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FINANCIAL REPORT AND ACCOUNTS FOR 1969

UNICEF

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Table C-3 (continued)

## Part III (c). Local costs, field offices - East Asia and Pakistan

## Statement of administrative and operational services, budgetary estimates, obligations incurred and unencumbered balances for the year ended 31 December 1969

(In US dollars)

	Budget estimates				Obligations incurred			Unencumbered balance
	Original	Supplementary	Approved transfers	Revised	Administrative services	Operational services	Total	
<u>Section 1. Salaries, wages and common staff costs</u>								
Established posts	145,000		16,000-	129,000		127,246.36	127,246.36	1,753.64
Temporary assistance	12,000		11,700	23,700		23,627.29	23,627.29	72.71
Overtime	1,700		700	2,400		1,625.93	1,625.93	774.07
Separation pay and repatriation grants	1,000		1,500	2,500		2,454.67	2,454.67	45.33
Contribution to Pension Fund	29,900		1,100-	28,800		28,220.19	28,220.19	579.81
Dependency allowances	7,800		300	8,100		7,195.25	7,195.25	904.75
Travel on home leave	1,300			1,300				1,300.00
Staff welfare			1,200	1,200		1,000.00	1,000.00	200.00
Medical insurance	2,400		100	2,500		1,411.03	1,411.03	1,088.97
Subsidies local budget	27,400		33,000	60,400		59,974.38	59,974.38	425.62
Total, Section 1	228,500		31,400	259,900		252,755.10	252,755.10	7,144.90
<u>Section 2. Other expenses and permanent equipment</u>								
Official travel	40,100		3,000-	37,100		36,473.79	36,473.79	626.21
Communications and freight	15,300		1,000-	14,300		10,999.94	10,999.94	3,300.06
Rent and maintenance of premises	5,500		6,100	11,600		10,812.57	10,812.57	787.43
Office supplies	11,200		600-	10,600		9,177.85	9,177.85	1,422.15
Rental office equipment			1,600	1,600		1,226.69	1,226.69	373.31
Maintenance of transportation equipment			4,500	4,500		3,512.88	3,512.88	987.12
Insurance			800	800		97.65	97.65	702.35
Miscellaneous supplies and services	16,500		9,100-	7,400		6,113.97	6,113.97	1,286.03
Hospitality	2,000			2,000		1,784.95	1,784.95	215.05
Furniture, office equipment	11,400		2,700-	8,700		7,008.47	7,008.47	1,691.53
Transportation equipment	8,900			8,900		7,557.15	7,557.15	1,342.85
Total, Section 2	110,900		3,400-	107,500		94,765.91	94,765.91	12,734.09
GRAND TOTAL	339,400		28,000	367,400		347,521.01	347,521.01	19,878.99

Table C-3 (continued)

## Part III (d). Local costs, field offices - Eastern Mediterranean

## Statement of administrative and operational services, budgetary estimates, obligations incurred and unencumbered balances for the year ended 31 December 1969

(In US dollars)

	Budget estimates				Obligations incurred			Unencumbered balance
	Original	Supplementary	Approved transfers	Revised	Administrative services	Operational services	Total	
<u>Section 1. Salaries, wages and common staff costs</u>								
Established posts	77,100		16,200-	60,900		59,920.60	59,920.60	979.40
Temporary assistance	5,500		8,100	13,600		13,482.66	13,482.66	117.34
Overtime	600		200	800		704.25	704.25	95.75
Travel, removal and installation	200			200				200.00
Separation pay and repatriation grants			400	400		330.07	330.07	69.93
Contribution to Pension Fund	20,400		2,400	22,800		22,239.39	22,239.39	560.61
Dependency allowances	4,000		500	4,500		4,224.52	4,224.52	275.48
Staff welfare	300			300		156.91	156.91	143.09
Medical insurance	1,400			1,400		803.19	803.19	596.81
Subsidies local budget	34,400		1,500	35,900		35,062.96	35,062.96	837.04
Total, Section 1	143,900		3,100-	140,800		136,924.55	136,924.55	3,875.45
<u>Section 2. Other expenses and permanent equipment</u>								
Official travel	32,400		4,900	37,300		36,250.11	36,250.11	1,049.89
Communications and freight	6,700		2,200	8,900		8,787.24	8,787.24	112.76
Rent and maintenance of premises	9,600		500	10,100		9,811.51	9,811.51	288.49
Office supplies	4,200		200	4,400		4,016.18	4,016.18	383.82
Rental office equipment			800	800		535.29	535.29	264.71
Maintenance of transportation equipment			3,000	3,000		2,857.98	2,857.98	142.02
Insurance			200	200		105.81	105.81	94.19
Miscellaneous supplies and services	5,000		2,500-	2,500		2,295.59	2,295.59	204.41
Hospitality	500		200	700		359.69	359.69	340.31
Furniture, office equipment	1,900		2,800	4,700		4,588.72	4,588.72	111.28
Transportation equipment	6,500		2,300-	4,200		3,357.22	3,357.22	842.78
Total, Section 2	66,800		10,000	76,800		72,965.34	72,965.34	3,834.66
GRAND TOTAL	210,700		6,900	217,600		209,889.89	209,889.89	7,710.11

Table C-3 (continued)

## Part III (e). Local costs, field offices - Europe and North Africa

## Statement of administrative and operational services, budgetary estimates, obligations incurred and unencumbered balances for the year ended 31 December 1969

(In US dollars)

	Budget estimates				Obligations incurred			Unencumbered balance
	Original	Supplementary	Approved transfers	Revised	Administrative services	Operational services	Total	
<u>Section 1. Salaries, wages and common staff costs</u>								
Established posts	420,400		35,100	455,500	244,704.05	210,090.86	454,794.91	705.09
Consultants	6,000			6,000	1,545.09	3,525.60	5,070.69	929.31
Temporary assistance	23,000		2,500-	20,500	7,392.20	12,547.93	19,940.13	559.87
Overtime	1,500			1,500	1,007.80		1,007.80	492.20
Travel, removal and installation	3,100		2,000-	1,100	573.76	23.00	596.76	503.24
Separation pay and repatriation grants	5,900		13,500	19,400	14,836.76	4,473.19	19,309.95	90.05
Contribution to Pension Fund	68,200		1,000-	67,200	28,832.93	37,205.67	66,038.60	1,161.40
Dependency allowances	18,000		2,000-	16,000	7,920.49	7,520.06	15,440.55	559.45
Travel on home leave	300		200	500	108.96		108.96	391.04
Staff welfare	7,700		2,300	10,000	4,582.63	4,568.26	9,150.89	849.11
Medical insurance	17,000			17,000	8,283.65	8,026.98	16,310.63	689.37
Total, Section 1	571,100		43,600	614,700	319,788.32	287,981.55	607,769.87	6,930.13
<u>Section 2. Other expenses and permanent equipment</u>								
Official travel	32,000		2,000-	30,000	13,729.37	14,186.62	27,915.99	2,084.01
Communications and freight	55,900		3,800-	52,100	21,985.37	28,917.51	50,902.88	1,197.12
Grants to national committees	10,000			10,000	9,820.00		9,820.00	180.00
Rent and maintenance of premises	70,100		2,500-	67,600	31,133.43	32,954.49	64,087.92	3,512.08
Office supplies	14,400		4,500	18,900	7,135.90	11,120.95	18,256.85	643.15
Rental office equipment			4,000	4,000	2,397.28	1,507.71	3,904.99	95.01
Maintenance of transportation equipment			2,000	2,000	529.29	615.30	1,144.59	855.41
Insurance			1,500	1,500	418.98	307.83	726.81	773.19
Miscellaneous supplies and services	15,100		6,000-	9,100	5,348.77	2,690.59	8,039.36	1,060.64
Hospitality	900		200	1,100	666.95	40.72	707.67	392.33
Furniture, office equipment	8,500		400	8,900	5,231.29	3,528.23	8,759.52	140.48
Transportation equipment			2,600	2,600	1,088.27	1,130.36	2,218.63	381.37
Total, Section 2	206,900		900	207,800	99,484.90	97,000.31	196,485.21	11,314.79
GRAND TOTAL	778,000		44,500	822,500	419,273.22	384,981.86	804,255.08	18,244.92

Table C-3 (continued)

## Part III (f). Local costs, field offices - South Central Asia

## Statement of administrative and operational services, budgetary estimates, obligations incurred and unencumbered balances for the year ended 31 December 1969

(In US dollars)

	Budget estimates				Obligations incurred			Unencumbered balance
	Original	Supplementary	Approved transfers	Revised	Administrative services	Operational services	Total	
<u>Section 1. Salaries, wages and common staff costs</u>								
Established posts	39,200		3,100-	36,100		35,173.11	35,173.11	926.89
Consultants	5,000		5,000-					
Temporary assistance	5,000		2,100-	2,900		2,849.15	2,849.15	50.85
Overtime	100			100		11.50	11.50	88.50
Travel, removal and installation			1,400	1,400		1,384.40	1,384.40	15.60
Contribution to Pension Fund	600		300-	300		257.43	257.43	42.57
Dependency allowances	7,000		500	7,500		7,391.95	7,391.95	108.05
Staff welfare	2,000			2,000		2,000.00	2,000.00	
Medical insurance	700		300-	400		153.45	153.45	246.55
Subsidies local budget	50,100		75,300	125,400		124,503.26	124,503.26	896.74
Total, Section 1	109,700		66,400	176,100		173,724.25	173,724.25	2,375.75
<u>Section 2. Other expenses and permanent equipment</u>								
Official travel	12,500		2,500-	10,000		8,523.96	8,523.96	1,476.04
Communications and freight	3,400		300-	3,100		2,411.56	2,411.56	688.44
Rent and maintenance of premises	1,400		1,400-					
Office supplies	3,400		700-	2,700		1,906.86	1,906.86	793.14
Rental office equipment			100	100				100.00
Maintenance of transportation equipment			500	500		197.79	197.79	302.21
Insurance			200	200				200.00
Miscellaneous supplies and services	2,300		800	3,100		2,848.38	2,848.38	251.62
Hospitality	500			500		260.13	260.13	239.87
Furniture, office equipment	4,600		400-	4,200		3,143.18	3,143.18	1,056.82
Transportation equipment	5,000		800-	4,200		3,137.78	3,137.78	1,062.22
Total, Section 2	33,100		4,500-	28,600		22,429.64	22,429.64	6,170.36
GRAND TOTAL	142,800		61,900	204,700		196,153.89	196,153.89	8,546.11

# D. Allocations and commitments

Table D-1. Summary of allocations approved by the Executive Board in 1969

by programme and geographical area.

(In thousands of US dollars)

	Africa	East Asia and Pakistan	South Central Asia	Eastern Medi- terranean	Europe	The Americas	Inter- regional	Total	Per cent
<u>Long-range aid</u>									
<u>Health</u>	2,546.0	4,765.0	3,435.0	1,822.8	-	3,126.0	78.0	15,772.8	48.88
Health (excluding malaria eradication)	2,546.0	4,665.0	3,100.0	914.8	-	636.0	78.0	11,939.8	37.00
Malaria eradication	-	100.0	335.0	908.0	-	2,490.0	-	3,833.0	11.88
<u>Nutrition</u>	1,019.0	398.0	1,200.0	330.0	-	431.0	50.0	3,428.0	10.62
Applied nutrition and nutrition education	493.0	398.0	750.0	30.0	-	431.0	50.0	2,152.0	6.67
Milk conservation	256.0	-	300.0	100.0	-	-	-	656.0	2.03
High-protein food development	270.0	-	150.0	200.0	-	-	-	620.0	1.92
<u>Family and child welfare</u>	504.5	200.0	220.0	179.0	-	219.0	-	1,322.5	4.10
<u>Education</u>	2,632.5	2,832.0	878.0	637.0	-	1,222.0	100.0	8,301.5	25.73
<u>Pre-vocational training</u>	232.0	56.5	-	44.0	-	-	-	332.5	1.03
<u>Integrated services</u>	78.0	-	-	-	27.0	355.0	-	460.0	1.43
<u>Other</u>	-	300.0	-	-	-	47.0	1,169.8	1,516.8	4.70
<u>TOTAL, LONG-RANGE AID</u>								31,134.1	96.49
								1,131.9	3.51
<u>Emergency aid</u>								32,266.0	100.00
<u>Freight</u>								3,500.0	
<u>TOTAL, PROGRAMME AID</u>								35,766.0	
Estimated operational services for second semester of 1969 and first semester of 1970								6,822.6	
Estimated administrative costs for second semester of 1969 and first semester of 1970								3,853.5	
<u>GRAND TOTAL</u>								46,442.1	



Table D-2. Summary of unfulfilled balances of approved allocations at 31 December 1969

by programme and geographical area

(In thousands of US dollars)

	Africa	East Asia and Pakistan	South Central Asia	Eastern Medi- terranean	Europe	The Americas	Inter- regional	Total	Per cent
<u>Long-range aid</u>									
Health	3,202.3	6,263.0	5,074.5	1,494.3	0.1	4,488.8	110.3	20,633.3	35.12
Health (excluding malaria eradication)	3,135.2	6,213.2	4,929.1	1,099.8	0.1	2,231.1	110.3	17,718.8	30.16
Malaria eradication	67.1	49.8	145.4	394.5	-	2,257.7	-	2,914.5	4.96
Nutrition	2,011.7	607.7	5,977.8	718.9	46.9	799.0	450.2	10,612.2	18.06
Child feeding	-	31.1	-	-	-	-	-	31.1	0.05
Applied nutrition and nutrition education	1,047.6	395.2	4,736.1	120.6	11.4	785.5	162.6	7,259.0	12.35
Milk conservation	649.3	106.3	828.2	73.1	35.4	(0.8)	-	1,691.5	2.88
High-protein food development	314.8	47.8	390.3	525.2	0.1	14.3	287.6	1,580.1	2.69
Other nutrition	-	27.3	23.2	-	-	-	-	50.5	0.09
Family and child welfare	904.7	692.8	343.2	252.8	-	307.7	-	2,501.2	4.26
Education	4,100.4	4,583.5	3,837.0	965.6	-	1,747.2	126.9	15,360.6	26.14
Pre-vocational training	457.1	75.7	48.6	44.0	-	18.8	-	644.2	1.10
Integrated services	121.6	-	-	2.4	15.6	431.5	-	571.1	0.97
Other	-	-	(825.1)	-	-	75.6	1,333.8	584.3	1.00
TOTAL, LONG-RANGE AID	10,797.8	12,222.7	14,456.0	3,478.0	62.6	7,868.6	2,021.2	50,906.9	86.65
<u>Emergency aid</u>								854.0	1.44
								51,760.9	88.09
<u>Freight</u>								1,835.1	3.12
TOTAL, PROGRAMME AID								53,596.0	91.21
Operational services for the first semester of 1970								3,279.2	5.58
Administrative costs for the first semester of 1970								1,887.8	3.21
ALLOCATIONS APPROVED BY THE EXECUTIVE BOARD TO BE FULFILLED (STATEMENT II)								58,763.0	100.00

Table D-3. Summary of formal commitments outstanding at 31 December 1969 approved by the Executive Board,

by programme and geographical area (In thousands of US dollars)								
	Africa	East Asia and Pakistan	South Central Asia	Eastern Mediterranean	Europe	The Americas	Inter- regional	Total Per cent
<u>Health</u>	1,403.0	2,194.0	9,662.0	-	-	1,154.0	145.0	14,558.0 33.65
<u>Nutrition</u>	519.0	20.0	1,456.0	111.0	-	721.0	450.0	3,277.0 7.58
Applied nutrition and nutrition education	519.0	20.0	750.0	61.0	-	721.0	-	2,071.0 4.79
Milk conservation	-	-	256.0	-	-	-	-	256.0 0.59
High protein food development	-	-	450.0	50.0	-	-	450.0	950.0 2.20
<u>Family and child welfare</u>	383.3	644.0	-	110.0	-	185.0	-	1,322.3 3.06
<u>Education</u>	3,665.0	3,962.0	1,871.0	222.0	-	1,731.0	-	11,451.0 26.47
<u>Pre-vocational training</u>	-	100.0	-	120.0	-	-	-	220.0 0.51
<u>Integrated services</u>	40.0	-	-	-	-	405.0	-	445.0 1.03
<u>Other</u>	-	-	-	-	-	-	619.0	619.0 1.43
<u>TOTAL</u>	6,010.3	6,920.0	12,989.0	563.0	-	4,196.0	1,214.0	31,892.3 73.73
 FREIGHT								6,200.0 14.33
 TOTAL, PROGRAMME COMMITMENTS								38,092.3 88.06
 Estimated operational services for second semester of 1970								3,279.2 7.58
Estimated administrative costs for second semester of 1970								1,887.8 4.36
 TOTAL, OUTSTANDING COMMITMENTS								43,259.3 100.00

E. Internal matching by assisted Governments in 1969

The provision by Governments of local funds, facilities, supplies, personnel and other resources for the execution of projects aided by UNICEF is known as "internal matching". For allocations made by UNICEF in 1969 totalling \$46.4 million, in accordance with advice received, the assisted Governments undertook to spend a minimum of \$92.6 million.

Table E-1. UNICEF allocations and internal matching by assisted Governments

by geographical area in 1969.

(In thousands of US dollars)

I. <u>Programme assistance</u>	<u>UNICEF</u> <u>allocations</u>	<u>Internal matching</u> <u>by Governments</u>
Africa	8,014	21,474
East Asia and Pakistan	8,551	24,009
South Central Asia	5,733	16,030
Eastern Mediterranean	3,043	10,030
Europe	27	60
The Americas	5,400	20,572
Assistance benefiting more than one region	4,998	500
	<u>35,766</u>	<u>92,675</u>
II. <u>Estimated operational services costs for second semester</u> <u>of 1969 and first semester of 1970.</u>	6,823	-
III. <u>Estimated administrative costs for second semester of 1969 and</u> <u>first semester of 1970.</u>	3,853	-
	<u>46,442</u>	<u>92,675</u>

PART TWO  
UNICEF GREETING CARD OPERATIONS

## FOREWORD

Sales of greeting cards and calendars in the 1968 season brought to UNICEF net earnings of \$3.9 million. These earnings - \$705,000 higher than the previous year - constitute over 8 per cent of total UNICEF income in 1969. Preliminary reports of sales in the 1969 season show a further substantial growth.

As in past years, UNICEF national committees and other voluntary groups were the main sales agents. Artists from twenty-nine countries contributed designs for the cards and calendars. These contributions, and the devoted efforts of many thousands of individuals, have made it possible for the Greeting Card Operations to make available to UNICEF for the welfare and development of children a large proportion of the purchase price of each card. I should like to record my gratitude for this help, without which the Greeting Card Operations would not be possible.

(Signed) Henry R. LABOUISSSE  
Executive Director

A. A BRIEF ACCOUNT OF THE 1968 CAMPAIGN  
1 MAY 1968 TO 30 APRIL 1969

Sales

1. Card sales in the 1968 campaign season amounted to 59,183,000 cards, an increase of 9,065,000 or 18 per cent over the preceding year. This rate of increase is close to the average annual increase achieved since inception of operations. Calendar sales amounted to 549,700, an increase of 8 per cent over the preceding year.

Table 1, Greeting cards and calendars sold  
1966, 1967 and 1968 campaigns

Campaign year	Cards sold	Percentage increase over previous year	Calendars sold	Percentage increase over previous year
1966	49,854,000	7	463,000	1
1967	50,118,000	0.5	509,000	10
1968	59,183,000	18	549,700	8

2. Among the factors contributing to improved sales may be:
- (a) Added efforts of volunteers due to comparatively disappointing results in 1966 and 1967;
  - (b) More attention to marketing.

3. Among the promotion materials produced for the 1969 campaign by the Greeting Card Operations and supplied to sales agents were the following:

	<u>Quantity produced:</u>
Greeting card brochures ( sixteen languages )	7,992,180
Posters ( thirty-one languages, fourteen versions )	199,400
Glossy photos for press reproduction	60,250
Promotional streamers for sales centres	35,950
Promotion kits containing basic written material for local publicity,	2,050
Television promotion spots (film prints - three languages, seven versions)	982
Matts for press reproduction	11,175
Promotion kit covers (four language versions)	10,225

4. Table 2 gives a breakdown of card sales by major geographic areas and selling countries. All areas except Africa and the Eastern Mediterranean registered increases. As in 1967, the largest percentage increase (32 per cent) was achieved in Central and South America. North America increased by 17.5 per cent and Europe by 19.5 per cent. Africa and the Eastern Mediterranean decreased by 11.3 per cent. Comparative information is included in table 2 for the 1966 and 1967 campaign years.

Table 2. Greeting card sales by area and major selling country

1966 to 1968

	1966 campaign		1967 campaign		1968 campaign		Percentage of increase 1968 over 1967
	Cards sold	Percentage of total sales	Cards sold	Percentage of total sales	Cards sold	Percentage of total sales	
<u>North America</u>							
United States of America	21,893,648	43.9	20,996,520	41.9	25,462,964	43.0	21.3
Canada	4,746,220	9.5	4,888,088	9.8	4,339,624	8.3	1.0
	<u>26,639,868</u>	<u>53.4</u>	<u>25,884,608</u>	<u>51.7</u>	<u>30,402,588</u>	<u>51.3</u>	17.5
<u>Europe</u>							
Federal Republic of Germany	3,502,565	7.0	4,211,876	8.4	5,471,476	9.2	30.0
France	2,255,900	4.5	2,611,110	5.2	3,490,580	5.9	33.7
United Kingdom of Great Britain and Northern Ireland	3,055,188	6.1	2,505,357	5.0	2,524,400	4.3	0.7
Switzerland	1,367,800	2.8	1,385,560	2.8	1,532,840	2.6	10.6
Netherlands	1,058,000	2.1	1,231,000	2.5	1,400,000	2.5	13.7
Norway	1,177,085	2.4	1,014,195	2.0	1,055,302	1.8	4.1
Sweden	1,124,486	2.3	948,152	1.8	992,662	1.7	4.7
Belgium	746,628	1.5	829,656	1.7	969,570	1.6	16.9
Denmark	1,083,092	2.2	952,027	1.9	965,095	1.6	1.4
Other European Countries	2,093,756	4.2	2,332,172	4.6	3,129,822	5.3	34.2
	<u>17,464,500</u>	<u>35.1</u>	<u>18,021,105</u>	<u>35.9</u>	<u>21,531,747</u>	<u>36.5</u>	19.5
<u>Central and South America</u>							
Argentina	558,831	1.1	712,416	1.4	1,050,967	1.8	47.5
Other Central and South American countries	1,678,526	3.4	2,104,530	4.2	2,668,150	4.5	26.8
	<u>2,237,357</u>	<u>4.5</u>	<u>2,816,946</u>	<u>5.6</u>	<u>3,719,117</u>	<u>6.3</u>	32.0
<u>Asia</u>	1,334,972	2.7	1,358,266	2.7	1,444,651	2.4	6.4
<u>Australia and New Zealand</u>	1,409,230	2.8	1,299,657	2.6	1,431,223	2.4	10.1
<u>Africa and Eastern Mediterranean</u>	767,906	1.5	736,980	1.5	653,459	1.1	(11.3)
TOTALS	<u>49,853,833</u>	<u>100.0</u>	<u>50,117,562</u>	<u>100.0</u>	<u>59,182,785</u>	<u>100.0</u>	18.1



5. Card sales in major selling countries on the basis of 1,000 population for campaign years through 1968 are given in table 3.

Table 3. Card sales of major selling countries<sup>a/</sup>  
on a population basis  
1966-1968

<u>Country</u>	<u>Card sales per 1,000 of population</u>		
	<u>1966</u>	<u>1967</u>	<u>1968</u>
Luxembourg	337	300	322
Norway	314	268	280
Switzerland	226	229	252
Canada	238	239	242
Denmark	226	197	199
United States of America	111	105	128
Sweden	144	120	126
Netherlands	85	98	111
New Zealand	158	113	107
Finland	24	107	102
Belgium	78	87	101
Chile	50	67	98
Federal Republic of Germany	59	73	95
Australia	84	84	88
France	46	52	70
Ireland	52	53	66
Iceland	161	114	51
Austria	41	39	48
United Kingdom of Great Britain and Northern Ireland	56	45	46
Argentina	25	31	45

<sup>a/</sup> The list includes countries where sales exceeded **forty** cards per 1,000 population.

### Income and expenditure

6. Table 4 shows gross income, expenditure and net operating income for the 1968 campaign with comparative figures for the two previous years, and table 5 shows income and expenditure for the 1968 campaign compared with approved estimates (E/ICEF/AB/L.78).

7. Gross income for the 1968 campaign amounted to \$9,291,297, an increase of \$1,390,185 or 18 per cent over that of the previous year. A total of 26 per cent of gross income went for commissions, duties and taxes, while 30 per cent of gross income went for production staff and sales cost compared to 32 per in 1967. The UNICEF Public Information Fund's share of production costs and income of the calendar was increased from 20 per cent to 30 per cent in 1968 (see section D, "Notes on statement I", paragraph 3 below), the net income payable rose to \$177,273 or 2 per cent of gross income. Total net income rose \$705,456 to \$3,904,862 in 1968, an increase of nearly 22 per cent over that for the 1967 campaign. The net operating income constituted 42 per cent of gross income. The goal of the Greeting Card Operations is to achieve a net operating income of 50 per cent of the gross for contribution to the financing of UNICEF assistance.

Table 4. Gross and net operating income, 1966 to 1968 sales campaigns

(In US dollars)

Campaign year	Gross income	Commission, duties and taxes	Commission, age of gross income	Production staff and sales costs	Production staff and sales costs as percentage of gross income	UNICEF Revolving Fund share of net calendar income	UNICEF Revolving Fund share of net calendar income as percentage of gross income	Net operating income	Net operating income as percentage of gross income
1966	7,306,655	1,830,663	25	2,370,163	32	80,588	1	3,105,241	42
1967	7,901,112	2,065,362	26	2,504,850	32	112,959	1	3,217,941	41
1968	9,291,297	2,423,570	26	2,785,592	30	177,273	2	3,904,862	42

Table 5. Income and expenditure for the 1968 campaign compared with approved estimates

(In US dollars)

	Approved estimates		Actual		Difference	
	Dollars	Percentage	Dollars	Percentage	Dollars	Percentage increase or (decrease)
<u>Sales</u>						
Greeting cards	7,850,000	87.7	7,979,132	85.9	129,132	1.6
Engagement calendars	1,000,000	11.2	1,264,424	13.6	264,424	26.4
Fine art prints	100,000	1.1	47,741	.5	(52,259)	(52.2)
Total gross sales	8,950,000	100.0	9,291,297	100.0	341,297	30.1
<u>Less:</u>						
Commissions paid	2,148,000	24.0	2,337,455	25.1	189,455	8.8
Duties and taxes	120,000	1.3	86,115	1.0	(33,885)	(28.2)
	6,682,000	74.7	6,867,727	73.9	185,727	2.6
<u>Budgetary expenditures</u>						
Salaries, wages and common staff costs	360,000	4.0	343,873	3.7	(16,127)	(4.5)
Other expenses and permanent equipment	407,300	4.6	392,155	4.2	(15,145)	(3.7)
Production costs	1,610,000	18.0	1,724,016 <sup>a/</sup>	18.6	114,016	7.1
Sales promotion costs	341,000	3.8	325,548	3.5	(15,452)	(4.5)
	2,718,300	30.4	2,785,592	30.0	67,292	2.5
<u>Share of gross profit on calendars transferred to UNICEF Public Information Revolving Fund</u>						
			177,273	1.9	177,273	
	2,718,300	30.4	2,962,865	31.9	244,565	9.0
<u>Net operating income</u>						
Miscellaneous	3,963,700	44.3	3,904,862	42.0	(58,838)	(1.5)
	50,000	0.5	44,447	.5	(5,553)	(11.1)
Excess of income over expenditure for the campaign	4,013,700	44.8	3,949,309	42.5	(64,391)	1.6

<sup>a/</sup> Adjusted for inventory decrease and to include 100 per cent of calendar costs.

## Designs

8. Designs were donated by seventy-five artists from twenty-nine countries. Twenty-one designs were used for the cards and fifty-four for the calendars. A list of these artists is set out below. The generosity of these artists has made possible a continuing high standard of design.

<u>Card artists</u>	<u>Name of design</u>	<u>Nationality</u>
Patricia Barton	Snowy Eve	United States
Zoravia Bettiol	The Balloon Vendor	Brazil
Charles Burchfield	Orion in Winter	United States
James Stevens Curl	Holiday Tree	United Kingdom
Etienne Delessert	Bird of Friendship	Switzerland
Tom Eckersley	World of Music	United Kingdom
Jean Eve	Holiday Calm	France
Donald Hamilton Fraser	Cathedral Spires	United Kingdom
Arthur Getz	United Nations Headquarters, New York	United States
Hilde Greller	The Herald	Federal Republic of Germany
Gisken Gross	The Journey	Denmark
Vincent Haddelsey	Winter in the Cariboo	United Kingdom
Carolyn Jablonsky	Procession	United States
Cecile Johnson	Skating - Rockefeller Center, New York	United States
Hagop G. Khoubessarian	Arctic Dance	Canada
Clotilde Pasquier	The Gift Bearers	France
Baw Oo Thet	Asian Harbour Scene	Burma
Soshana	Tyrolean Village	Austria
Jiri Trnka	The King	Czechoslovakia
Trudi Weber	Mexican Toy Fair	Switzerland
Karl Zerbe	Cypher	United States

<u>Calendar artists</u>	<u>Name of design</u>	<u>Nationality</u>
Tonje Strøm Aas	The Recitation	Norway
Albert Akampo	Childhood	Togo
Derrick Andrée	Fishing	Ceylon
Kenneth Armitage	Christabel	United Kingdom
William Armour	Reverie	United Kingdom
Umetaro Azechi	The Butterfly Chase	Japan
Baniprosunno	Charm of Alphabet	India
Olga Blinder	Young Girl	Paraguay
Hannah Brandt	Leap Frog	Brazil
Vincent Breton	Girl with Dove	France
Daniel Brustlein	The Young Scholar	United States
Corneille	Family at Play	Netherlands
Robert Dickerson	Pensive Boy	Australia
Käte Döring	The Pet Lamb	Federal Republic of Germany
Philip Evergood	Mother and Daughter	United States
Jacqueline Fabius	Boys Flying Kite	Haiti
Helen Frank	The Sea Shell	United States
Antonio Frasconi	My Son Miguel	Uruguay
Sydney Goodman	Amanda in the Studio	United States
Pnina Granirer	Building a Dream	Israel
Phyllis Janes	Making Angels in the Snow	Canada
Gitz-Johansen	Girl from Greenland	Denmark
Herbert Katzman	Annie Riding	United States
Stuart Kaufman	Study of Three Heads	United States
Kiakshuk	The Ball Game	Canada
Felizitas Köster Caspar	Sleeping Children	Federal Republic of Germany
Lotte Laserstein	Ronny of Lapland	Sweden
Jacob Lawrence	Boys at Play	United States
Giacomo Manzù	The Chariot	Italy

<u>Calendar artists (continued)</u>	<u>Name of design</u>	<u>Nationality</u>
Josefina Maynadé	Infancy	Spain
Robert Micklewright	Greenwich Park	United Kingdom
Genia Minache	At the Fair	France
Eva de Negri	Playtime	Nigeria
Bente Noya	The Schoolgirl	Denmark
Robert Paterson	Eskimo Child	Canada
Tore Bernitz Pedersen	Pia Drawing	Norway
Waldo Peirce	At the Beach	United States
Christiane Pflug	The Bird Cage	Canada
Edouard Pignor	Maternity	France
Candido Portinari	Shepherd Boy with Lamb	Brazil
Roger Raveel	The Guiding Hand	Belgium
Fabio Rieti	Denise	United States
Federico Righi	The Bakery	Italy
Josefina Robirosa	The Family	Argentina
Sadie Rosenblum	The Gymnasium Class	United States
Doris Rosenthal	Little Mexican Girl	United States
Y. Sath	Beauty Treatment	India
Charles Salerno	Dancer in Leotard	United States
Stig Södersten	By the Harbour	Sweden
Gerrit Veenhuizen	Children with Star	Netherlands
Aat Verhoog	Mother and Child	Netherlands
Robert Vicksey	A Mother's Care	United States
Co Westerik	Playing with Children	Netherlands
William Winter	The Group	Canada

B. REPORT OF THE BOARD OF AUDITORS TO THE GENERAL ASSEMBLY  
ON THE ACCOUNTS OF THE UNICEF GREETING CARD OPERATIONS  
FOR THE YEAR ENDED 30 APRIL 1969

1. The Executive Director of the United Nations Children's Fund submitted the following Greeting Card Operations statements to the Board of Auditors for audit and certification:

Statement I. Income and expenditure for the 1968 campaign year to 30 April 1969;

Statement II. Budgetary authorizations and obligations incurred for the year ended 30 April 1969.

2. In the course of the audit, the Board noted the continuing incidence of unauthorized destruction of cards, commissions retained in excess of agreed rates and delay in submission of sales reports and remittance of payments to UNICEF in the case of a number of the larger National Committees. The Board again recommends that written agreements be entered into between UNICEF and the National Committees defining precise procedures to be followed.

3. The Greeting Card management contracted computer services from outside sources from 1965 to 1969 at a recorded cost of \$145,255. The Board believes the contracted basis should have been on a fixed-price service with the provision that the outside service was to provide the programme designs and flow charts for future use in United Nations computers.

4. The Board of Auditors has completed a special management audit of the Greeting Card Operations. As a result of this audit, a number of recommendations were submitted to the Executive Director for his consideration and implementation. Included among the Board's recommendations are the following:

Organizational chart: Adoption of an organizational chart and a clear definition of duties to improve the present structural organization.

Production estimates: The 1968 sales campaign proved again to be at great variance with the estimates, which resulted in over-production of 33.86 per cent, equivalent to 7,512,789 unsold cards. The Board believes that production estimates would be more realistic if they were based on marketing studies technically prepared and carefully analysed. This would improve the accuracy of the production plan and, by reducing over-production, increase the net profit.

5. The Board is appreciative of the co-operation and assistance received from UNICEF and Greeting Card personnel.

(Signed) A.M. HENDERSON  
Auditor-General  
of Canada

Victor G. RICARDO  
Controller-General  
of Colombia

A.I. OSMANY  
Comptroller and Auditor-  
General of Pakistan

1 July 1970



C. FINANCIAL STATEMENTS OF THE GREETING CARD AND RELATED  
OPERATIONS FOR THE 1968 SALES CAMPAIGN  
(ACCOUNTING PERIOD FROM 1 MAY 1968 TO 30 APRIL 1969)

1. The financial statements comprise the following:

- (a) Statement I. Income and expenditure for the 1968  
campaign year to 30 April 1969;
- (b) Statement II. Budgetary estimates, obligations incurred,  
and unencumbered balance of estimates for  
the year to 30 April 1969;
- (c) Notes forming part of statements I and II (section D).

INCOME AND EXPENDITURE  
(In United States dollars)

	1968 Campaign - year to 30 April 1969		1967 Campaign - year to 30 April 1968	
<u>Sales</u>				
Greeting cards		7,979,131.76		6,708,076.22
Calendars		1,264,424.31		1,166,994.55
Fine art prints		47,741.33		25,933.75
Books				107.52
		<u>9,291,297.40</u>		<u>7,901,112.04</u>
<u>Less: Commissions paid</u>	2,337,454.88		1,959,801.49	
<u>Duties and taxes</u>	<u>86,115.59</u>	<u>2,423,570.47</u>	<u>105,560.72</u>	<u>2,065,362.21</u>
		6,867,726.93		5,835,749.83
<u>Cost of sales</u>				
Opening inventory		184,516.91		158,530.00
Production costs		<u>1,695,746.40</u>		<u>1,561,798.32</u>
		1,880,263.31		1,720,328.32
<u>Less: Closing inventory</u>		<u>156,247.08</u>		<u>184,516.91</u>
		1,724,016.23		1,535,811.41
<u>Gross profit on sales</u>		5,143,710.70		4,299,938.42
LESS:				
<u>Share of gross profit on calendars and books</u>				
<u>transferred to UNICEF Public Information</u>				
<u>Revolving Fund</u>				
		177,272.55		112,958.84
LESS:		<u>4,966,438.15</u>		<u>4,186,979.58</u>
<u>Other expenditure</u>				
Salaries, wages and common staff costs		343,872.98		276,646.48
Other expenses and permanent equipment		392,155.11		355,316.24
Sales promotion costs		<u>325,547.98</u>		<u>337,076.22</u>
		1,061,576.07		969,038.94
<u>Net operating income</u>		3,904,862.08		3,217,940.64
ADD:				
<u>Other income</u>				
<u>Excess of income over expenditure</u>		44,447.30		25,911.95
		<u>3,949,309.38</u>		<u>3,243,852.59</u>

**Note:** The notes in section D, paragraphs 1-6 form an integral part of this statement and should be read in conjunction therewith.

CERTIFIED CORRECT

APPROVED

(Signed) W.G. MIDDELMANN

(Signed) Henry R. LABQUISSE

Comptroller

Executive Director

AUDIT CERTIFICATE

The above statement of income and expenditure of the UNICEF Greeting Card Operations for the financial year ended 31 December 1969 has been examined in accordance with our directions. We have obtained all the information and explanations that we have required, and we certify, as a result of the audit, that, in our opinion, the financial statement is correct.

(Signed) A.M. HENDERSON  
Auditor-General of Canada

Victor G. RICARDO  
Controller-General of Colombia

A.I. USMANY  
Comptroller and Auditor-General of Pakistan

1 July 1970

Budgetary authorizations and obligations incurred for the year ended 30 April 1969  
and unobligated balances of authorizations at 30 April 1969

(In US dollars)

	Budgetary authorizations			Obligations incurred	Unobligated balance of authorization	1967 Campaign obligations incurred for year to 30 April 1968
	Original	Adjustments	Revised			
<b>Section 1. Salaries, wages and common staff costs</b>						
Established posts	272,800.00	(13,900.00)	258,900.00	254,408.31	4,491.69	209,063.71
Consultants	20,000.00	---	20,000.00	15,959.66	4,040.34	11,628.36
Temporary assistance	10,000.00	9,000.00	19,000.00	18,006.81	993.19	14,722.71
Overtime	1,000.00	---	1,000.00	457.48	542.52	---
Travel, removal and installation	2,000.00	---	2,000.00	1,251.01	748.99	4,669.09
Separation payments	2,000.00	1,600.00	3,600.00	3,004.80	595.20	1,694.34
Contributions, Pension Fund	31,000.00	---	31,000.00	30,006.03	993.97	24,634.61
Dependency allowances	7,800.00	2,800.00	10,600.00	10,566.87	33.13	6,120.59
Travel on home leave	6,500.00	---	6,500.00	5,222.96	1,277.04	---
Staff welfare	800.00	500.00	1,300.00	1,232.04	67.96	---
Medical insurance and related payments	6,100.00	---	6,100.00	3,757.01	2,342.99	4,113.04
Total, Section 1	360,000.00	---	360,000.00	343,872.98	16,127.02	276,646.48
<b>Section 2. Other expenses and permanent equipment</b>						
Travel on official business	22,000.00	3,000.00	25,000.00	24,930.85	69.15	17,671.33
Freight	120,000.00	6,000.00	126,000.00	125,261.19	738.81	104,196.31
Communications	21,000.00	(3,000.00)	18,000.00	17,740.86	259.14	14,844.86
Rental and maintenance of premises and storage	125,000.00	(6,000.00)	119,000.00	118,482.15	517.85	130,717.89
Office supplies	8,000.00	---	8,000.00	6,276.55	1,723.45	5,410.35
Miscellaneous supplies and services	10,500.00	6,000.00	16,500.00	16,249.59	250.41	13,100.27
Rental and maintenance of office and accounting equipment	34,000.00	23,000.00	57,000.00	56,276.15	723.85	33,280.69
External and internal audit costs	20,000.00	---	20,000.00	13,940.00	6,060.00	7,000.00
Hospitality	800.00	---	800.00	317.10	482.90	349.25
Furniture and office equipment	6,000.00	---	6,000.00	5,033.19	986.81	9,851.24
Production and distribution equipment	40,000.00	(29,000.00)	11,000.00	7,647.48	3,352.52	18,894.05
Total, Section 2	407,300.00	---	407,300.00	392,155.11	15,144.89	355,316.24
<b>Section 3. Production costs</b>						
Greeting cards	1,350,000.00	---	1,350,000.00	1,345,760.30	4,239.70	1,230,987.17
Calendars	250,000.00	---	250,000.00	241,416.11a/	8,583.89	245,173.22a/
Fine art prints	10,000.00	---	10,000.00	5,105.95	4,894.05	24,344.63
Total, Section 3	1,610,000.00	---	1,610,000.00	1,592,282.36	17,717.64	1,500,505.02

a/ The obligations incurred in respect of calendar production costs represent 80 per cent of the total obligations in 1967 and 70 per cent in 1968 under this heading, in view of the sharing agreement with the Public Information Revolving Fund.

## STATEMENT II

	<u>Budgetary authorizations</u>			<u>Obligations incurred</u>	<u>Unobligated balance of authorization</u>	<u>1967 Campaign obligations incurred for year to 30 April 1968</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Revised</u>			
Section 4. <u>Sales promotion costs</u>						
Brochure printing	281,000.00	(400.00)	280,600.00	265,199.76	15,400.24	298,006.10
Publicity and promotion	60,000.00	400.00	60,400.00	60,348.22	51.78	39,070.12
Total, Section 4	<u>341,000.00</u>	<u>-.-</u>	<u>341,000.00</u>	<u>325,547.98</u>	<u>15,452.02</u>	<u>337,076.22</u>
GRAND TOTAL	<u>2,718,300.00</u>	<u>-.--</u>	<u>2,718,300.00</u>	<u>2,653,858.43</u>	<u>64,441.57</u>	<u>2,469,543.96</u>

Note: The notes in section D, paragraphs 7-9, form an integral part of this statement and should be read in conjunction therewith.

CERTIFIED CORRECT

APPROVED

(Signed) W.G. MIDDELMANN  
Controller

(Signed) Henry R. LABOUISSSE  
Executive Director

## AUDIT CERTIFICATE

The above statement of budgetary authorizations and obligations incurred and unobligated balances of authorizations of the UNICEF Greeting Card Operations for the financial year ended 31 December 1969 has been examined in accordance with our directions. We have obtained all the information and explanations that we have required, and we certify, as a result of the audit, that, in our opinion, the financial statement is correct.

(Signed) A.M. HENDERSON  
Auditor-General of Canada

Victor G. RICARDO  
Controller-General of Colombia

A.I. OSMANY  
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D. NOTES FORMING PART OF STATEMENTS I AND II

Notes on Statement I: Income and expenditure

Inventory 30 April 1969

1. At 30 April, 1969 greeting card stocks held globally totalled 36.1 million boxed cards and the equivalent of 26.9 million cards in an unfinished state, a total somewhat lower than comparable amounts at 30 April 1968. During the financial period, approximately 20.8 million greeting cards of old designs considered no longer salable were sold as scrap paper or donated to approved organizations. The inventory at 30 April 1969 has been valued at \$156,247 (compared with \$184,517 a year earlier). This is considered a conservative estimate of the value of the items that can be used in subsequent campaigns.

2. The card stock movement is set forth in Table 6.

Table 6. Card stock movement - 1968 season  
(In millions of cards)

	<u>1968 Season</u>			<u>1967 Season</u>		
	Uncollated	Collated	Total	Uncollated	Collated	Total
Opening inventory	30.0	38.5	68.5	30.6	33.4	64.0
New cards printed during campaign	21.7	55.6	77.3	17.5	51.4	68.9
<u>Deduct:</u> Cards sold and destroyed during campaign	(24.8)	(58.0)	(82.8) <sup>a/</sup>	(18.1)	(46.3)	(64.4)
Closing inventory	<u>26.9</u>	<u>36.1</u>	<u>63.0</u>	<u>30.0</u>	<u>38.5</u>	<u>68.5</u>

<sup>a/</sup> Of this total, 59.2 million cards were sold. Of the remaining 23.6 million, 20.8 old designs no longer salable were destroyed or donated. Normal losses by "slippage" in production processes account for most of the remainder.

Share of production cost and gross profit on calendars

3. On the basis of an agreement with the UNICEF Public Information Revolving Fund to share production costs and gross profits on calendars, the latter received an income of \$177,273 from the 1968 campaign. The agreement charges the Public Information Revolving Fund with 30 per cent of production costs of calendars and credits the Fund with 30 per cent of gross sales, less commissions, duties and taxes. In prior years, the applicable percentage was 20 per cent. However, it became evident early in 1968 that income accruing to the Fund from calendar sales would not reach the figure previously estimated, and a decision was made to increase the Fund's share to maintain the level of financial resources available for the Fund to carry out its previously planned public information program for 1968 without depleting its principal. 1/

4. For the 1968 campaign, both sales and expenditures of calendars are shown on a gross basis. Table 7 shows the sharing between the Public Information Revolving Fund and the Greeting Card Operations.

Table 7. Calendars: Sharing of income and expenditure between the Greeting Card Operations and the UNICEF Public Information Revolving Fund

<u>1968 Season</u>			
<u>(In US dollars)</u>			
	Gross	UNICEF Public Information Revolving Fund share	Greeting Card Operations share
<u>Income</u>			
Sale of calendars	1,264,424.31	379,327.30	885,097.01
Less:			
<u>Expenditures</u>			
Commissions paid	315,944.93	94,783.48	221,161.45
Duties and taxes	12,690.77	3,807.23	8,883.54
Production costs	<u>344,880.15</u>	<u>103,464.04</u>	<u>241,416.11</u>
Total	673,515.85	202,054.75	471,461.10
<u>Income less expenditures</u>	<u>590,908.46</u>	<u>177,272.55</u>	<u>413,635.91</u>

1/ See administrative and operational services budget estimates for the financial year 1969 (E/ICEF/AB/L.75, para. 32 (c)).

Other income

5. The total of \$44,447 included the sum of \$16,911 in respect of a special repayment of taxes paid in Denmark in previous campaigns. The balance consisted mainly of credits from the Staff Assessment Plan and discount allowed by vendors on materials and services purchased.

Excess of income over expenditure

6. A total of \$3,949,309.38 from the 1968 sales campaign was transferred to the general resources of UNICEF in 1969, after closure of the campaign records at 30 April 1969, and will be shown in the income of UNICEF for the year to 31 December 1969. The net income of the 1968 campaign was based on the inclusion of accounts receivable in the sales total of \$3,373,939 compared with \$2,963,221 at 30 April 1968.

Notes on Statement II. Budgetary estimates, obligations incurred  
and unencumbered balances of estimates for  
the year ended 30 April 1969

7. The Executive Board, at its May 1968 session, approved budget estimates for the 1968 sales campaign in the amount of \$2,718,300 (E/ICEF/576). These estimates excluded 30 per cent of the production cost of engagement calendars, which was to be charged to the Public Information Revolving Fund under the sharing agreement with the latter, and statement II shows only 70 per cent of actual estimates and expenditures (see Section 3, production costs - calendars).

8. In accordance with the authority given to the Executive Director, certain transfers between individual budget lines within sections were necessary during the campaign, but no additional amount was required for this campaign.

9. Obligations incurred against the original estimate of \$2,718,300 amounted to \$2,653,658 and as the unobligated balance of \$64,442 is no longer required, it has been cancelled.