

## **2022 Financial Statement and Audit Report**

*This document is submitted to the Plenary for information.*



## Group on Earth Observations

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The following appended financial statements, comprising Statements I, II, III, IV and V, and the Notes to the Financial Statements were properly prepared in accordance with the International Public Sector Accounting Standards. I certify that, to the best of my knowledge and information, all transactions during the year have been properly entered in the accounting records and that these transactions, together with the related financial statements and notes, fairly present the financial position of the Group on Earth Observations at 31 December 2022.



Wenjian Zhang  
Assistant Secretary-General  
World Meteorological Organization  
13 July 2023



Yana Gevorgyan  
Secretariat Director  
Group on Earth Observations  
13 July 2023



**FINANCIAL STATEMENTS  
FOR THE YEAR  
ENDED 31 DECEMBER 2022**

**7 March 2023**

## STATEMENT I

**GROUP ON EARTH OBSERVATIONS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**  
*(in thousands of Swiss Francs)*

	Note	Dec 2022	Dec 2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3.1	1	1
Contributions receivable	3.2	1,364	360
Advances for projects and meetings	3.3	362	585
Other receivables	3.4	74	46
Funds held by WMO	3.5	6,706	7,751
		<u>8,507</u>	<u>8,743</u>
<b>Non-current assets</b>			
Contributions receivable	3.2	-	275
		-	275
<b>Total assets</b>		<b><u>8,507</u></b>	<b><u>9,018</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Deferred revenue	3.6	2,125	2,503
Payables and accruals	3.7	44	118
Employee benefits	3.8	184	160
		<u>2,353</u>	<u>2,781</u>
<b>Non-current liabilities</b>			
Deferred revenue	3.6	-	275
Employee benefits	3.8	2,755	1,613
		<u>2,755</u>	<u>1,888</u>
<b>Total liabilities</b>		<b><u>5,108</u></b>	<b><u>4,669</u></b>
<b>Net assets</b>		<b><u>3,399</u></b>	<b><u>4,349</u></b>
<b>NET ASSETS/EQUITY</b>			
Fund balances	Sttmt III, 3.10	2,932	3,363
Working Capital Fund	Sttmt III, 3.10	1,500	1,000
Employee benefits reserves	3.9	(1,033)	(14)
<b>Total net assets/equity</b>		<b><u>3,399</u></b>	<b><u>4,349</u></b>

The accompanying notes form an integral part of these financial statements.

## STATEMENT II

### GROUP ON EARTH OBSERVATIONS STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2022 (in thousands of Swiss Francs)

	Note	2022	2021
<b>Revenue</b>			
Voluntary contributions	5.1	6,217	5,112
In-kind contributions	5.2	324	225
Other revenue	5.3	55	(10)
<b>Total Revenue</b>		<b>6,596</b>	<b>5,327</b>
<b>Expenses</b>			
Salaries and employee benefits	6.1	3,974	3,098
Meetings and Projects	6.2	984	576
Other expenditure	6.3	600	206
Travel	6.4	409	31
In-kind expenditure	6.5	324	225
Supplies, consumables and other running costs	6.6	236	168
<b>Total Expenses</b>		<b>6,527</b>	<b>4,304</b>
<b>(Deficit) / Surplus for the year</b>		<b>69</b>	<b>1,023</b>

The accompanying notes form an integral part of these financial statements.

## STATEMENT III

**GROUP ON EARTH OBSERVATIONS**  
**STATEMENT OF CHANGES IN NET ASSETS/EQUITY**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**  
*(in thousands of Swiss Francs)*

	Working Capital Fund	Fund Balances	Employee Benefits Reserves	Total Net Assets
<b>Net assets at 31 December 2021</b>	<b>1,000</b>	<b>3,363</b>	<b>(14)</b>	<b>4,349</b>
<b>Movements in fund balances and reserves in 2022</b>				
Contribution to the Working Capital Fund	500	(500)	-	-
Loss for the year (Statement II)		69	-	69
Gain /(Loss) arising on actuarial valuation of employee benefits	-	-	(1,019)	(1,019)
<b>Total movements during the period</b>	<b>500</b>	<b>(431)</b>	<b>(1,019)</b>	<b>(950)</b>
<b>Total net assets at 31 December 2022</b>	<b>1,500</b>	<b>2,932</b>	<b>(1,033)</b>	<b>3,399</b>

	Working Capital Fund	Fund Balances	Employee Benefits Reserves	Total Net Assets
<b>Net assets at 31 December 2020</b>	<b>1,000</b>	<b>2,340</b>	<b>(335)</b>	<b>3,005</b>
<b>Movements in fund balances and reserves in 2021</b>				
Contribution to the Working Capital Fund	-	-	-	-
Surplus for the year (Statement II)		1,023	-	1,023
Gain /(Loss) arising on actuarial valuation of employee benefits	-	-	321	321
<b>Total movements during the year</b>	<b>-</b>	<b>1,023</b>	<b>321</b>	<b>1,344</b>
<b>Total net assets at 31 December 2021</b>	<b>1,000</b>	<b>3,363</b>	<b>(14)</b>	<b>4,349</b>

The accompanying notes form an integral part of these financial statements.

**STATEMENT IV**

**GROUP ON EARTH OBSERVATIONS**  
**STATEMENT OF CASH FLOW**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**  
*(in thousands of Swiss Francs)*

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus/(Deficit) for the year	69	1,023
Interest and Service Charges on employee benefits liabilities	147	173
(Increase) decrease in contributions receivables	(729)	660
(Increase) decrease in advance for meetings and projects	223	(286)
(Increase) decrease in other receivables	(28)	(19)
(Increase) decrease in funds held by WMO	1,045	(1,474)
Increase (decrease) in deferred income	(653)	78
Increase (decrease) in payables and accruals	(74)	101
Increase (decrease) in provisions	-	(194)
Increase (decrease) in liabilities for employee benefits	-	(62)
<b>Net cash flows from operating activities</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1</b>	<b>1</b>
<b>Cash and cash equivalents at end of the year</b>	<b>1</b>	<b>1</b>

The accompanying notes form an integral part of these financial statements.



## STATEMENT V

**GROUP ON EARTH OBSERVATIONS**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

*(in thousands of Swiss Francs)*

	Budget for 2022	Actuals	Budget Under/(Over) spent
<b>A. Salaries and Employee Benefits</b>			
1. Staff Costs and Employee Benefits	2,952	2,728	224
2. Short term staffing needs	1,000	235	765
3. Special Service Agreements and other Staff Costs	100	403	(303)
4. Total Salaries and Employee Benefits	<u>4,052</u>	<u>3,366</u>	<u>686</u>
<b>B. Travel</b>			
1. Staff Travel	400	246	154
2. Other (individual developing country participants to GEO meetings)	200	128	72
3. Total Travel	<u>600</u>	<u>374</u>	<u>226</u>
<b>C. Support to GEO Events and Meetings (LoAs)</b>	30	328	(298)
<b>D. Supplies, Consumables and other Running Costs</b>			
1. Internet, intranet, etc	-	23	(23)
2. Services/equipment/rental for special events	-	1	(1)
3. IT software and equipment	30	50	(20)
4. Information/Telecommunications (IT charges)	45	75	(30)
5. Common services/Utilities (COS charges)	45	13	32
6. Rental of WMO office space	80	73	7
7. Total Supplies, consumables and other running costs	<u>200</u>	<u>235</u>	<u>(35)</u>
<b>E. Other Expenditures</b>			
1. Support costs	353	297	56
2. Pamphlets, publications, other printing	40	20	20
3. External audit	5	(5)	10
4. Staff training	100	72	28
5. Bank charges, Finance costs	10	4	6
6. Incidentals	5	1	4
7. Unrealized /realized loss on currency exchange	-	66	(66)
8. Total Other expenditures	<u>513</u>	<u>455</u>	<u>58</u>
<b>TOTAL CASH EXPENDITURES</b>	<u>5,395</u>	<u>4,758</u>	<u>637</u>
<b>F. In-kind expenditures</b>			
1. Seconded staff	1,226	160	1,066
2. Rental of office space	116	164	(48)
3. Total in-kind expenditures	<u>1,342</u>	<u>324</u>	<u>1,018</u>
<b>TOTAL EXPENDITURES</b>	<u><b>6,737</b></u>	<u><b>5,082</b></u>	<u><b>1,655</b></u>

The accompanying notes form an integral part of these financial statements.

# Notes to the Financial Statements as at 31 December 2022

## NOTE 1: PURPOSES OF THE ORGANIZATION

The purpose of the Group on Earth Observations (GEO) is as follows:

a) To lead a worldwide effort to build a Global Earth Observation System of Systems (GEOSS) over the period 2016-2025.

b) To carry out the Group on Earth Observations Strategic Plan 2016-2025

A central part of GEO's Mission is to build the Global Earth Observation System of Systems (GEOSS). GEOSS is a set of coordinated, independent Earth observation, information and processing systems that interact and provide access to diverse information for a broad range of users in both public and private sectors. GEOSS links these systems to strengthen the monitoring of the state of the Earth. It facilitates the sharing of environmental data and information collected from the large array of observing systems contributed by countries and organizations within GEO. Further, GEOSS ensures that these data are accessible, of identified quality and provenance, and interoperable to support the development of tools and the delivery of information services. Thus, GEOSS increases our understanding of the Earth processes and enhances predictive capabilities that underpin sound decision-making.

c) GEO is established on a voluntary and legally non-binding basis, with voluntary contributions to support activities.

d) GEO consists of a Plenary and Executive Committee, a Secretariat and committees and working groups. GEO meets in plenary at least annually at senior-official level, and periodically at the Ministerial level. GEO takes decisions by consensus of its Members.

e) The GEO Secretariat was established in Geneva in May 2005. The Secretariat serves as the centre of the international coordination for the worldwide GEOSS effort.

## NOTE 2: ACCOUNTING POLICIES

### Basis of Preparation

1. Financial arrangements for the administration of GEO are specified in the following:

- a) GEO-World Meteorological Organization (WMO) Standing Agreement;
- b) WMO Staff and Financial Rules and Regulations;

- c) Delegation of responsibility from the Secretary-General of WMO to the GEO Secretariat Director;
- d) WMO-GEO Service Level Agreement, revised on 19 October 2016 with retroactive application from 1 January 2015; and
- e) GEO Rules of Procedure, updated on 26 October 2017.

Under the Standing Agreement, WMO Financial and Staff Regulations and Rules apply to the transactions of GEO. The accounts of GEO are maintained in accordance with these requirements. Management have considered that it is appropriate to prepare these financial statements on a going concern basis as there is no reason to believe that voluntary contributions sufficient to support its activities will not continue at current levels.

2. The financial statements of the GEO have been prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards (IPSAS) using the historic cost convention.
3. As of 31 December 2021, the date of the financial position, the following IPSAS Standards had been issued, but had not taken effect:
  - IPSAS 41 – Financial instruments and
  - IPSAS 42 – Social benefits
  - IPSAS 43 – Leases
  - IPSAS 44 – Non-current assets held for sale or discontinued operations

IPSAS 41 will come into force in periods beginning on or after 1 January 2023. IPSAS 43 has an effective date for periods beginning on or after 1 January 2025. The potential effects of these standards are being evaluated.

IPSAS 42 will come into force on 1 January 2023 and is not expected to have any impact on the financial statements of GEO. IPSAS 44 will come into force on 1 January 2025 and is not expected to have any impact on the financial statements of GEO.

4. In accordance with IPSAS requirements, and reflecting the nature of GEO's business, revenue from voluntary contributions received as well as pledges of voluntary contributions confirmed in writing are recognized as non-exchange transactions as per IPSAS 23 – Revenue from Non-Exchange Transactions. GEO considers that there are restrictions on the use of all contributions, and that some of these restrictions meet the definition of a condition as described under IPSAS 23.
5. The Statement of Cash Flow is prepared using the indirect method.
6. The functional and reporting currency of GEO is the Swiss Franc (CHF). Transactions in currencies other than CHF are translated into CHF at the prevailing United Nations Operational Rates of Exchange (UNORE) at the time of transaction. Assets and liabilities in currencies other than CHF are translated into CHF at the prevailing UNORE year-end closing rate. Resulting gains or losses are accounted for in the Statement of Financial Performance.

**Revenue, contributions and receivables**

7. In accordance with IPSAS requirements, and reflecting the nature of GEO's business, revenue from contributions as well as pledges of contributions confirmed in writing are recognized at their estimated realizable value as non-exchange transactions as per IPSAS 23 – Revenue from Non-Exchange Transactions.
8. GEO considers that there are restrictions on the use of all contributions and that some of these restrictions meet the definition of a condition as described under IPSAS.
9. Pledged voluntary contributions are recognized when confirmed in writing by donors at their estimated realizable value. Other voluntary contributions are recognized at the point in time when they are received. When projects are coming to an end and in the event that some contributions will not be fully expended on the project for which they were given, then at that point in time, and in accordance with the donor agreement, the amount which will not be expended is recognized as amounts to be refunded to donors and included in the Statement of Financial Position as Contributions refundable to donors.
10. In-kind contributions of services that directly support approved operations and activities, which have budgetary impact, and can be reliably measured, are recognized and valued at fair value. These contributions include use of premises and salary costs. They are treated as both revenue and expense in the Financial Statements.
11. Receivables are stated at amortized cost less allowances for estimated irrecoverable amounts and discounted if cash flows are not expected within twelve months from the reporting date and the effect of such discounting is material.
12. Interest revenue is recognized as it accrues.

**Expenditure**

13. In accordance with the accrual basis of accounting expenditure recognition occurs at the time of delivery of goods or services by the supplier or service provider and is recorded in the accounting records and recognized in the financial statements in the periods to which they relate.

**Financial Instruments**

14. Financial instruments are recognized when GEO becomes a party to the contractual provisions of the instrument until such time as when the rights to receive cash flows from those assets have expired or have been transferred and GEO has transferred substantially all the risks and rewards of ownership.

15. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active markets. Receivables comprise contributions receivable in cash or other receivables. Receivables are stated at amortized cost.
16. All non-derivative financial liabilities are recognized initially at fair value, and subsequently measured at amortized cost using the effective interest method.

### **Funds held by WMO**

17. GEO does not maintain its own bank accounts. Its funds are administered by WMO.

### **Property, Plant and Equipment**

18. Property, Plant and Equipment (PPE) are capitalized if their cost is greater or equal to the threshold limit set at CHF 5,000 and are stated at historical cost less accumulated depreciation and any impairment losses. Depreciation is to be provided for PPE over their estimated useful lives using the straight-line method. GEO does not have any Property, Plant and Equipment (PPE) at 31 December 2022 or 2021.

### **Intangible Assets**

19. Intangible assets are stated at historical cost less accumulated amortization and any impairment losses. GEO does not have Intangible Assets at 31 December 2022 or 2021.

### **Employee Benefits**

20. GEO recognizes the following employee benefits:
  - a) short-term employee benefits which fall due wholly within twelve months after the end of the accounting period in which employees render the related service
  - b) post-employment benefits;
  - c) other long-term employee benefits; and
  - d) termination benefits.
21. Employee benefits are recognized as expenses on an accrual basis. Similarly, terminal payments to staff members, including repatriation grant, accrued annual leave, repatriation travel and removal on repatriation are expensed on an accrual basis.
22. Retirement, death, disability and related benefits of GEO staff are covered under the United Nations Joint Staff Pension Fund (UNJSPF), by virtue of GEO's affiliation with WMO.
23. GEO, through its administrative relationship with WMO, is a member organization participating in the United Nations Joint Staff Pension Fund (UNJSPF), which was

established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Pension Fund is a multi-employer defined benefit plan. As specified by Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

24. The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets, and costs to individual organizations participating in the plan. WMO and the UNJSPF, in line with the other participating organizations in the Fund, are not in a position to identify WMO's and GEO's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence WMO and GEO have treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39. GEO's contributions to the plan during the financial period are recognized as expenses in the statement of financial performance.
25. Unrealized actuarial gains/losses are taken directly to reserves in the period in which they occur.

### **Budget Comparison**

26. The Statement of Comparison of Budget and Actual Amounts, Statement V, compares the final budget to actual amounts, excluding obligations, using classification based on the nature of expenses in the Statement of Financial Performance, Statement II. Therefore, there is no need to provide a reconciliation between Statement V and Statement II.

### **Provisions and Contingent Liabilities**

27. Other commitments, which do not meet the recognition criteria for liabilities, are disclosed in the notes to the financial statements as contingent liabilities when their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of GEO.

### **Critical Accounting Estimates**

28. Preparing financial statements in accordance with IPSAS requires GEO to make estimates, judgements and assumptions in the selection and application of accounting policies and in the reported amounts of assets, liabilities, revenues and expenses. For this reason, actual results may differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an on-going

basis and revisions to estimates are recognized in the year in which the estimates are revised and in any future year affected. Significant estimates and assumptions that may result in material adjustments in future years include: actuarial measurement of employee benefits; impairment on assets; classification of financial instruments; and contingent assets and liabilities. Changes in estimates are reflected in the year in which they become known.

### Segment Reporting

29. The financial statements are based on a fund accounting basis, showing at the end of the period the consolidated position of all GEO funds. A fund is a self-balancing accounting entity established to account for the transactions of a specified purpose or objective. Funds are segregated for the purpose of conducting specific activities or attaining certain objectives. Fund balances represent the accumulated residual of revenues and expenses.
30. A segment is a distinguishable activity or group of activities for which financial information is reported separately. GEO classifies all projects, operations and fund activities into one segment. Therefore, no additional information per segment is given in the financial statements.

### NOTE 3. ASSETS AND LIABILITES

#### Note 3.1: Cash

31. GEO maintains Petty Cash for immediate miscellaneous disbursements only. All other GEO funds are held and administered on behalf of GEO by WMO as described in Note 3.5 below.

#### Note 3.2: Contributions receivable

	<b>2022</b>	<b>2021</b>
	<i>Swiss Francs</i>	
Voluntary contributions pledged - Short Term	1,364,000	360,000
Voluntary contributions pledged - Long Term	-	275,000
<b>Total contribution receivable</b>	<b>1,364,000</b>	<b>635,000</b>

32. Contributions receivables are revalued from the underlying currency into Swiss francs at 31 December 2022.
33. Contributions receivable have significantly increased in 2022 as additional pledges were received in 2022 as compared to 2021.

**Note 3.3: Advances for projects and meetings**

34. Advances for projects represents advances sent to implementing partners. The advances are recognized as expenditures once projects have been implemented and implementing partners have reported to GEO how they have expensed the advance.
35. Advances for the organization of GEO meetings represent advances given to institutions for the organization of GEO meetings outside Geneva, based on a Letter of Agreement in which the recipient organization commits, inter alia, to providing an expenditure report for the advance within three months of the conclusion of the meeting. The advances are recognized as expenditures when meeting is held.
36. The current balance of CHF 362,000 (CHF 585,000 at 31 December 2021) relates to advances for projects that are expected to take place in 2023.

**Note 3.4: Other receivables**

	<b>2022</b>	<b>2021</b>
	<i>Swiss Francs</i>	
Home country taxation	48,000	21,000
Education grant advances	26,000	25,000
Prepaid expenses	14,000	16,000
Travel refundable	6,000	6,000
Provision for delays in collection of other debts	(20,000)	(22,000)
<b>Total other receivables</b>	<b>74,000</b>	<b>46,000</b>

37. Home country taxation represents advances made for staff to pay income taxes required by their home country governments, as well as refunds due from governments.
38. Employees entitled to grants for the education of their eligible dependents may request advances at the beginning of the school year. The amount of the advance which is accrued is based on the number of months of attendance relative to the school year.
39. Prepaid expenses represent payment in advance for goods and services receivable in future years.
40. Travel refundable represent advance that were sent to travellers who were not able to participate to the GEO meetings which should be reimburse to WMO.
41. Provision for delays in collection shown in 2022 and 2021 includes CHF 20,000 in respect of 2021 and prior year income tax claims that have not yet been confirmed. In 2021, an additional CHF 2,000 was recorded as provision to



potential claims for reimbursable advances sent to travellers, for which meeting did not materialize and therefore should be reimbursed to ~~the GEO Trust Fund~~.

### Note 3.5: Funds held by WMO

42. GEO does not maintain its own bank accounts and its funds are administered by WMO. Funds held by WMO represent the amount of GEO funds that are in WMO bank accounts.

### Note 3.6: Deferred Revenue

43. GEOs has deferred revenue relating to cash voluntary contribution covered by agreements with conditions as of 31 December 2023 amounting to CHF 2,125,000.

	<b>2022</b>	<b>2021</b>
	<i>Swiss Francs</i>	
Short-term	2,125,000	2,503,000
Long-term	-	275,000
<b>Total deferred revenue</b>	<b>2,125,000</b>	<b>2,778,000</b>

44. CHF 620,000 of the Deferred Revenue in 2022 was carried forward from prior years as the underlying activities could not be implemented in 2020 and 2021. This left a significant balance in deferred revenue to be used in future activities. CHF 1,505,000 of the deferred revenue balance in 2022 relates to new projects. All of the activities supporting the deferred revenue balance are expected to be implemented in 2023.

### Contingent Revenues

45. There are contingent assets in the amount of CHF 3,892,260 at 31 December 2022 (CHF 3,935,347 in 2021). This represents agreements which have been entered into with donors for contributions for future years but where that future year funding is still subject to some parliamentary budget approval.

### Note 3.7: Payables and Accruals

	<b>2022</b>	<b>2021</b>
	<i>Swiss Francs</i>	
Payables	44,000	54,000
Accruals	-	64,000
<b>Total payables and accruals</b>	<b>44,000</b>	<b>118,000</b>

46. Payables to vendors relate to amounts due for goods and services for which invoices have been received.

47. Accruals are liabilities for the cost of goods and services that have been received or provided to GEO and which have not been invoiced by suppliers as of the reporting date.

### Note 3.8: Employee Benefits Liabilities

	<b>2022</b>	<b>2021</b>
	<i>Swiss Francs</i>	
Non-current liabilities – Long-term benefits	2,755,000	1,613,000
Current liabilities – Short-term benefits	184,000	160,000
<b>Total benefits</b>	<b>2,939,000</b>	<b>1,773,000</b>

Employee benefits comprise:

- **Post-Employment Benefits**

48. Post-employment benefits are defined benefit plans consisting of United Nations Joint Staff Pension Fund (UNJSPF), After-Service Health Insurance Plan (ASHI) and Repatriation Grant and related benefits including accrued annual leave.
49. Arrangements relating to the UNJSPF are set out in paragraphs 74 to 84.
50. ASHI is a plan that allows eligible retirees and their eligible family members to participate in the United Nations Staff Mutual Insurance Society (UNSMIS) post-retirement.
51. Repatriation benefits consist of a repatriation grant lump sum, travel of the staff member and eligible dependants and shipment of their personal effects upon separation from the Organization.

- **Other Long-Term Employee Benefits**

52. Other long-term employee benefits include accumulated balances of annual leave and, where applicable, compensation payments in the case of death, injury or illness attributable to performance of duties.
53. As the accumulated balance of annual leave is generally not wholly utilized in the 12 months following the balance sheet date, it is considered by IPSAS 39 as an "other long-term employee benefit".

	<b>2022</b>	<b>2021</b>
	<i>(Swiss Francs thousands)</i>	
After-service health insurance	2,442	1,349
Annual leave accrued on retirement	217	165
Repatriation grant	280	259
<b>Total benefits</b>	<b>2,939</b>	<b>1,773</b>
Current liabilities - Short-term benefits	184	160
Non-current liabilities - Long-term benefits	2,755	1,613
<b>Total benefits</b>	<b>2,939</b>	<b>1,773</b>

#### **Actuarial Valuations of Post – Employment and Other Separation – Related Benefits**

54. Liabilities arising from post-employment benefits and other separation-related benefits are determined by a professional independent actuary. These employee benefits are established for staff members who are entitled to such benefits under WMO Staff Regulations and Staff Rules. A full actuarial valuation was carried out as at 31 December 2022. The prior valuation performed on 31 December 2021 was also a full actuarial valuation.
55. The CHF 1,114,000 (69.3%) increase in the liabilities is mainly due to the following:
- a) An increase of 10.4% arising from an additional year of service and interest on liabilities of the after-service health amounting to CHF 168,000;
  - b) A decrease of 4.5% following payment of benefits amounting to CHF 73,000
  - c) An increase of 63.4% due to a net actuarial loss on the benefits of CHF 1,019,000.
56. The accrued benefit obligation represents that portion of the present value of future benefits that had been accrued from the staff members' date of entry on duty until 31 December 2022, the date of valuation. Active staff members' benefits are considered fully accrued when they reach their dates of full eligibility for benefits.

#### *Medical Claims Cost Estimate*

57. During 2022, WMO and GEO, in coordination with its actuaries, reviewed the estimate of medical claims costs. Prior to 2022, WMO and GEO utilized a premium-based estimate in which the premiums charged by the medical service provider were deemed to be the cost of medical claims. However, as the medical

plan covers both WMO/GEO retirees and WMO/GEO active staff, this premium-based estimate did not recognize the fact that actual medical costs for retirees are higher than those for active staff. As such, with the premium-based estimate, the active staff subsidization of retirees was not fully recognized.

58. For the actuarial valuation, an actual medical claims cost study was performed by the actuary for WMO/GEO to identify the true cost of medical claims for WMO/GEO retirees. The study examined all claims for WMO/GEO retirees for the period from 2017 through 2021 and identified estimated medical claims cost for each age of retiree. The study resulted in the medical claims cost rate as described in paragraph 61 below.
59. This change in medical claims cost estimate is the primary reason for the net actuarial loss of CHF 1,019,000 resulting from changes in demographic assumptions referred to in paragraph 55.c) above.

### **Actuarial Assumptions and Methods**

60. During each actuarial study, WMO in conjunction with the actuary, reviews and selects assumptions that will be used by the actuaries in the year-end valuation to determine the expense and contribution requirements for WMO's after-service benefit plans (post-employment benefits and other separation-related benefits and unused annual leave).
61. The following assumptions have been used to determine the value of post-employment and other separation-related employee liabilities for WMO at 31 December 2022:

- *Economics assumptions*

#### **ASHI**

Discount rate: 2.40% (2021: 0.50%)

The discount rate is estimated to approximate the single equivalent rate such that the present value of the plan's cash flows (i.e. expected as from 31 December 2022; for 2021 as from 31 December 2021) using the single rate that equals the present value of those cash flows using the spot rate at each maturity of the AA Corporate Bonds yield as at 31 December 2022 (2021: 31 December 2021) for the relevant currency (primarily CHF, with approximately 8% in EUR and 8% in USD). The reference spot rates are based upon the Aon yield curve and were provided by the UN Headquarters.

For sensitivity analysis purposes, an estimate of the liability for ASHI has been prepared utilizing the Swiss government bond rates as opposed to the AA Corporate bond yield. If this rate had been utilized in the estimate of the ASHI liability, the amount of the liability would have increased by 22.5%, or approximately CHF 0.5 million to CHF 3.0 million at 31 December 2022.

Pensionable Remuneration Increase Rate: 2.40% (2021: 2.50%)

Salary increase rate:

The salary increase rate as per UNJSPF salary scale has been applied, as per following sample rates:

At 31 December 2022		
Age	General service staff	Professional staff
20	6.73%	8.97%
30	6.37%	6.97%
40	5.17%	5.17%
50	4.77%	4.17%
60	4.37%	3.87%

At 31 December 2021		
Age	General service staff	Professional staff
20	6.83%	9.07%
30	6.47%	7.07%
40	5.27%	5.27%
50	4.87%	4.27%
60	4.47%	3.97%

**Healthcare cost increase rate:**

As at 31 December 2022, the health care cost increase rate has been set to a constant rate for the future of 2.80% which is in line with the long-term nominal medical trend rates as per the UN guidelines. As at 31 December 2021, it was set to 2.50%.

**Medical Claim cost rate:**

The medical claim cost rate as at 31 December 2022 based upon the full medical claims study methodology were the following:

Sample Age	Annual per capita cost (CHF)
50	3,902
55	4,308
60	4,756
65	5,514
70	6,706
75	9,228
80	11,772
85+	12,127

The contributions rates under the premium-based approach that were applied as at 31 December 2022 were the following:

	Payable by insured person	Payable by WMO
Retired member only	3.4%	6.8%
Retired member with one dependent	4.4%	8.8%
Retired member with more than one dependent	4.8%	9.6%

### **Administrative Expense Rate**

In connection with the revised medical claims cost rate, an administrative expense of CHF 166 per covered person per year has been incorporated in the actuarial valuation. Administrative expenses are forecast to increase at a rate of 1.20% as of 31 December 2022.

### **Repatriation**

Salary increase rate:	Same as ASHI
Discount rate (using US dollar yield curve*):	5.10% (2020: 2.40%)
Travel cost increase rate:	1.20% (2020: 2:00%)

*\*the spot rates have been provided by UN Headquarters*

For sensitivity analysis purposes, an estimate of the liability for repatriation related entitlements has been prepared utilizing the Swiss government bond rates as opposed to the AA Corporate bond yield. If this rate had been utilized in the estimate of the repatriation related entitlement liability, the amount of the liability would have increased by 27.3%, or approximately CHF 0.1 million to CHF 0.4 million at 31 December 2022.

### *- Demographic assumptions*

The tables of the United Nations Joint Staff Pension Fund have been applied for both 2022 and 2021 with respect to mortality, disability and early retirement rate, as these are based on the demographic experience of the UN Joint Staff Pension Fund. Turnover rates are based upon WMO specific experience. The following provides the details relating to the demographic assumptions:

Disability:	UNJSPF tables for 2022 and 2021
Mortality:	UNJSPF tables – The post retirement mortality rates utilized are headcount weighted, gender-distinct mortality rates with static longevity improvements applied for healthy retirees and beneficiaries
Retirement rates:	UNJSPF tables – The retirement rates are gender-distinct and vary based upon professional or general service staff and years of service.

Participation: 95% of future retirees are assumed to elect post-retirement medical coverage for 2022 and 2021

Spousal coverage: 60% of future retirees are assumed married at retirement and elect coverage for their spouse for both 2022 and 2021. Males are assumed to be 3 years older than spouse

Turnover rates: Based upon WMO specific experience as summarized in the following table for both 2022 and 2021:

Age	Turnover Rate
30	20%
35	12%
40	7%
45	7%
50	5%
55	8%
60+	10%

The turnover rates for those aged over 55 are only applied if the staff member is not yet eligible for ASHI

## 62. Reconciliation of Defined Benefit Obligation for 2022

	After service health insurance	Repatriation	Total
	<i>(Swiss Francs thousands)</i>		
Benefit obligation at 31 December 2021	1,349	259	1,608
Service cost for 2022	109	46	155
Interest cost for 2022	7	6	13
Benefits paid in 2022	(47)	(26)	(73)
Actuarial (gain)/loss	1,024	(5)	1,019
<b>Benefit obligation at 31 December 2022</b>	<b>2,442</b>	<b>280</b>	<b>2,722</b>

## 63. Reconciliation of Defined Benefit Obligation for 2021

	After service health insurance	Repatriation	Total
	<i>(Swiss Francs thousands)</i>		
Benefit obligation at 31 December 2020	1,553	237	1,790
Service cost for 2021	119	44	163
Interest cost for 2021	6	4	10
Benefits paid in 2021	(13)	(21)	(34)

Actuarial (gain)/loss	(316)	(5)	(321)
<b>Benefit obligation at 31 December 2021</b>	<b>1,349</b>	<b>259</b>	<b>1,608</b>

## 64. Reconciliation of recognized actuarial gains / losses

	After service health insurance	Repatriation	Total
	<i>(Swiss Francs thousands)</i>		
Actuarial gains (losses) at 31 December 2021	(38)	24	(14)
Movement in reporting period	(1,024)	5	(1,019)
Actuarial gains/(losses) at 31 December 2022	(1,062)	29	(1,033)

65. In the 2022 valuation of employee benefits liabilities, the actuaries have determined gross actuarial loss under post-employment benefits and other separation-related benefits of CHF 1,019,000 (2021: gross actuarial gain of CHF 321,000).
66. The total actuarial gain of CHF 1,019,000 represents a loss of CHF 1,024,000 relating to After Service Health Insurance and a gain of CHF 5,000 relating to repatriation related liabilities.
67. Annual Expense

	<b>2022</b>	<b>2021</b>
	<i>(Swiss Francs thousands)</i>	
Service cost	155	163
Interest cost	13	10
<b>Total</b>	<b>168</b>	<b>173</b>

68. The composition of the defined benefit obligation for ASHI between active staff members and retirees is as follows:

	<b>2022</b>	<b>2021</b>
	<i>(Swiss Francs thousands)</i>	
Active staff members	1,369	1,284
Retirees	1,073	269
<b>Total ASHI obligation</b>	<b>2,442</b>	<b>1,553</b>

**After-Service Health Insurance – Sensitivity Analysis**



69. Two of the principal assumptions in the valuation of the After-Service Health Insurance are: (i) the rate at which medical costs are expected to increase in the future; and (ii) the discount rate used to determine the present value of benefits that will be paid from the plan in the future.
70. A sensitivity analysis was undertaken to determine the impact of the above assumptions on the liability and service cost under IPSAS 39.
71. The effect of an increase of one percentage point and the effect of a decrease of one percentage point in the assumed medical cost trend rates are shown below:
72. The effect of on the ASHI DBO of increase of one percentage point and the effect of a decrease of one percentage point in the assumed medical cost trend rates are shown below:

<b>ASHI Benefit Obligation at 31 December 2022</b>	<b>Discount rate currently reflected</b>	<b>Discount rate increase +1%</b>	<b>Discount rate decrease -1%</b>
Amount	<b>2,442</b>	<b>-18.90%</b>	<b>25.40%</b>
<b>Repatriation Related Benefit Obligation at 31 December 2022</b>	<b>Discount rate currently reflected</b>	<b>Discount rate increase +1%</b>	<b>Discount rate decrease -1%</b>
Amount	<b>280</b>	<b>-5.60%</b>	<b>6.30%</b>
<b>ASHI Benefit Obligation at 31 December 2022</b>	<b>Healthcare cost currently reflected</b>	<b>Healthcare cost increase +1%</b>	<b>Healthcare cost decrease -1%</b>
Amount	2,442	3,209	1,854
Effect	-	<b>767</b>	<b>-588</b>
<b>Service cost and interest cost 2022</b>	<b>Healthcare cost currently reflected</b>	<b>Healthcare cost increase +1%</b>	<b>Healthcare cost decrease -1%</b>
Amount	116	185	67
Effect	-	<b>69</b>	<b>-49</b>

### Expected Costs during 2022

73. The expected contribution of GEO in 2023 to the employee benefit plans is CHF 72,000.

### United Nations Joint Staff Pension Fund (UNJSPF)

74. WMO is a member organization participating in the United Nations Joint Staff Pension Fund (the "Fund"), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified in Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of

salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

75. The Fund exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the Fund. GEO and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify GEO's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, GEO has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39, Employee Benefits. GEO's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance.
76. The Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the Open Group Aggregate Method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Fund will be sufficient to meet its liabilities.
77. GEO's financial obligation to the Fund consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9% for participants and 15.8% for member organizations) together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Pension Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.
78. The latest actuarial valuation for the Fund was completed as of 31 December 2021, and a roll forward of the participation data as of 31 December 2021 to 31 December 2022 will be used by the Fund for its 2022 financial statements.
79. The actuarial valuation as of 31 December 2021 resulted in a funded ratio of actuarial assets to actuarial liabilities of 117.0% (107.1% in the 2019 valuation). The funded ratio was 158.2% (144.4 % in the 2019 valuation) when the current system of pension adjustments was not taken into account.
80. After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as of 31 December 2021, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the plan. In addition, the market value of assets also exceeded the

actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of Article 26.

81. Should Article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the Fund, deficiency payments required from each member organization would be based upon the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the Fund during the preceding three years (2019, 2020 and 2021) amounted to USD 8,505.27 million, of which 0.01% was contributed by GEO.
82. During 2022, contributions paid to the Fund by GEO amounted to USD 0.693 million (2021 USD 0.33 million). Expected contributions due in 2023 are approximately USD 0.787 million.
83. Membership of the Fund may be terminated by decision of the United Nations General Assembly, upon the affirmative recommendation of the Pension Board. A proportionate share of the total assets of the Fund at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were participants in the Fund at that date, pursuant to an arrangement mutually agreed between the organization and the Fund. The amount is determined by the United Nations Joint Staff Pension Board based on an actuarial valuation of the assets and liabilities of the Fund on the date of termination; no part of the assets which are in excess of the liabilities are included in the amount.
84. The United Nations Board of Auditors carries out an annual audit of the Fund and reports to the Pension Board and to the United Nations General Assembly on the audit every year. The Fund publishes quarterly reports on its investments and these can be viewed by visiting the Fund at [www.unjspf.org](http://www.unjspf.org).

### **Note 3.9 Employee Benefits Reserves**

85. The Reserve for Employee Benefits represents the actuarial gains and losses arising from the actuarial valuation of the employee benefits liabilities which were determined by a professional actuary at the end of each financial period.

### **Note 3.10 Fund Balances**

86. In accordance with the GEO Rules of Procedure dated 7 November 2019, the Working Capital Fund (WCF) was established to hold surplus funds remaining in the GEO Trust Fund at the end of the calendar year, capped at CHF 1.0 million. Through the approval of the budget for 2022, the level of the WCF was increased to CHF 1.5 million.
87. At 31 December 2022, the total fund balance of ~~the GEO Trust Fund~~, excluding the WCF was CHF 2,932,000 (CHF 3,363,000 at 31 December 2021).

### **NOTE 4: RISK ANALYSIS**

## Currency Risk

88. Credit risk and liquidity risk associated with funds held by WMO is minimized substantially by WMO ensuring that these financial assets are placed with major financial institutions that have been accorded strong investment grade ratings by a primary rating agency.

## Liquidity Risk

89. GEO's cash and funds held by WMO at 31 December 2022 of CHF 6,706,000 (CHF 7,751,000 at 31 December 2021) is sufficient to meet its current liabilities at that date of CHF 2,353,000 (CHF 2,781,000 at 31 December 2021).
90. Implementation of GEO activities cannot commence until a contribution has been received and can spend until the limit of resources available. The control of fluctuation risk and the impact of support cost should be managed by the department to ensure that there is sufficient cash to meet contractual liabilities.
91. These procedures are adequate to ensure that there is sufficient cash to meet contractual liabilities.

## Market Risk

### Interest Risk

92. There was no exposure to interest rate risk during 2022, except normal exposure to bank interest. GEO had to pay approximately CHF 10,000 of negative interest in 2021. During 2022, overall interest rates became positive compared to 2021. Efforts are being made to further mitigate exposures to negative interest rate risks.

### Currency Risk

93. The GEO budget is prepared in Swiss Francs and is funded through voluntary contributions which are pledged in various currencies. Currency fluctuations between the Swiss Franc and currencies such as US Dollar and Euro do have an impact on GEO's cash revenue. Such fluctuations may be beneficial or disadvantageous to GEO. GEO's funds are entrusted to WMO and managed through WMO's bank accounts.

## NOTE 5: REVENUE

### 5.1 Voluntary contributions

	<b>2022</b>	<b>2021</b>
	<i>Swiss Francs</i>	
Voluntary contributions	5,217,000	5,040,000
Voluntary contributions-pledged	1,000,000	72,000
	<b>6,217,000</b>	<b>5,112,000</b>

94. Voluntary contributions have increased in comparison to 2021 by 22% as more voluntary contributions were received in 2022. In addition, projects for which funds had been received in 2021 were implemented in 2022 resulting in more revenue recognized in 2022.

## 5.2 In-kind contributions

	<b>2022</b>	<b>2021</b>
	<i>Swiss Francs</i>	
Office space	164,000	165,000
Seconded staff	160,000	60,000
<b>Total in-kind contributions</b>	<b>324,000</b>	<b>225,000</b>

95. Contributions in-kind relate to the value of office space provided by WMO and staff secondments.
96. The value of office space rental provided by WMO is calculated based on the number of square meters times the current rental rate applied to WMO tenants plus the actual charges. ~~In 2022, the additional rented square meters remained the same as in 2021 but the charges were slightly higher than in 2021.~~
97. In 2021, there was one seconded expert, who started in May 2021. In 2022, the same staff member was seconded to GEO for the entire year.
98. GEO also receives in-kind supports from members which are not recognized in these accounts as GEO does not have control over the in-kind services and could not measure the fair value of these services.

## 5.3 Other revenue

	<b>2022</b>	<b>2021</b>
	<i>Swiss Francs</i>	
Support cost income	53,000	-
Interest	2,000	(10,000)
<b>Total other revenue</b>	<b>55,000</b>	<b>(10,000)</b>

**NOTE 6: EXPENSES**

	<b>2022</b>	<b>2021</b>
	<i>Swiss Francs</i>	
<b>6.1 Salaries and employee benefits</b>		
Staff costs (Difference comes mainly from the reversal of the provision made for legal judgement which were made in 2019 and 2020 and reversed in 2021 for an amount of CHF 194,000) as decision was made in favour of the organization, therefore the provision was no longer required; additional temporary assistance staff in 2022)	2,285,000	1,587,000
Employee benefits and social charges (variance due to increased allowances)	935,000	848,000
Consultancy costs (more consultancy work in 2022 than in 2021)	754,000	663,000
	<b>3,974,000</b>	<b>3,098,000</b>
<b>6.2 Meetings and Projects</b>		
Support to GEO Events (In 2022: more meetings/Letters of Agreement with Implementing partners were executed than in 2021)	<b>984,000</b>	<b>576,000</b>
<b>6.3 Other expenditures</b>		
Support costs (More expenses, meetings, staff costs in 2022, therefore higher support cost)	441,000	278,000
Unrealized loss on currency exchange (High in 2021 due to the number of Financial Support obligations)	41,000	(176,000)
Realized loss on currency exchange	25,000	85,000
Pamphlets, Publications, other printing	20,000	19,000
External Audit (In 2021 and 2022, it is the reversal of the audit fee which is showing as a credit. The audit fees were covered by WMO)	(5,000)	(5,000)
Other staff training (Budget for Staff training in 2022 was CHF 100,000 in 2022 while it was only CHF 10,000 in 2021)	72,000	1,000
Finance cost (In 2021 Provision made for advance paid to travellers for which meeting did not materialize and need to be reimbursed to WMO but is still overdue for the last two years. In 2022, Provision was written off.)	-	2,000
Hospitality (Reception during the GEO House Event: Road to Post-2025, Geneva, Switzerland, 22 September 2022)	2,000	-
Bank charges	4,000	2,000
	<b>600,000</b>	<b>206,000</b>
<b>6.4 Travel</b>		
Travel of staff (In 2021, due to Covid, there was little travel. Travel started again mid-2022)	269,000	18,000
Travel – other (In 2021, due to Covid, there was little travel. Travel started again mid-2022)	140,000	13,000
	<b>409,000</b>	<b>31,000</b>
<b>6.5 In-kind expenditures</b>		
Seconded staff (1 Seconded from May to December 2021 compared to one seconded staff from January to December in 2022)	160,000	60,000
Office space (Difference comes from utilities charges slightly lower in 2022)	164,000	165,000
	<b>324,000</b>	<b>225,000</b>

**6.6 Supplies, consumables and other running costs**

Rental of office space (Charge the square meters rented, in addition to the in-kind, plus utilities charges)	73,000	71,000
Information/Telecommunication (ICT charges)	75,000	50,000
Supplies and other running costs (More equipment and supplies bought during the period in 2021 than in 2022)	51,000	29,000
Common Services/Utilities (COS charges, slight increase in 2021)	13,000	13,000
Internet, Intranet, etc (Increase in 2022 as it does not only include telephone costs but also the expenses regarding the technology used for recruiting new GEO Staff)	24,000	5,000
	<b>236,000</b>	<b>168,000</b>

**NOTE 7: STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

99. GEO's Operations Budget for 2022 was approved by GEO-17 Plenary held virtually on 23-26 November 2021. The approved budget covers GEO Secretariat spending only. Contributions and expenditures reported in these financial statements include activities outside of the Secretariat's budget related to specific project implementation.
100. GEO's financial statements are prepared on full IPSAS accrual basis using classification based on the nature of expenses in the Statement of Financial Performance (Statement II). The Statement of Comparison of Budget and Actual Amounts (Statement V) also shows expenditures based on the nature of expenses as shown in Statement II.
101. As required under IPSAS-24, where the financial statements and the budget are not prepared on a comparable basis, the actual amounts presented on a comparable basis to the budget shall be reconciled to the actual amounts presented in the financial statements.
102. The reconciliation between the actual amounts on a comparable basis in the Statement of Comparison of Budget and Actual Amounts (Statement V) and the actual amounts in the Statement of Financial Performance for the year ended 31 December 2022 is presented below:

<b>Amount of expenditure, Statement V</b>	<b>Notes</b>	<b>5,082,000</b>
<u>Plus expenses excluded from the Secretariat Budget:</u>		
GEOGLAM		298,000
Digital Earth Africa		359,000
GEO LDN		48,000
GEOBON Microsoft		80,000
Microsoft Credits		528,000
Coalition for the Rainforest Nations (CfRN)		(12,000)
<u>Plus SC related to above excluded expenses (un-budgeted items):</u>		
WMO Support costs at 7%	6.3	91,000
GEO Support costs on certain expenses at 8%	5.3	53,000
<b>Amount of expense, Statement II</b>		<b>6,527,000</b>

**NOTE 8: VARIANCES BETWEEN BUDGET AND ACTUAL AMOUNTS**

103. There was more expenditure than initially planned in salaries and employee benefits due to an increase in consultancy costs, while less was used for Short Term staff. Gaps in support caused by two unsuccessful recruitments for short-term staff were filled with consultancies.
104. There is an underspend in travel costs due to global travel restrictions from Covid-19 pandemic. Many planned meetings were either held virtually or postponed. Travel to meetings only started again mid-2022.
105. Support to GEO Events includes 243,000 in unplanned funding from the GEO Secretariat for GEO Week 2022 that was not included in the budget.
106. There was a small over-expenditure under Supplies, Consumables and other running cost as the budget for IT software and equipment was lower than the actual costs.
107. There was overspending under "other expenditure" mainly due to the level of unrealized and realized gain on currency exchange, which is not budgeted. GEO also budgeted for external audit costs but these were no longer requested to be paid.
108. The under-expenditure in seconded staff is due to the budget anticipating five seconded staff; only one was seconded.

**NOTE 9: LEGAL OR CONTINGENT LIABILITIES AND WRITE-OFFS**

109. As at 31 December 2022, there were no contingent liabilities arising from legal actions and claims that are likely to result in a significant liability to GEO. No cases of fraud were noted.

**NOTE 10: OTHER COMMITMENTS**

110. At 31 December 2022, GEO had obligations for the acquisition of goods and services contracted but not delivered amounting to CHF 390,000 (CHF 23,000 on 31 December 2021).
111. Under IPSAS 1 on accrual accounting and on the basis of the delivery principle, commitments for future expenses are not recognized in the financial statements. Such commitments will be settled from the unexpended portion of contributions after receipt of the related goods or services.



**NOTE 11: RELATED PARTY AND OTHER SENIOR MANAGEMENT DISCLOSURE****NOTE 11.1: Key Management Personnel**

	Number of posts	Compensation and post adjustment	Entitlements	Pension plans	Total remuneration	Outstanding advances against entitlements	Outstanding loans
		<i>Swiss Francs</i>					
<b>2022</b>	1	189,000	19,000	40,000	248,000	18,000	-
<b>2021</b>	1	198,000	74,000	40,000	312,000	-	-

112. The GEO Secretariat-Director is the only member of key management as he has the authority and responsibility for planning, directing and controlling the activities of GEO. The Executive Committee consists of 13 Members without personal appointment.
113. The aggregate remuneration paid to key management personnel includes: net salaries, post adjustment and employer pension contributions.
114. Key management personnel are also qualified for post-employment benefits at the same level as other employees. These benefits cannot be reliably quantified.
115. Key management personnel are ordinary members of the UNJSPF.

**NOTE 12: EVENTS AFTER REPORTING DATE**

116. GEO's reporting date is 31 December 2022. On the date of signing of these accounts, other than as stated in the following paragraphs, there have been no material events, favourable or unfavourable that incurred between the Statement of Financial Position date and the date when the financial statements have been authorized for issue.