



Committee of Permanent
Representatives

UN  **HABITAT**
FOR A BETTER URBAN FUTURE



2017

**Presentation on
Financial Statements
for the year
2017**

STATEMENT I



Statement of
Financial
Position

Statement of financial Position

- It provides information on the extent to which resources are available for continued delivery of services in future.

01



- This is referred to as Statement I. It is presented on page 14 and should be read together with the specified notes.



02

04



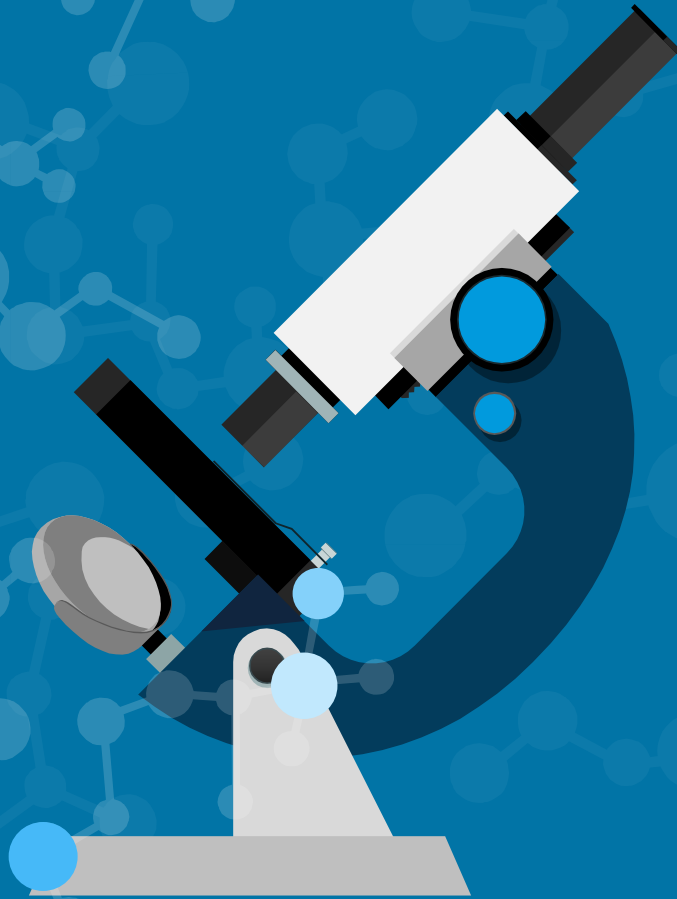
- This statement shows the financial status of UN-Habitat as at 31 December 2017.

- It reports the overall value of assets and liabilities of UN-Habitat.

03

Statement of financial Position

Assets



Liabilities

Statement of financial Position

Current assets

2017: \$350.3 million

2016: \$362.1 million

Decrease: \$11.8 million

% Decrease: 3.3

**Decrease mainly due to
voluntary contributions*

Total assets

2017: \$461.5 million

2016: \$444.5 million

Increase: \$17.0 million

% Increase: 3.8

Non-current assets

2017: \$111.2 million

2016: \$82.2 million

Increase: \$29.0 million

% Increase: 35.3

**Increase mainly due to
voluntary contributions
receivable*

Statement of financial Position

Current liabilities

2017: \$97.2 million

2016: \$55.8 million

Increase: \$41.4 million

% Increase: 74.2

**Increase mainly due to other liabilities (conditional liabilities)*

Total liabilities

2017: \$143.7 million

2016: \$94.4 million

Increase: \$49.3 million

% Increase: 52.2

Non-current liabilities

2017: \$46.5 million

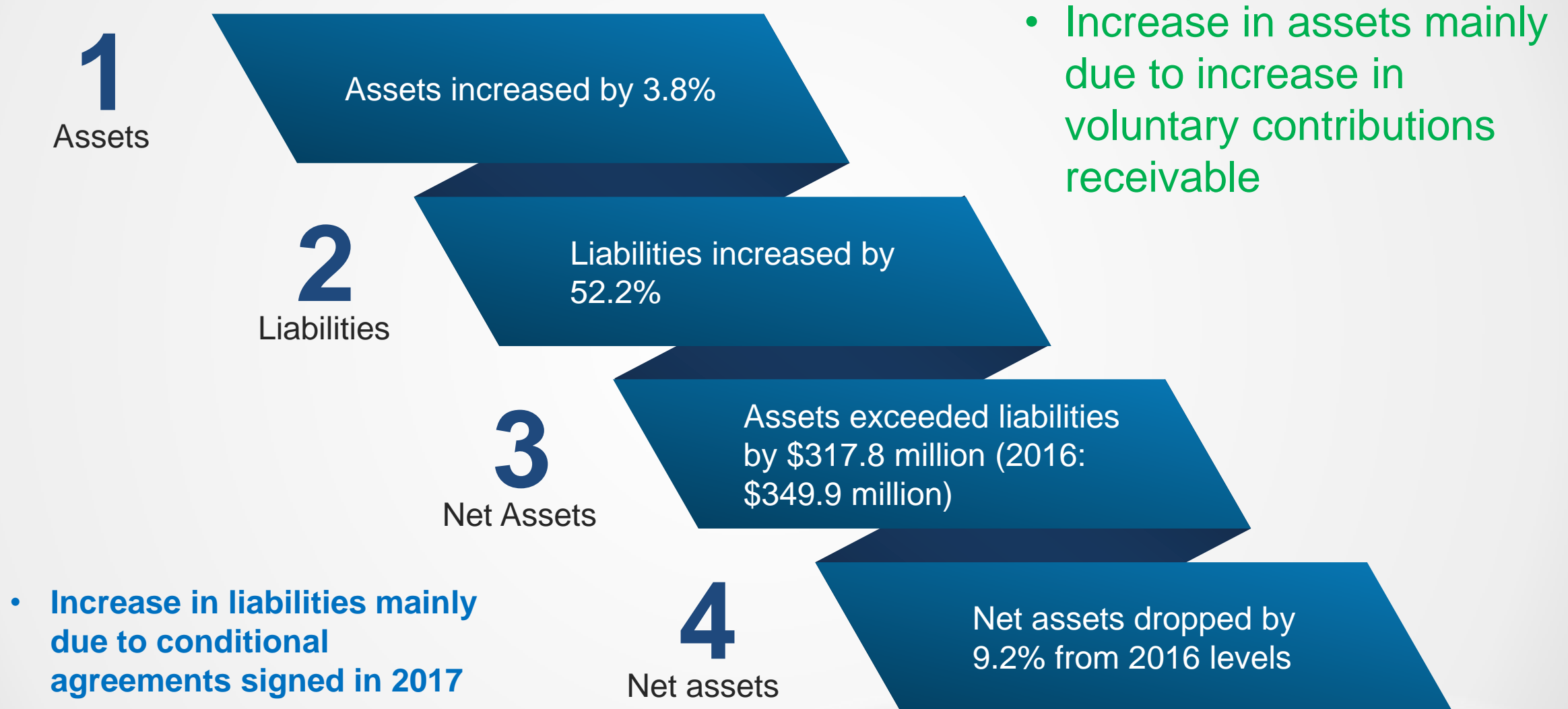
2016: \$38.7 million

Increase: \$7.8 million

% Increase: 20.2

**Increase due to employee benefits*

Statement of financial Position - Summary



STATEMENT II



Statement of
Financial
Performance

Statement of financial Performance

• indicates whether the organization achieved its self-financing objective for the period.

01



• This is referred to as Statement II. It is presented on page 15 and should be read together with the specified notes.

02



• This statement measures the net surplus or deficit as the difference between revenues and the corresponding expenses incurred.

04



03

Statement of financial Performance

Revenue

Expenditure



Statement of financial Performance

01

Revenue

2017: \$170.7 million
2016: \$227.0 million
Decrease: \$56.3 million
% Decrease: 24.8

02

Expenditure

2017: \$197.5 million
2016: \$186.8 million
Increase: \$10.7 million
% Increase: 5.7

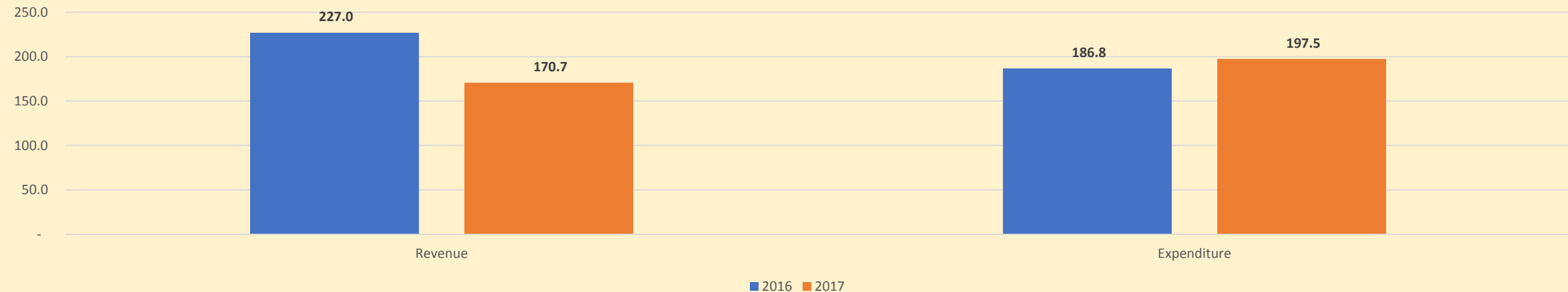
03

(Deficit)/Surplus

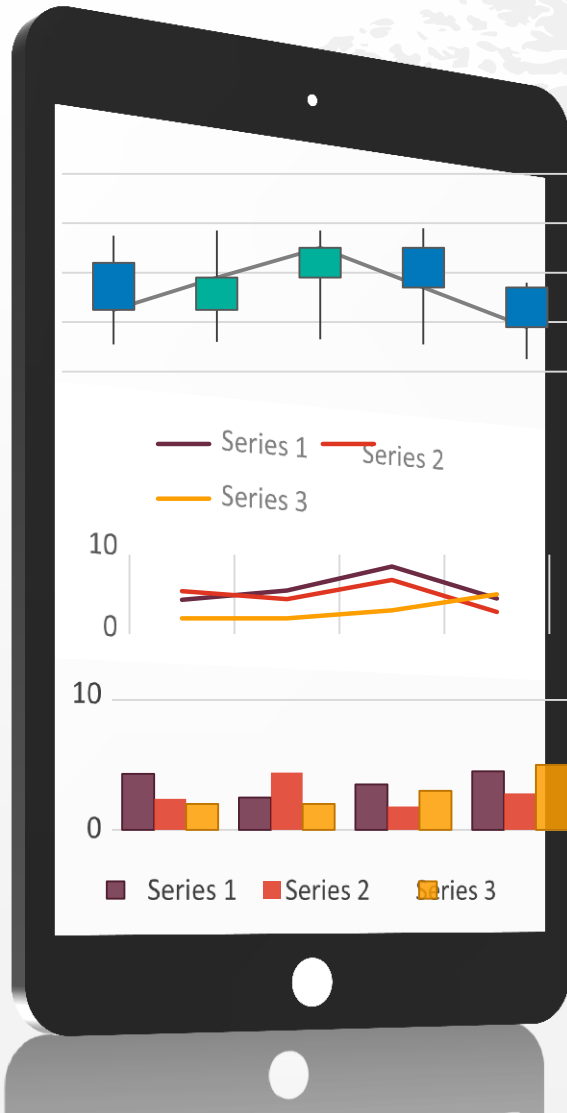
2017: \$40.2 million
2016: \$(26.8) million
Decrease: \$67.0 million
% Decrease: 250.0

Revenue and Expenditure Chart

(In millions of US Dollars)



Statement of financial Performance



- REVENUE decrease mainly due to drop in voluntary contributions



- There was also a slight drop in regular budget revenue



- EXPENDITURE increase mainly due to increase in transfers to implementing partners and other operating expenses



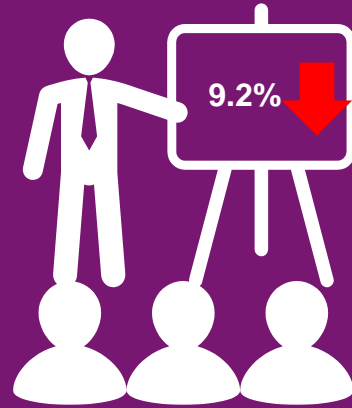
STATEMENT III

Statement of
Changes in
nets assets

Statement of Changes in Net Assets



Statement of Changes in Net Assets




Starting Net Assets were \$349.9 million

Reduced by \$5.3 million actuarial costs

Reduced by deficit of \$26.8 million

Ending Net Assets are \$317.8 million

STATEMENT IV



Statement of
cash flows

Statement of Cash Flows

01

- Shows the ability of UN-Habitat to generate cash liquidity which is an important aspect in assessing financial resilience.

- This is referred to as Statement IV. It is presented on page 17.



02

04

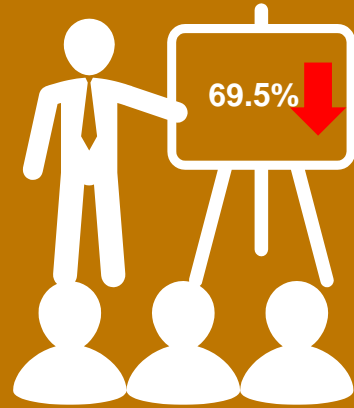


- The movements are classified by operating and investing activities.

03

- This statement reflects the changes in the cash position of UN-Habitat by reporting the net movement of cash.

Statement of Changes in Net Assets



Starting Cash was \$55.5 million

Net cash inflow from operating activities was \$11.9 million

Net cash outflows from investing activities was \$50.5 million

Ending Cash position is \$16.9 million

STATEMENT V

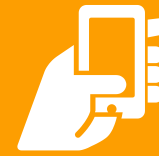
Statement of
comparison of
budget and
actuals

Statement of Comparison of Budget and Actuals

- Actual expenditures represent IPSAS actual expenditure and also qualifying commitments.

01

- This is referred to as Statement V. It is presented on page 18.



02

04

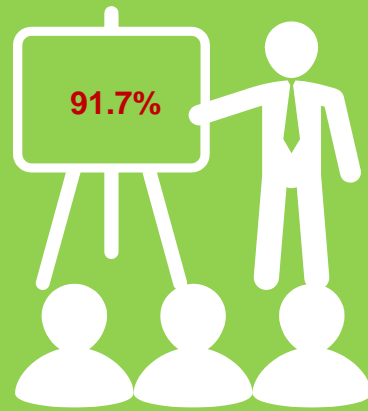


- It compares the actual operational results with the main budget previously approved by the Governing Council and the General Assembly.

03

- Main comparison is between the final budget and the actual expenditures.

Statement of Comparison of Budget and Actuals



Original budget was \$243.5 million

Final budget was \$194.5 million

Actual expenditure was \$178.4 million

**Execution rate is 73.2% on Initial budget
and 91.7% on final budget**

Performance by Segment

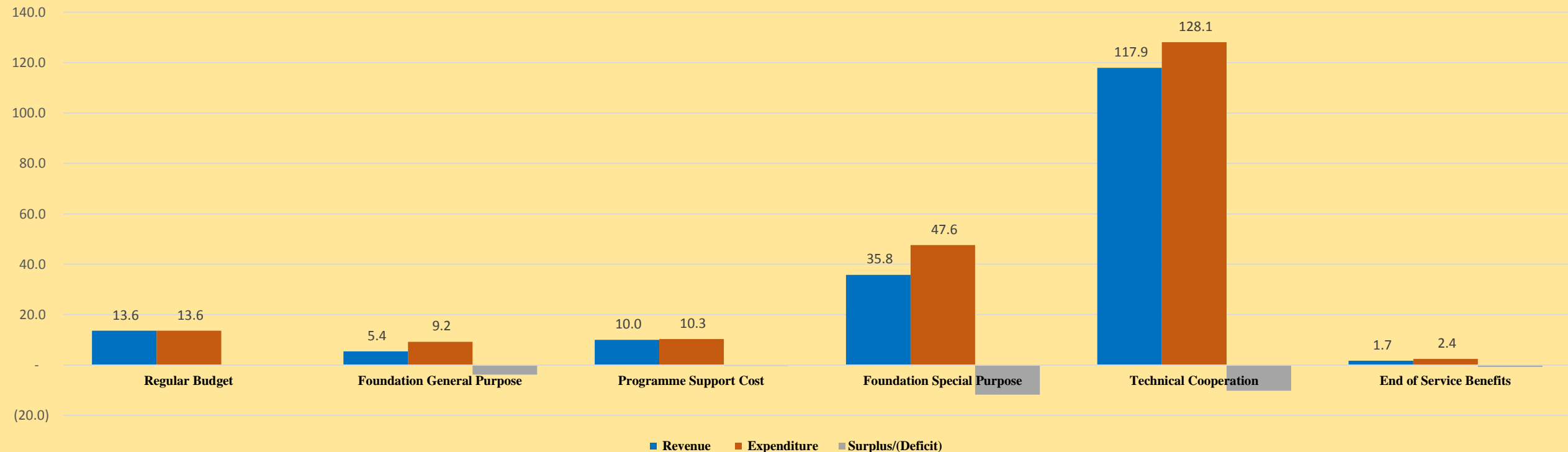


2017 - Aggregate performance for all segments

- Revenue amounted to \$184.4 million
- Expenditures amounted to \$211.2 million
- Realised deficit amounted to \$26.8 million in the year

2017 Aggregate Performance

(In millions of US Dollars)

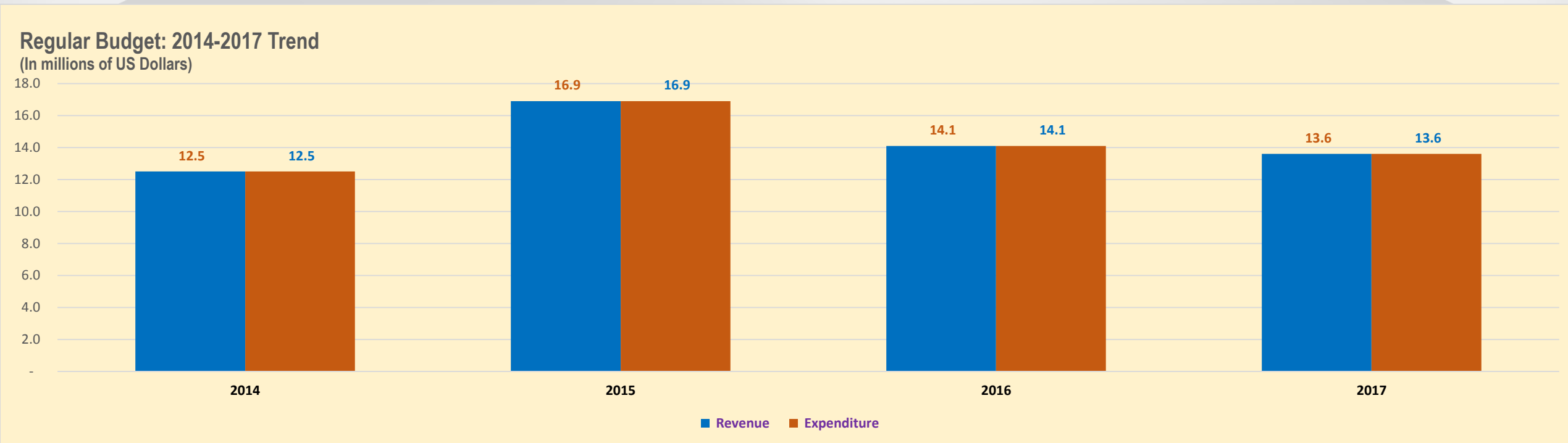


Regular Budget



Regular budget performance

- ❑ Revenue amounted to \$13.6 million
- ❑ Expenditures amounted to \$13.6 million
- ❑ No deficit or surplus on this fund
- ❑ No fund balances or reserves maintained on this fund



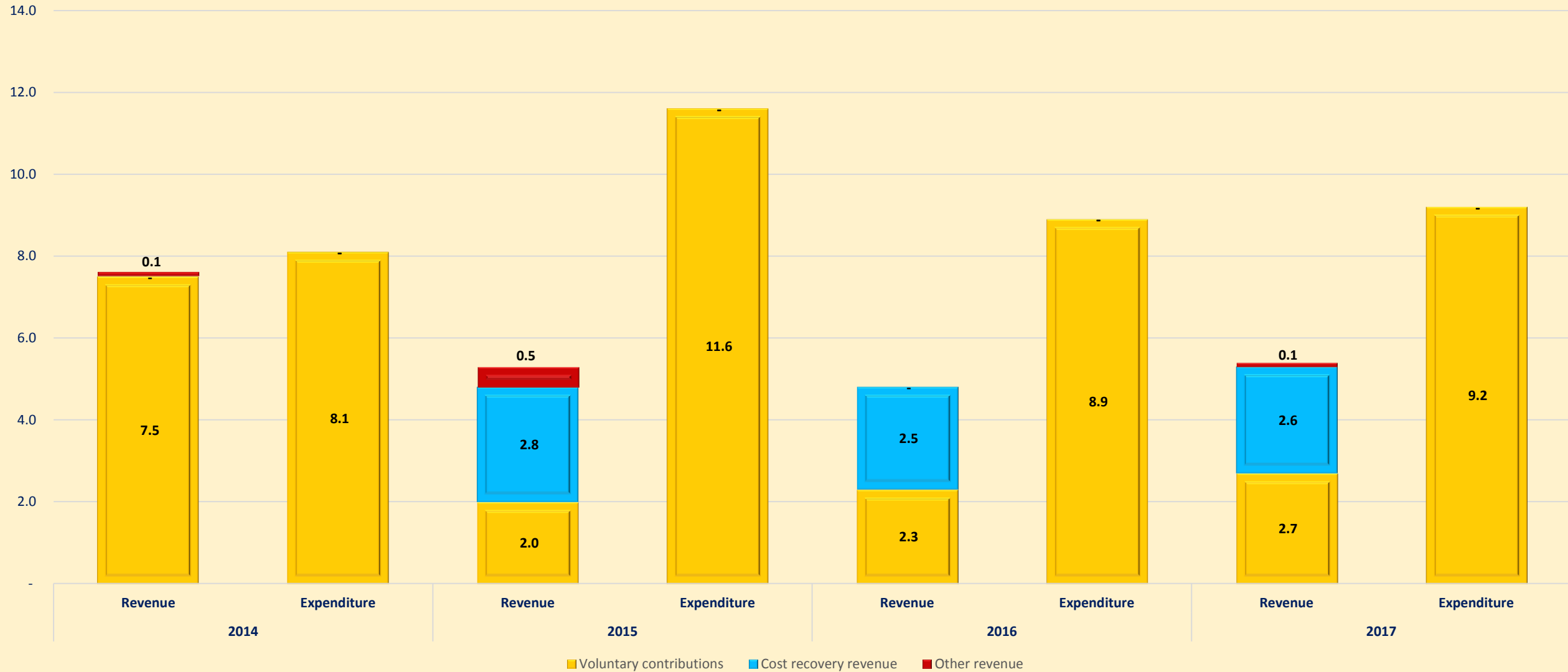
Foundation General Purpose



Foundation General Purpose

2014-2017 Foundation General Purpose trend

(Millions of US Dollars)



Foundation General Purpose

- ❑ Total revenue amounted to \$5.4 million.
- ❑ This includes Voluntary contributions of \$2.7 million.
- ❑ Expenditures amounted to \$9.2 million
- ❑ Realised deficit for 2017 is \$3.8 million

\$5.4 m

-

\$9.2 m

=

(\$3.8 m)

Foundation General Purpose

Reserves and fund balances

- ❑ Following GC resolution in 2017, reserves were adjusted from \$4.6 million to \$2.6 million
- ❑ Foundation accumulated deficit of \$327,000.
- ❑ Fund needs some cash injection as funds no depleted.

3

Programme support

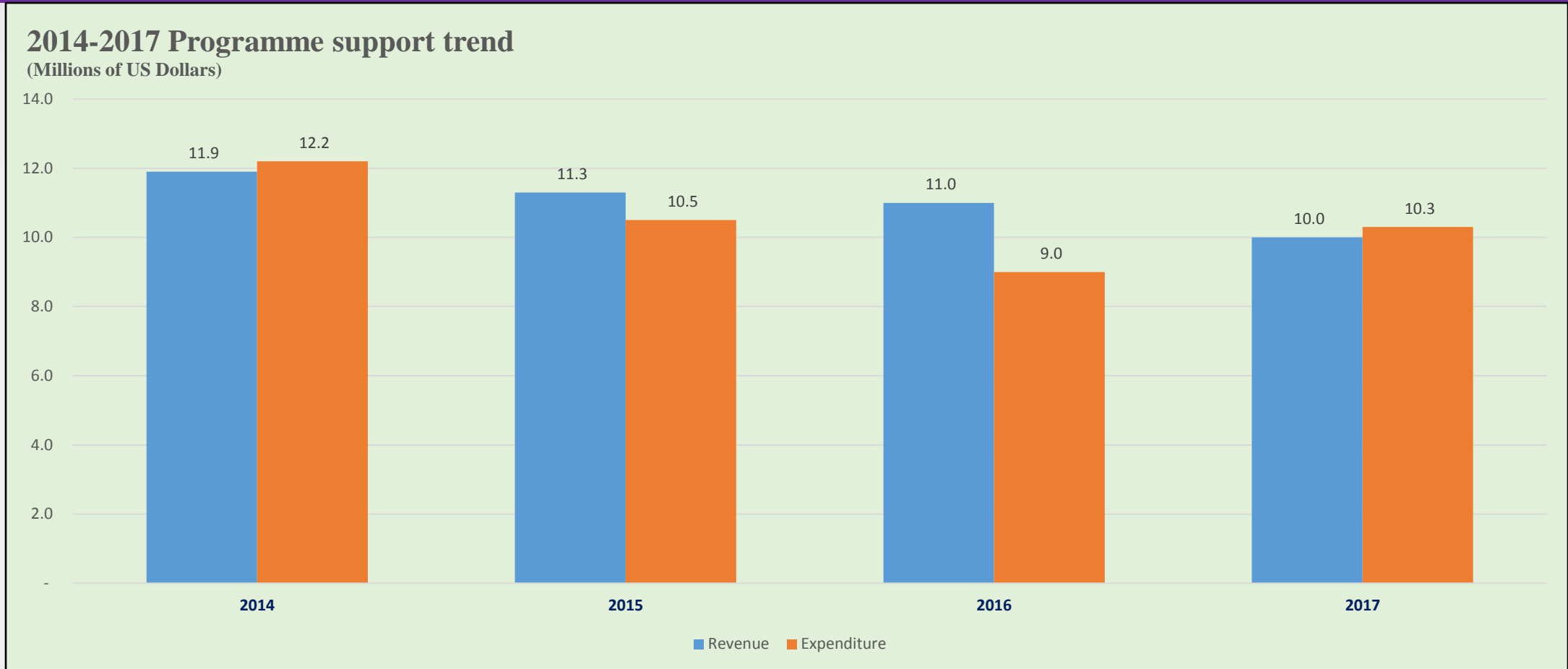


Programme support



- ❖ **Fund balances at end of the year were \$15.7 million**
- ❖ **A slight drop of \$0.3 million from \$16.0 million in 2016 mainly due to relief of some expenses from foundation general purpose which contributed to the deficit.**

Programme support



- **Average revenue is \$11.1 million**
- **Average expenditure is \$10.5 million**

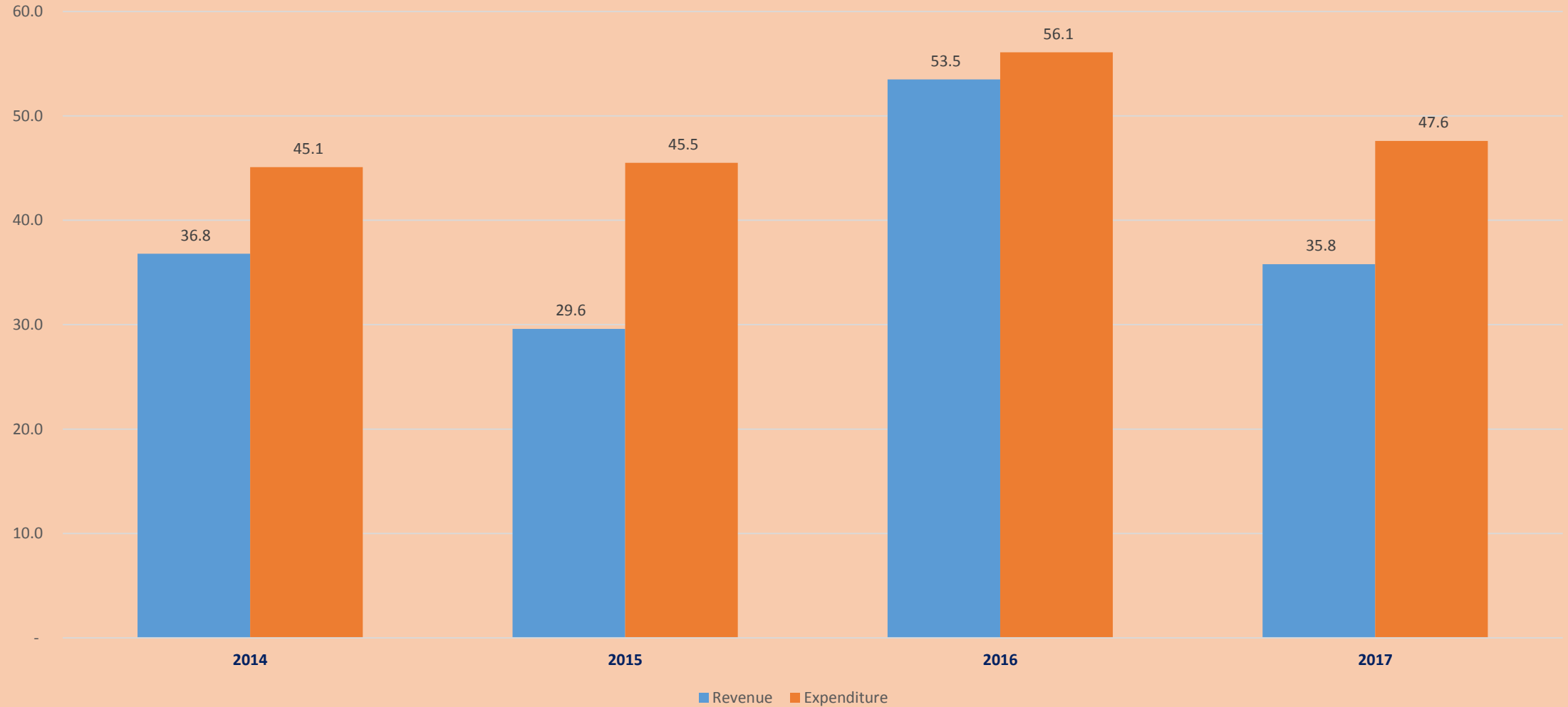
Foundation special purpose



Foundation special purpose

2014-2017 Foundation special purpose

(Millions of US Dollars)



Foundation special purpose



- Average revenue is \$38.9 million
- Average expenditure is \$48.6 million
- Fund balances at end of year were \$97.3 million from \$109.0 million in 2016

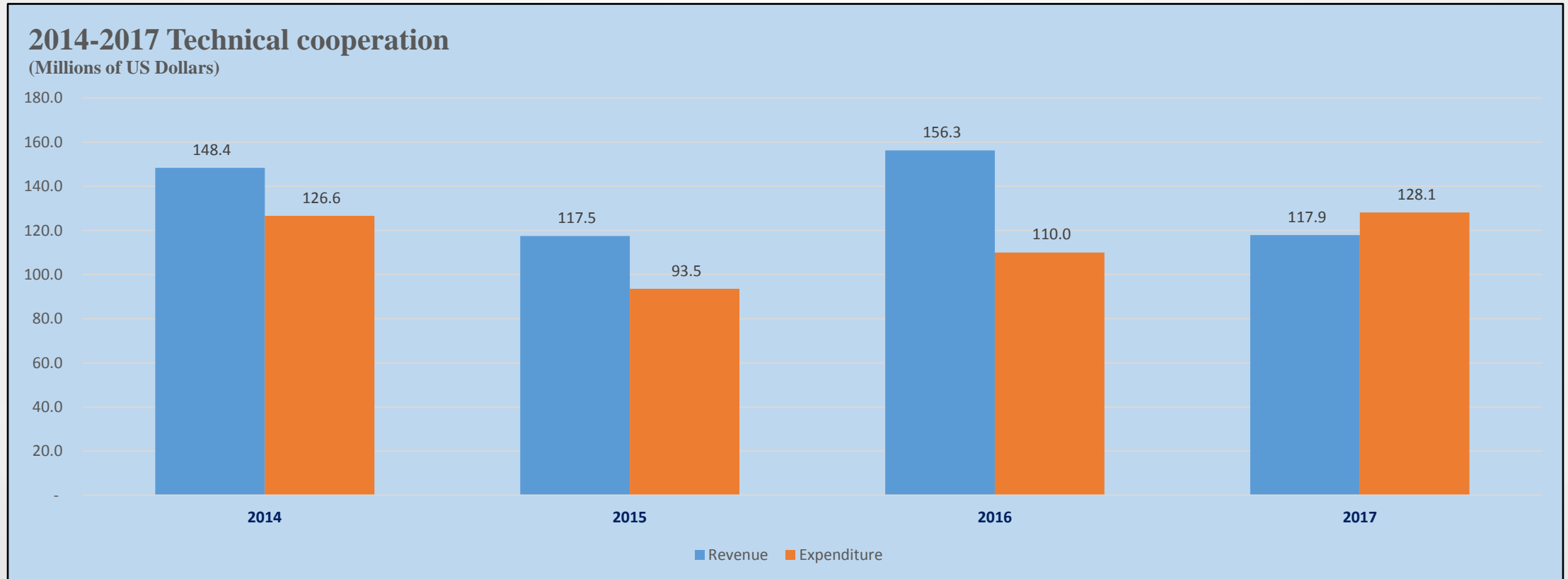
5

Technical
cooperation



Technical cooperation

- Average revenue is \$135.0 million while average expenditure is \$114.6 million
- Expenditure exceeded revenue by \$10.2 million in 2017
- Fund balances were dropped to \$242.1 million (2016: \$252.4 million)



End of service and post-retirement benefits

6

End of service
benefits

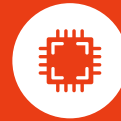


End of service and post-retirement benefits



Comprises of the following:

The UN-Habitat statements reflect the end-of-service and post-retirement benefits



After-service health insurance liabilities



Annual leave



Repatriation benefits

8.0%

Provision for repatriation benefits = %age of NET salary

End of service and post-retirement benefits

Funding status of the benefits



Total liability: \$47.8 million

Amount funded: \$8.2 million

Not funded yet: \$39.6 million



- UN Habitat will need to close the funding gap as time progresses