4. During the 1982 season, approximately 5.4 million finished cards and 5.3 million unfinished cards of previous years' designs no longer considered saleable were donated to approved organizations or disposed of as scrap paper. As of 30 April 1983, stocks of 1982 and earlier designs totalled 81.8 million finished cards and 57.1 million unfinished cards.
5. Raw materials and products in process were valued at \$2,623,801 and \$4,508,185 respectively. The inventory of finished goods was valued at \$929,022, representing the production cost of 1982 cards and other items in stock at 30 April 1983 which will be offered for sale in the 1983 season.
6. The Executive Board at its May 1982 session approved budget estimates for the 1982 season of \$25,789,000 (E/ICEF/AB/L.241). Liquidated and unliquidated obligations amounted to \$19,687,432. The balance is the difference between budget and actual expenditures (statement III).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

During the 1982 season, the Greeting Card Operation (GCO) followed the accounting policies of UNICEF except for the following matters which are relevant to GCO only:

(a) The financial period of GCO 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 1Other income and losses for the 1982 season with
comparative figures for the 1981 season

(United States dollars)

	1982 season	1981 season	Increase (decrease)
Staff assessment plan	633 077.56	601 799.14	31 278.42
Donations and contributions for postage	7 530.54	33 995.40	(26 464.86)
Discounts from vendors on material purchased	68 351.90	48 171.10	20 180.80
Other miscellaneous income and losses			
Gains and losses due to changes in exchange rates	(699 981.27)	(2 198 676.53)	1 498 695.26
Other miscellaneous income (net)	<u>65 148.11</u>	<u>419 995.05</u>	<u>(354 846.94)</u>
Total	<u>74 126.84</u>	<u>(1 094 715.84)</u>	<u>1 168 842.68</u>

Inventory at 30 April 1983 with comparative figures for previous year

(United States dollars)

	30 April 1983	30 April 1982	Increase (decrease)
<u>Inventory (at cost)</u>			
<u>Raw materials (paper, envelopes etc.)</u>			
Greeting cards and stationery	2 509 302.55	2 961 282.22	(451 979.67)
Stationery material	49 111.66	109 899.65	(60 787.99)
Promotional materials	<u>65 386.56</u>	<u>2 623 800.77</u>	<u>(25 498.35)</u>
<u>Products in process and finished (current campaign) a/</u>			
Greeting cards	180 115.52	164 525.62	15 589.90
Stationery material	285 774.30	473 262.23	(187 487.93)
Educational materials	<u>463 131.87</u>	<u>929 021.69</u>	<u>169 494.38</u>
<u>Products in process (following campaigns)</u>			
Greeting cards	3 807 629.93	3 419 750.78	387 879.15
Stationery material	536 619.86	948 067.37	(411 447.51)
Educational materials	<u>163 935.27</u>	<u>4 508 185.06</u>	<u>(213 884.55)</u>
Total	<u>8 061 007.52</u>	<u>8 839 130.09</u>	<u>(778 122.57)</u>

a/ Greeting cards represent the value of goods in process as well as finished goods. The other items are finished goods.

Movement of finished cards for the 1982 season

(Millions of cards)

	1982 season	1981 season
Opening inventory	76.5	80.7
Add:		
Cards finished for sale or transferred to sales outlets in flat form	<u>137.8</u> 214.3	<u>139.4</u> 220.1
Deduct:		
Cards sold	114.6 a/	115.1 a/
Cards decollated	10.7	15.0
Cards destroyed, used as samples or lost	<u>7.2</u> b/ c/	<u>13.5</u>
Closing inventory	<u>81.8</u>	<u>76.5</u>

a/ Including 17.7 million prior years' cards finished in the 1982 season and 17.2 million in the 1981 season.

b/ Finished cards of prior years' designs no longer saleable amounting to 5.4 million were destroyed or donated. Losses in transit and at sales outlets, use as samples and adjustments following physical count accounted for the remaining 1.8 million.

c/ Production and inventory losses for finished and unfinished cards amounted to 7.4 million cards; 1.7 million cards were used as samples.

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