



UNITED STATES FUND FOR UNICEF AND AFFILIATES

Consolidated Financial Statements and Supplemental Schedules

June 30, 2022

(With Summarized Comparative Financial Information as of and for the
Year Ended June 30, 2021)

(With Independent Auditors' Report Thereon)

UNITED STATES FUND FOR UNICEF AND AFFILIATES

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KPMG LLP
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Independent Auditors' Report

The Board of Directors
United States Fund for UNICEF:

Opinion

We have audited the consolidated financial statements of United States Fund for UNICEF and its affiliates (USF), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of USF as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the USF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the USF's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the USF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the USF's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited USF 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 8, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

New York, New York
October 28, 2022

UNITED STATES FUND FOR UNICEF AND AFFILIATES

Consolidated Statement of Financial Position

June 30, 2022

(with summarized comparative financial information as of June 30, 2021)

Assets	2022	2021
Cash and cash equivalents	\$ 166,856,720	100,114,475
Investments (note 2)	64,058,845	73,719,768
Contributions and other receivables (note 3)	240,254,915	161,169,150
Prepaid expenses and other assets	2,505,485	3,698,392
Investments held for split-interest agreements (note 4)	10,464,397	11,669,593
Property and equipment, net (note 6)	<u>28,665,819</u>	<u>30,299,590</u>
Total assets	<u>\$ 512,806,181</u>	<u>380,670,968</u>
 Liabilities and Net Assets		
Liabilities:		
Grants payable (note 5)	\$ 163,895,341	84,105,507
Accrued expenses and other liabilities (note 8)	21,698,802	20,533,898
Liabilities under split-interest agreements (note 4)	3,520,342	3,493,544
Loans payable (note 7)	47,250,000	33,350,000
Line of credit (note 7)	—	20,000,000
Bonds payable, net (note 7)	<u>29,420,545</u>	<u>31,056,566</u>
Total liabilities	<u>265,785,030</u>	<u>192,539,515</u>
Net assets:		
Without donor restrictions	101,966,374	102,712,726
With donor restrictions (note 10)	<u>145,054,777</u>	<u>85,418,727</u>
Total net assets	<u>247,021,151</u>	<u>188,131,453</u>
Total liabilities and net assets	<u>\$ 512,806,181</u>	<u>380,670,968</u>

See accompanying notes to consolidated financial statements.

UNITED STATES FUND FOR UNICEF AND AFFILIATES

Consolidated Statement of Activities

Year ended June 30, 2022

(with summarized comparative financial information for the year ended June 30, 2021)

	2022			2021
	Without donor restrictions	With donor restrictions	Total	Total
Public support and revenue:				
Public support:				
Contributions:				
Corporate	\$ 146,546,108	16,486,868	163,032,976	52,484,403
Major gifts	133,119,048	2,301,600	135,420,648	84,167,483
Foundations	197,256,525	22,919,686	220,176,211	142,375,255
Nongovernmental organizations (NGO)	108,869,019	63,180,000	172,049,019	92,357,312
Direct marketing	77,274,239	—	77,274,239	56,298,043
Trick-or-treat program	383,219	—	383,219	261,380
Internet	95,000,940	—	95,000,940	34,296,766
Other	33,054,302	—	33,054,302	44,081,375
Gifts-in-kind	161,071,802	—	161,071,802	4,429,068
Special events income, net of expenses of \$1,320,528 in 2022 and \$42,817 in 2021	7,607,263	—	7,607,263	5,217,709
Bequests and legacies	22,316,096	—	22,316,096	24,820,824
Provision for losses and discounts on restricted assets	—	(5,004,059)	(5,004,059)	(8,923,047)
Total public support	<u>982,498,561</u>	<u>99,884,095</u>	<u>1,082,382,656</u>	<u>531,866,571</u>
Revenue:				
Greeting cards revenue	750,327	—	750,327	1,125,893
Investment return (note 2)	(9,905,180)	—	(9,905,180)	10,446,191
Change in value of split-interest agreements	(262,888)	(16,852)	(279,740)	(65,107)
Other	—	—	—	6,583,900
Total revenue	<u>(9,417,741)</u>	<u>(16,852)</u>	<u>(9,434,593)</u>	<u>18,090,877</u>
Net assets released from restrictions	<u>40,231,193</u>	<u>(40,231,193)</u>	<u>—</u>	<u>—</u>
Total public support, revenue, and net assets released from restrictions	<u>1,013,312,013</u>	<u>59,636,050</u>	<u>1,072,948,063</u>	<u>549,957,448</u>
Expenses:				
Program services:				
Grants to UNICEF and other nongovernmental organizations (NGOs) (note 5)	890,972,192	—	890,972,192	409,510,852
Public information, education, and program services	21,033,505	—	21,033,505	15,020,626
Advocacy	2,121,529	—	2,121,529	2,863,899
Total program services	<u>914,127,226</u>	<u>—</u>	<u>914,127,226</u>	<u>427,395,377</u>
Supporting services:				
Management and general	18,582,097	—	18,582,097	20,174,288
Fund-raising expenses	81,349,042	—	81,349,042	63,733,857
Total supporting services	<u>99,931,139</u>	<u>—</u>	<u>99,931,139</u>	<u>83,908,145</u>
Total expenses	<u>1,014,058,365</u>	<u>—</u>	<u>1,014,058,365</u>	<u>511,303,522</u>
(Decrease) increase in net assets	(746,352)	59,636,050	58,889,698	38,653,926
Net assets:				
Beginning of year	<u>102,712,726</u>	<u>85,418,727</u>	<u>188,131,453</u>	<u>149,477,527</u>
End of year	<u>\$ 101,966,374</u>	<u>145,054,777</u>	<u>247,021,151</u>	<u>188,131,453</u>

See accompanying notes to consolidated financial statements.

UNITED STATES FUND FOR UNICEF AND AFFILIATES

Consolidated Statement of Cash Flows

Year ended June 30, 2022

(with summarized comparative financial information for the year ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Increase in net assets	\$ 58,889,698	38,653,926
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,279,517	2,384,816
Net (depreciation) appreciation in fair value of investments	11,935,148	(8,811,083)
Change in value of split-interest agreements	279,740	65,107
Forgiveness of debt	—	(6,583,900)
Changes in operating assets and liabilities:		
Contributions and other receivables	(8,085,765)	(31,538,823)
Prepaid expenses and other assets	1,192,907	(2,102,032)
Grants payable	8,789,834	23,496,859
Split-interest agreements assets	26,798	(19,717)
Accrued expenses and other liabilities	1,164,904	7,451,516
Net cash provided by operating activities	<u>76,472,781</u>	<u>22,996,669</u>
Cash flows from investing activities:		
Purchases of property and equipment	(602,684)	(1,605,594)
Proceeds from sales of investments	12,648,796	16,483,110
Purchases of investments	<u>(13,856,491)</u>	<u>(14,943,830)</u>
Net cash used in investing activities	<u>(1,810,379)</u>	<u>(66,314)</u>
Cash flows from financing activities:		
Proceeds from contributions under split-interest agreements	124,195	393,818
Payments under split-interest agreements	(97,397)	(444,352)
Payment of bonds payable	(1,679,083)	(1,631,150)
Payment on Line of Credit	(20,000,000)	—
Proceeds from loans	13,950,000	17,000,000
Payments on loans	<u>(50,000)</u>	<u>(2,000,000)</u>
Net cash (used in) provided by financing activities	<u>(7,752,285)</u>	<u>13,318,316</u>
Net increase in cash and cash equivalents, and restricted cash	66,910,117	36,248,671
Cash, cash equivalents, and restricted cash:		
Beginning of year	<u>100,309,750</u>	<u>64,061,079</u>
End of year	\$ <u>167,219,867</u>	\$ <u>100,309,750</u>
Reconciliation of cash, cash equivalent and restricted cash reported within the consolidated statement of financial position that sum to the total of the same such amounts shown above:		
Cash and cash equivalents	\$ 166,856,720	100,114,475
Restricted cash included in assets restricted to investments	<u>363,147</u>	<u>195,275</u>
Total cash, cash equivalents, and restricted cash	\$ <u>167,219,867</u>	\$ <u>100,309,750</u>
Cash paid for interest	\$ 1,980,312	1,965,330
Noncash operating activity:		
Gifts-in-kind revenue/expenses	\$ 161,071,802	4,429,068
Gifts-in-kind contributions receivable	(71,000,000)	—
Gifts-in-kind grants payable to UNICEF	71,000,000	—

See accompanying notes to consolidated financial statements.

UNITED STATES FUND FOR UNICEF AND AFFILIATES

Consolidated Statement of Functional Expenses

Year ended June 30, 2022

(with summarized comparative financial information for the year ended June 30, 2021)

	Program services				Supporting services			Totals	
	Grants to UNICEF and other NGOs	Public information, education, and program services	Advocacy	Total	Management and general	Fund-raising	Total	2022	2021
Grants to UNICEF and other NGOs	\$ 890,972,192	—	—	890,972,192	—	—	—	890,972,192	409,510,852
Salaries, payroll taxes, and employee benefits	—	9,981,243	1,431,162	11,412,405	11,773,996	21,380,165	33,154,161	44,566,566	42,023,796
Outside printing and telemarketing	—	384,278	—	384,278	16,431	10,031,694	10,048,125	10,432,403	8,168,347
Postage and shipping	—	22,965	2,145	25,110	204,339	7,881,562	8,085,901	8,111,011	7,446,818
Mailing list rental	—	—	—	—	—	1,251,548	1,251,548	1,251,548	1,081,516
Consulting and other fees	—	7,553,980	479,371	8,033,351	446,173	36,188,332	36,634,505	44,667,856	29,971,676
Telephone	—	96,027	9,184	105,211	91,187	181,088	272,275	377,486	380,746
Occupancy	—	60,709	5,923	66,632	1,070,839	116,236	1,187,075	1,253,707	911,755
Conferences, conventions, meetings and travel	—	234,075	26,500	260,575	636,083	608,084	1,244,167	1,504,742	54,033
Equipment, repairs, and supplies	—	501,050	48,398	549,448	690,036	951,200	1,641,236	2,190,684	2,684,064
Legal and accounting	—	65,598	—	65,598	541,960	192,832	734,792	800,390	827,045
Insurance	—	132,344	12,912	145,256	84,586	253,390	337,976	483,232	386,913
Depreciation and amortization	—	385,600	42,268	427,868	391,329	1,460,320	1,851,649	2,279,517	2,384,816
Interest	—	1,464,200	22,659	1,486,859	198,262	444,674	642,936	2,129,795	1,965,330
Miscellaneous	—	151,436	41,007	192,443	2,436,876	405,462	2,842,338	3,034,781	3,505,815
Total expenses, year ended June 30, 2022	\$ 890,972,192	21,033,505	2,121,529	914,127,226	18,582,097	81,346,587	99,928,684	1,014,055,910	511,303,522
Total expenses, year ended June 30, 2021	\$ 409,510,852	15,020,626	2,863,899	427,395,377	20,174,288	63,733,857	83,908,145	511,303,522	—

See accompanying notes to consolidated financial statements.

UNITED STATES FUND FOR UNICEF AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2022

(with summarized comparative financial information as of and for the year ended June 30, 2021)

(1) Organization and Summary of Significant Accounting Policies

(a) Principles of Consolidation

The accompanying consolidated financial statements include the United States Fund for UNICEF (Fund) and affiliates, UNICEF USA Impact Fund for Children Inc (IF4C), and Bridge Fund Grant Assistance Corporation (BF-GAC); collectively (USF). The Fund is the sole voting member of IF4C and BF-GAC and elects their boards of directors. There were no transactions for BF-GAC in 2022 and 2021.

(b) Nature of Activities

The Fund is a not-for-profit organization, chartered by the State of New York, organized to support programs through fund-raising, education, and advocacy activities, providing lifesaving medicine, better nutrition, clean water and sanitation, quality basic education, and emergency relief to children, families, and communities in more than 190 countries and territories. As a partner in the global commitment to build a world fit for children, the Fund is working to create a world that is free from poverty, disease, violence, exploitation, and discrimination.

IF4C is a not-for-profit organization, chartered by the State of New York, organized to support the Fund by facilitating the contribution and distribution of in-kind donations to advance the health, education, and welfare of children throughout the world.

BF-GAC is a not-for-profit organization, chartered by the State of New York, to receive contributions and other financial support and give grants to international charitable organizations to be used by such organizations to benefit children throughout the world.

IF4C and BF-GAC operate exclusively for the benefit of and to perform specific functions of the Fund for charitable and educational purposes.

(c) Financial Statement Presentation

The consolidated financial statements include certain prior year summarized comparative information, which does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles (U.S. GAAP). Accordingly, such information should be viewed in conjunction with USF's consolidated financial statements for the year ended June 30, 2021 from which the summarized information was derived.

USF prepares its consolidated financial statements on the accrual basis in accordance with U.S. GAAP. Net assets of USF and changes therein are classified and reported as follows:

Without Donor Restrictions Net Assets – Net assets that are not subject to donor-imposed restrictions.

With Donor Restrictions Net Assets – Net assets subject to donor-imposed restrictions that will be met either by actions of USF and/or by the passage of time as well as assets subject to donor-imposed restrictions that stipulate that they be maintained permanently by USF but permit USF to expend all or part of the income derived therefrom to support operations.

UNITED STATES FUND FOR UNICEF AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2022

(with summarized comparative financial information as of and for the year ended June 30, 2021)

Revenue is reported as increases in net assets unless its use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, except for those restrictions met in the same year as received, which are reported as without donor restriction revenue, are reported as net assets released from restrictions.

(d) Cash and Cash Equivalents

USF considers highly liquid investments with original maturities of three months or less to be cash equivalents, except for such investments purchased by USF's investment managers as part of their long-term investment strategies. Financial instruments that potentially subject USF to concentrations of credit risk consist principally of cash, certificates of deposit, and commercial paper. Cash and cash equivalents in excess of insurable limits aggregated approximately \$166.1 million and \$99.4 million at June 30, 2022 and 2021, respectively.

(e) Investments, Including Investments Held for Split-Interest Agreements

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value based upon values provided by USF's external investment managers or upon quoted market prices. Investments in limited partnerships are reflected at estimated fair values, which, as a practical expedient, are the net asset values as reported by the general partners. The estimated fair value may differ from the values that would have been reported had a ready market for these securities existed. USF reviews and evaluates the values provided by the general partners and agrees with the valuation methods and assumptions used in determining the estimated fair value of the limited partnerships.

Realized and unrealized gains on investments generated by net assets with donor restrictions are available for unrestricted use and are recorded as without donor restriction revenue.

Investment income is recorded when earned. Realized and unrealized gains and losses are determined on the basis of specific identification.

Investments are exposed to various risks, such as interest rate, market, and credit risks. Because of the level of risk associated with certain investments, it is at least reasonably possible that changes in their values will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

(f) Property and Equipment, Net

Property and equipment are recorded at cost. Depreciation and amortization are computed by the straight-line method over the estimated useful lives of the assets, or in the case of leasehold improvements, over the lesser of the remaining terms of the leases or the estimated useful lives of the improvements.

UNITED STATES FUND FOR UNICEF AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2022

(with summarized comparative financial information as of and for the year ended June 30, 2021)

Useful lives used in the calculation of depreciation by major category of assets are as follows:

Office condominium	39 years
Computer equipment and internal use software	3–5 years
Furniture and fixtures	5–7 years
Office equipment	3–5 years

(g) Revenue Recognition

Contributions through direct mail and other campaigns are recorded as public support when received.

Gifts-in-kind are recorded as public support at their estimated fair value on the date of receipt. For donated gifts-in-kind, USF performs a review and evaluation of the fair values by using methods that include reviewing observable market data. This includes reviewing independently quoted prices for that particular pharmaceutical product or a similar pharmaceutical product and incorporating the fair value provided by the donor. USF does not sell donated gifts-in-kind. The inputs used to measure the fair value of gifts-in-kind are considered Level 3 within the fair value hierarchy (note 1(m)).

Additionally, a substantial number of volunteers have donated their time to support the USF's fund-raising and other activities. The value of these contributed services is not included in the consolidated financial statements since they do not meet the criteria for financial statement recognition established under GAAP.

(h) Grants

Grants are recorded as an expense and liability when approved by the board of directors of USF. All commitments are expected to be paid within 12 months from the date of the consolidated statement of financial position.

(i) Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated using the square footage method among the programs and supporting service areas that were benefited.

(j) Deferred Bond Acquisition Costs

Costs incurred to obtain long-term debt are deferred and amortized over the life of the debt.

(k) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported consolidated amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates made in the preparation of the consolidated financial statements include valuation of

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Notes to Consolidated Financial Statements

June 30, 2022

(with summarized comparative financial information as of and for the year ended June 30, 2021)

investments at fair value, net realizable value of contributions receivable, fair value of gifts-in-kind and functional expense allocations. Actual results could differ from those estimates.

The Fund invests in various investment securities and relies on fundraising to support its operations. U.S. and international markets have experienced significant volatility in 2021 continuing into 2022. There is significant uncertainty around the impact from, inflation, rising interest rates and threat of an economic recession on the U.S. and international economies and, as such, the Fund is unable to determine if it will have a material impact to its consolidated financial position and changes in net assets in the future.

(l) Income Tax Status

The Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is classified as a publicly supported organization as defined in Section 509(a)(1) of the IRC. IF4C and BF-GAC are also exempt from federal income taxes under Section 501(c)(3) of the IRC and are classified as publicly supported organizations as defined in Section 509(a)(3) of the IRC. The Fund, IF4C, and the BF-GAC are also exempt from state and local income taxes and qualify for the maximum charitable contribution deduction by donors.

USF recognizes the effects of income tax positions only if those positions are more likely than not of being sustained. No provision for income taxes has been made, as USF has not reported any taxable unrelated business income and any unrelated business income is offset by associated expenditures. USF evaluates, on an annual basis, the effects of any uncertain tax positions on its consolidated financial statements. As of June 30, 2022 and 2021, USF has not identified or provided for any such positions.

(m) Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining the inputs used to measure fair value, the highest priority is given to observable inputs and lowest priority is given to unobservable inputs. Fair value inputs are categorized within a fair value hierarchy as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs observable or corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

(n) Recently Adopted Accounting Pronouncements

For the year ended June 30, 2022, USF adopted provisions of Financial Accounting Standards (FASB) Accounting Standards Update (ASU) 2020-07, Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-Financial Assets. ASU 2020-07 does not

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Notes to Consolidated Financial Statements

June 30, 2022

(with summarized comparative financial information as of and for the year ended June 30, 2021)

change the accounting and recognition of nonfinancial assets but does require a change in presentation and disclosure requirements. Such requirements include the presentation of contributed non-financial assets as a separate line item in the Statement of Activities and additional disclosures including: the type of nonfinancial asset, the usage in programs and activities, information on any donor restrictions and the fair value techniques used to arrive at the fair value measurement. ASU 2020-07 is applied on a retrospective basis. See Note 12-Contributed Nonfinancial Assets.

(o) Upcoming Accounting Pronouncements

The FASB issued ASU No. 2016-02 as amended by ASU 2019-01, *Leases*, which will require lessees to recognize most leases on the consolidated statement of financial position, increasing their reported assets and liabilities. This update was developed to provide financial statement users with more information about an entity's leasing activities. ASU No. 2016-02 is effective for the Fund beginning in fiscal year 2023.

(p) Reclassifications

Certain reclassifications have been made to prior year amounts to conform with the current year presentation.

(2) Investments

The classification of investments by level in the fair value hierarchy as of June 30, 2022 and 2021 is as follows:

	2022			Investments valued at net asset value	Total
	Level 1	Level 2	Level 3		
Cash and cash equivalents \$	193,813	—	—	—	193,813
Corporate fixed income	—	37,768,972	—	—	37,768,972
Equity securities:					
U.S. equity	18,752,651	—	—	—	18,752,651
Non-U.S. equity	7,333,618	—	—	—	7,333,618
Hedge funds ¹	—	—	—	9,791	9,791
	<u>\$ 26,280,082</u>	<u>37,768,972</u>	<u>—</u>	<u>9,791</u>	<u>64,058,845</u>

UNITED STATES FUND FOR UNICEF AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2022

(with summarized comparative financial information as of and for the year ended June 30, 2021)

	2021			Investments measured at net asset value	Total
	Level 1	Level 2	Level 3		
Cash and cash equivalents \$	1,038,661	—	—	—	1,038,661
Corporate fixed income	—	44,952,583	—	—	44,952,583
Equity securities:					
U.S. equity	19,788,776	—	—	—	19,788,776
Non-U.S. equity	7,924,346	—	—	—	7,924,346
Hedge funds ¹	—	—	—	15,402	15,402
	<u>\$ 28,751,783</u>	<u>44,952,583</u>	<u>—</u>	<u>15,402</u>	<u>73,719,768</u>

¹ Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

Return on investments for the years ended June 30, 2022 and 2021 consists of the following:

	2022	2021
Dividends and interest, net of fees	\$ 2,029,968	1,635,108
(Depreciation) Appreciation in fair value	(11,935,148)	8,811,083
Total investment return	<u>\$ (9,905,180)</u>	<u>10,446,191</u>

At June 30, 2022 and 2021, there were two hedge funds. Each may be redeemed quarterly, up to 25% of the balance, and requires a 91-day notice period.

(3) Contributions and Other Receivables

Unconditional promises to give are recognized initially at fair value as contributions revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. These inputs to the fair value estimate are considered Level 3 in the fair value hierarchy. In subsequent periods, the discount rate is unchanged and the allowance for uncollectible contributions is reassessed and adjusted if necessary. Amortization of the discounts is recorded as additional contribution revenue.

UNITED STATES FUND FOR UNICEF AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2022

(with summarized comparative financial information as of and for the year ended June 30, 2021)

Contributions and other receivables at June 30, 2022 and 2021 consist of unconditional promises to give, due as follows:

	<u>2022</u>	<u>2021</u>
Cash contributions receivable:		
Less than one year	\$ 133,227,821	124,857,536
One to seven years	42,668,424	40,907,764
	<u>175,896,245</u>	<u>165,765,300</u>
Less:		
Discount to present value (rates ranging from 0.43% to 2.86%)	(916,109)	(614,427)
Allowance for uncollectible pledges	<u>(5,725,221)</u>	<u>(3,981,723)</u>
Net cash contributions receivable	169,254,915	161,169,150
Gifts-in-kind contributions receivable	<u>71,000,000</u>	<u>—</u>
Total	<u>\$ 240,254,915</u>	<u>161,169,150</u>

Included in gross contributions and other receivables at June 30, 2022 is approximately \$136.3 million due from five donors. The top five donors account for \$481.4 million or 46.6% of public support revenue for the year ended June 30, 2022. Gifts-in-kind revenue is primarily received from one donor.

(4) Investments Held for Split-Interest Agreements

Split-interest agreements, for which USF is a trustee, consist principally of charitable gift annuities (CGA), related assets of which total \$10,236,949 and \$11,358,903 at June 30, 2022 and 2021, respectively. Such designated assets exceed the legally mandated reserve. The classification of investments held for split-interest agreements by their level in the fair value hierarchy as of June 30, 2022 and 2021 is as follows:

	<u>2022</u>			<u>Investments measured at net asset value</u>	<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>		
Cash and cash equivalents \$	556,449	—	—	—	556,449
Corporate fixed income	—	5,045,516	—	—	5,045,516
Equity securities:					
U.S. equity	3,641,398	—	—	—	3,641,398
Non-U.S. equity	1,218,436	—	—	—	1,218,436
Hedge funds ¹	—	—	—	2,598	2,598
	<u>\$ 5,416,283</u>	<u>5,045,516</u>	<u>—</u>	<u>2,598</u>	<u>10,464,397</u>

UNITED STATES FUND FOR UNICEF AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2022

(with summarized comparative financial information as of and for the year ended June 30, 2021)

	2021			Investments measured at net asset value	Total
	Level 1	Level 2	Level 3		
Cash and cash equivalents \$	438,458	—	—	—	438,458
Corporate fixed income	—	6,174,466	—	—	6,174,466
Equity securities:					
U.S. equity	3,726,956	—	—	—	3,726,956
Non-U.S. equity	1,325,574	—	—	—	1,325,574
Hedge funds ¹	—	—	—	4,139	4,139
	<u>\$ 5,490,988</u>	<u>6,174,466</u>	<u>—</u>	<u>4,139</u>	<u>11,669,593</u>

¹ Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

At June 30, 2022 and 2021, there were one and two hedge funds, respectively. Each may be redeemed quarterly, up to 25% of the balance and requires a 91-day notice period.

Changes in fair value of these split-interest agreements are reflected in USF's consolidated statement of activities. On an annual basis, the Fund values the liability to the designated beneficiaries based upon actuarial assumptions. The present value of the estimated future payments of \$3,520,342 and \$3,493,544 at June 30, 2022 and 2021, respectively, is calculated using the Internal Revenue Service discount rate and applicable mortality tables.

(5) Grants

The boards of directors of USF authorized grants to UNICEF-assisted projects and various nonprofit organizations from funds and in-kind gifts received by USF during the years ended June 30, 2022 and 2021. Such grants are to be used by UNICEF and nonprofit organizations solely for those assistance projects approved by the boards of directors to provide life-saving medicine, better nutrition, clean water and sanitation, quality basic education, and emergency relief to children, families, women, and communities in more than 150 countries and territories.

UNITED STATES FUND FOR UNICEF AND AFFILIATES

Notes to Consolidated Financial Statements

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(with summarized comparative financial information as of and for the year ended June 30, 2021)

As of June 30, 2022 and 2021, grants payable to UNICEF and NGOs were calculated as follows:

	<u>2022</u>	<u>2021</u>
Grants payable to UNICEF and NGOs – beginning of year	\$ 84,105,507	201,870,398
Add:		
Gifts-in-kind	161,071,802	4,429,068
Grants to UNICEF	664,759,952	393,539,615
Grants to NGOs	<u>65,140,438</u>	<u>11,542,169</u>
Total additions	<u>890,972,192</u>	<u>409,510,852</u>
Less:		
Cash paid to UNICEF	674,917,075	372,516,115
Gifts-in-kind	90,071,802	145,411,118
Cash paid to NGOs	<u>46,193,481</u>	<u>9,348,510</u>
Total deductions	<u>811,182,358</u>	<u>527,275,743</u>
Grants payable to UNICEF and NGOs – end of year	\$ <u>163,895,341</u>	<u>84,105,507</u>

(6) Property and Equipment, Net

Property and equipment at June 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Office condominium	\$ 41,777,957	41,685,279
Computer equipment and internal use software	7,516,109	7,038,702
Leasehold improvements	78,566	45,966
Furniture and fixtures	749,961	749,961
Office equipment	<u>20,933</u>	<u>20,934</u>
	50,143,526	49,540,842
Less accumulated depreciation and amortization	<u>(21,477,707)</u>	<u>(19,241,252)</u>
	\$ <u>28,665,819</u>	<u>30,299,590</u>

UNITED STATES FUND FOR UNICEF AND AFFILIATES

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(with summarized comparative financial information as of and for the year ended June 30, 2021)

(7) Long-Term Debt

(a) Bonds Payable

On June 14, 2007, a private placement of New York City Industrial Development Agency issued Civic Facility Revenue Bonds (the Bonds) totaling \$43,510,000 consisting of two series: Series 2007A (Series A) in the amount of \$7,910,000, fixed interest rate 5.05% and Series 2007B (Series B) in the amount of \$35,600,000, fixed interest rate 5.30%. Proceeds of the Bonds, net of issuance costs of \$1,204,778, were used by USF to acquire an office condominium (the Facility) and to pay for related interior space construction costs, to purchase furniture and fixtures, and to pay related costs as well as closing costs of the bond issuance (collectively, the Project). The Bonds were not secured by any mortgage lien or security interest in the Facility or any property of USF. The Bonds also had a financial covenant in which USF guaranteed to maintain minimum net assets at \$10,000,000.

In September 2016, Build NYC Resource Corporation issued private placement Civic Facility Revenue Bonds, Series 2016 (2016 Bonds) totaling \$39,100,000 to defease the New York City Industrial Development Agency Civic Facility Revenue Bonds Series 2007A and 2007B. The term of the 2016 Bonds is 20 years with a fixed interest rate of 2.86%. The deferred bond acquisition cost on bonds payable for the years ended June 30, 2022 and 2021 was \$624,407 and \$667,469, respectively.

The maturities of the bonds payable subsequent to June 30, 2022 are as follows:

	<u>Amount</u>
Fiscal year ending:	
2023	\$ 1,728,424
2024	1,777,026
2025	1,831,435
2026	1,885,253
2027	1,940,652
Thereafter	<u>20,882,162</u>
Total	30,044,952
Less deferred bond acquisition cost	<u>(624,407)</u>
Bonds payable, net	<u>\$ 29,420,545</u>

Interest expense on bonds payable for the years ended June 30, 2022 and 2021 was \$897,846 and \$936,529, respectively.

(b) Loans Payable

On December 31, 2011, The IF4C entered into a loan agreement with various philanthropic investors for use with the Revolving Guarantee Bridge Fund (RGBF) program. RGBF is an innovative tool that secures better pricing, faster delivery, and a consistent flow of essential goods for children in the developing world by distributing critical, flexible capital to overcome traditional funding obstacles when purchasing urgently needed supplies that save children's lives. RGBF funds its program activities and

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grants by obtaining net worth grants and similar contributions, below market loans, and program-related investments from financial institutions, foundations, and other lenders. The RGBF provides UNICEF's Supply Division with access to U.S. mission investment funding to bridge procurement costs until regular, slower payments become available.

The loan payable balance of \$47,250,000 represents various loans from corporate and individual lenders with interest rates ranging from 0% to 3.60% per annum. The loan payable balances range from three to seven years from the date of the loan agreement. Interest expense on loans payable for the years ended June 30, 2022 and 2021 was \$928,599 and \$1,028,800, respectively.

(c) *Line of Credit*

USF has a \$20,000,000 amended line of credit agreement with TD Bank ("Lender") signed in June 2021 which expires in March 2023. Advances bear interest at the LIBOR Daily Floating Rate plus 1.5%. There is a non-utilization fee of .25% charged on the unused portion of the maximum line of credit amount, unless the average daily cash balance for the quarter exceeds \$10,000,000. There were no amounts outstanding on the line of credit at June 30, 2022. At June 30, 2021, there was an outstanding balance on the line of credit of \$20,000,000 which was repaid during fiscal year 2022.

(8) **Commitments and Contingencies**

The Fund is obligated under noncancelable operating lease agreements for the rental of offices and warehouse space expiring through 2030. Such leases generally contain provisions for increased rentals based upon increases in real estate taxes and operating expenses. Total rent expense was \$1,089,255 and \$829,970 for the years ended June 30, 2022, and 2021, respectively. In accordance with U.S. GAAP, rent expense is recognized on a straight-line basis over the term of the lease. The excess of rent expense accrued on a straight-line basis over rental payments is reported as accrued expenses and other liabilities in the accompanying consolidated statement of financial position.

Future minimum lease payments are as follows:

Fiscal year ending:	
2023	\$ 702,253
2024	661,762
2025	481,253
2026	464,164
2027	474,903
2028 and beyond	<u>818,073</u>
Total	<u>\$ 3,602,408</u>

(9) **Retirement Plan**

The Fund has a defined contribution retirement plan, under IRC Section 403(b), which is offered to all of its qualified employees. Employees can contribute a portion of their salary to the plan up to the maximum permitted under the IRC. The Fund will match employee contributions up to 4% of an employee's salary (up to 6% of base compensation prior to July 8, 2013). The employee must complete one year and 1,000 hours

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(with summarized comparative financial information as of and for the year ended June 30, 2021)

of service and must be at least 21 years of age. In addition, the Fund makes a nonmatching contribution of 5% of salary to eligible employees prior to July 8, 2013 and 4% of base compensation of all eligible employees hired on or after July 1, 2013. The Fund's matching and nonmatching contributions totaled \$1,898,904 and \$1,843,940 for the years ended June 30, 2022 and 2021, respectively.

The Fund has a deferred compensation plan under IRC Section 457(b) in which selected management employees can contribute additional salary up to the maximum permitted by the IRC. The Fund does not match these contributions.

(10) With Donor Restrictions Net Assets

With Donor Restrictions net assets consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Child protection	\$ 8,103,900	4,686,226
Child survival, including nutrition and health	62,401,680	64,156,443
Emergencies	65,991,187	3,890,511
Other miscellaneous programs	4,049,260	8,221,015
Value of split interest	223,146	239,998
Endowment (a)	<u>4,285,604</u>	<u>4,224,534</u>
Total	<u>\$ 145,054,777</u>	<u>85,418,727</u>

(a) Endowment

USF's endowment consists of individual donor-restricted funds. Net assets associated with these permanent endowments are classified and reported based on the existence or absence of donor-imposed restrictions. USF has no board-designated endowment funds.

USF operates in accordance with the New York Prudent Management of Institutional Funds Act (NYPMIFA). In accordance with the accounting guidance associated with the adoption of NYPMIFA, the remaining portion of the donor-restricted endowment fund that is classified under with donor restriction net assets until those amounts are appropriated for expenditure by USF in a manner consistent with the standard of prudence prescribed by NYPMIFA.

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(with summarized comparative financial information as of and for the year ended June 30, 2021)

The following table summarizes USF's endowment by net asset class and changes therein for the years ended June 30, 2022 and 2021:

<u>Description</u>	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Net assets at June 30, 2020	\$ —	4,162,329	4,162,329
Investment return	145,682	62,205	207,887
Amount expended to support operations	<u>(145,682)</u>	<u>—</u>	<u>(145,682)</u>
Net assets at June 30, 2021	—	4,224,534	4,224,534
Investment return	<u>—</u>	<u>61,070</u>	<u>61,070</u>
Net assets at June 30, 2022	\$ <u>—</u>	<u>4,285,604</u>	<u>4,285,604</u>

(11) Availability of Resources

The Fund manages its financial assets to be available as its operating expenditures, liabilities and other obligations come due. The Fund operates with a balanced budget and anticipates sufficient revenue to cover general expenditures not covered by donor-restricted resources. The board approved the Fiscal Year 2022 and 2021 spend from the endowment, which is estimated to be \$0 and \$145,000, respectively. The 2022 spending is calculated based on the return of the endowment balance as of June 30, 2021. The 2021 spending is calculated based on the return of the endowment balance as of June 30, 2020.

As of June 30, 2022 and 2021, the Fund considered the following financial assets available to meet its general expenditures within one year:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 166,856,720	100,114,475
Investments	64,058,845	73,719,768
Contributions receivables (excluding Gifts in Kinds)	<u>169,254,915</u>	<u>161,169,150</u>
Total financial assets	<u>400,170,480</u>	<u>335,003,393</u>
Less:		
Investments not readily available (Hedge funds)	9,791	15,402
Contributions receivables not due within one year or less	<u>41,752,315</u>	<u>40,907,764</u>
	<u>41,762,106</u>	<u>40,923,166</u>
Total financial assets available to meet general expenditures within one year of the balance due	\$ <u>358,408,374</u>	<u>294,080,227</u>

UNITED STATES FUND FOR UNICEF AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2022

(with summarized comparative financial information as of and for the year ended June 30, 2021)

(12) Contributed Nonfinancial Assets

USF's policy is to use contributed nonfinancial assets for programmatic or other purposes unless the assets have no utility consistent with USF's mission. In those instances, the assets would be monetized. Revenues from contributions of nonfinancial assets were as follows:

<u>Description</u>	<u>2022</u>	<u>2021</u>	<u>Usage in programs/ activities</u>	<u>Donor-imposed restrictions</u>	<u>Fair value techniques and inputs</u>
Pharmaceuticals	\$ 158,866,610	—	International Health Programs	Use outside the U.S.	Pharmaceuticals not legally permissible for sale in the U.S. were valued using third-party sources that represent estimated wholesale exit prices in the principal markets (Africa, India, Canada and other international developing markets in which the products or similar products may be legally sold).
Medical and Dental supplies	—	1,466,221	International Health Programs	None	Estimates based on U.S. wholesale prices of identical or similar products.
Childcare supplies	—	1,464,326	International Health Programs	None	Estimates based on U.S. wholesale prices of identical or similar products.
Apparel and footwear	1,402,400	366,628	Emergency and Natural Disaster Programs	None	Estimates based on U.S. wholesale prices of identical or similar products.
Freight and shipping services	802,792	1,131,893	Emergency and Natural Disaster Programs	None	Estimates based on current local rates for identical or similar services.
Total	<u>\$ 161,071,802</u>	<u>4,429,068</u>			

(13) Subsequent Events

No additional events have occurred that would require adjustments to or further disclosure in the accompanying consolidated financial statements.

UNITED STATES FUND FOR UNICEF AND AFFILIATES

Consolidating Schedule of Financial Position

June 30, 2022

Assets	United States	UNICEF USA IMPACT FUND FOR CHILDREN INC			Total	Intercompany eliminations	Consolidated total
	Fund for UNICEF	Gifts-in-Kind	Bridge Fund	Subtotal			
Cash and cash equivalents	\$ 129,339,709	—	37,517,011	37,517,011	166,856,720	—	166,856,720
Investments	49,854,814	—	14,204,031	14,204,031	64,058,845	—	64,058,845
Contributions and other receivables	222,621,366	—	17,633,549	17,633,549	240,254,915	—	240,254,915
Prepaid expenses and other assets	4,505,485	—	—	—	4,505,485	(2,000,000)	2,505,485
Due from affiliate	—	106,165	9,682,633	9,788,798	9,788,798	(9,788,798)	—
Investments held for split-interest agreements	10,464,397	—	—	—	10,464,397	—	10,464,397
Property and equipment, net	28,665,819	—	—	—	28,665,819	—	28,665,819
Total assets	\$ 445,451,590	106,165	79,037,224	79,143,389	524,594,979	(11,788,798)	512,806,181
Liabilities and Net Assets							
Liabilities:							
Grants payable	\$ 163,752,841	—	142,500	142,500	163,895,341	—	163,895,341
Accrued expenses and other liabilities	12,025,936	—	9,672,866	9,672,866	21,698,802	—	21,698,802
Liabilities under split-interest agreements	3,520,342	—	—	—	3,520,342	—	3,520,342
Due to affiliate	9,788,798	—	—	—	9,788,798	(9,788,798)	—
Loans payable	—	—	47,250,000	47,250,000	47,250,000	—	47,250,000
Bonds payable, net	29,420,545	—	—	—	29,420,545	—	29,420,545
Total liabilities	218,508,462	—	57,065,366	57,065,366	275,573,828	(9,788,798)	265,785,030
Net assets:							
Without donor restrictions	81,856,780	106,165	22,003,429	22,109,594	103,966,374	(2,000,000)	101,966,374
With donor restrictions	145,086,348	—	(31,571)	(31,571)	145,054,777	—	145,054,777
Total net assets	226,943,128	106,165	21,971,858	22,078,023	249,021,151	(2,000,000)	247,021,151
Total liabilities and net assets	\$ 445,451,590	106,165	79,037,224	79,143,389	524,594,979	(11,788,798)	512,806,181

See accompanying independent auditors' report.

UNITED STATES FUND FOR UNICEF AND AFFILIATES

Consolidating Schedule of Activities

Year ended June 30, 2022

	United States	UNICEF USA IMPACT FUND FOR CHILDREN INC			Total	Intercompany eliminations	Consolidated total
	Fund for UNICEF	Gifts-in-Kind	Bridge Fund	Subtotal			
Public support and revenue:							
Public support:							
Contributions:							
Corporate	\$ 163,032,976	—	—	—	163,032,976	—	163,032,976
Major gifts	135,420,648	—	—	—	135,420,648	—	135,420,648
Foundations	220,176,211	—	—	—	220,176,211	—	220,176,211
Nongovernment organizations (NGO)	172,049,019	—	—	—	172,049,019	—	172,049,019
Direct marketing	77,274,239	—	—	—	77,274,239	—	77,274,239
Trick-or-treat program	383,219	—	—	—	383,219	—	383,219
Internet	95,000,940	—	—	—	95,000,940	—	95,000,940
Other	1,433,924	—	84,550,438	84,550,438	85,984,362	(52,930,060)	33,054,302
Gifts-in-kind	161,071,802	—	—	—	161,071,802	—	161,071,802
Special events income	7,607,263	—	—	—	7,607,263	—	7,607,263
Bequests and legacies	22,316,096	—	—	—	22,316,096	—	22,316,096
Provision for losses and discounts on restricted assets	(4,972,488)	—	(31,571)	(31,571)	(5,004,059)	—	(5,004,059)
Total public support	1,050,793,849	—	84,518,867	84,518,867	1,135,312,716	(52,930,060)	1,082,382,656
Revenue:							
Greeting cards revenue	750,327	—	—	—	750,327	—	750,327
Investment return	(8,222,349)	—	(1,682,831)	(1,682,831)	(9,905,180)	—	(9,905,180)
Change in value of split-interest agreements	(279,740)	—	—	—	(279,740)	—	(279,740)
Other	—	—	—	—	—	—	—
Total revenue	(7,751,762)	—	(1,682,831)	(1,682,831)	(9,434,593)	—	(9,434,593)
Total public support and revenue	1,043,042,087	—	82,836,036	82,836,036	1,125,878,123	(52,930,060)	1,072,948,063
Expenses:							
Program services:							
Grants to UNICEF and other NGOs	814,184,321	—	76,787,871	76,787,871	890,972,192	(52,930,060)	838,042,132
Grant to affiliate	52,930,060	—	—	—	52,930,060	—	52,930,060
Public information, education, and program services	19,000,717	—	2,032,788	2,032,788	21,033,505	—	21,033,505
Advocacy	2,121,529	—	—	—	2,121,529	—	2,121,529
Total program services	888,236,627	—	78,820,659	78,820,659	967,057,286	(52,930,060)	914,127,226
Supporting services:							
Management and general	18,370,806	—	211,291	211,291	18,582,097	—	18,582,097
Fund-raising expenses	81,134,952	—	214,090	214,090	81,349,042	—	81,349,042
Total supporting services	99,505,758	—	425,381	425,381	99,931,139	—	99,931,139
Total expenses	987,742,385	—	79,246,040	79,246,040	1,066,988,425	(52,930,060)	1,014,058,365
Increase in net assets	55,299,702	—	3,589,996	3,589,996	58,889,698	—	58,889,698
Net assets:							
Beginning of year	171,643,426	106,165	18,381,862	18,488,027	190,131,453	(2,000,000)	188,131,453
End of year	\$ 226,943,128	106,165	21,971,858	22,078,023	249,021,151	(2,000,000)	247,021,151

See accompanying independent auditors' report.