

UNITED



NATIONS

**UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES IN THE NEAR EAST**

ACCOUNTS

for the financial year ended 30 June 1956

and

REPORT OF THE BOARD OF AUDITORS

GENERAL ASSEMBLY

OFFICIAL RECORDS : ELEVENTH SESSION

SUPPLEMENT No. 6B (A/3211)

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**UNITED NATIONS RELIEF AND WORKS AGENCY FOR
PALESTINE REFUGEES IN THE NEAR EAST**

**Accounts for the financial year ended 30 June 1956
and report of the Board of Auditors**

LETTER OF TRANSMITTAL

Oslo, 25 October 1956

Sir,

An examination has been made of the accounts of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the financial year ended 30 June 1956.

The financial statements presented for audit certificate by the Director of the Agency have been examined and certified.

On behalf of the Board of Auditors of the United Nations, I have the honour to transmit for presentation to the General Assembly the financial statements and audit report thereon.

Respectfully,

(Signed) Lars BREIE
On behalf of the Board of Auditors

The Secretary-General of the United Nations,
New York

NOTE BY THE SECRETARY-GENERAL

1. The financial statements of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the financial year ended 30 June 1956, together with the report of the Board of Auditors thereon, are presented herewith pursuant to the provisions of resolution 302 (IV) adopted by the General Assembly on 8 December 1949. In paragraph 21 of that resolution, the General Assembly:

"Requests the Director to submit to the General Assembly of the United Nations an annual report on the work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, including an audit of funds . . ."

2. The financial statements and the report of the Board of Auditors have been submitted to the Advisory Committee on Administrative and Budgetary Questions for consideration and report to the General Assembly. A report on financial operations is included in the annual report of the Director to the General Assembly in document A/3212.¹

¹ *Official Records of the General Assembly, Tenth Session, Supplement No. 14.*

FINANCIAL STATEMENTS

Budget, expenditure and income

For the fiscal year ended 30 June 1956

(Expressed in US dollars)

	Budget	Expenditure	
		Function	Programmes
	\$	\$	\$
Budget and expenditure			
Relief programme (schedule A)			
Food and other subsistence rations			
Basic subsistence and cloth	13,992,077	13,030,739	
Milk and supplementary feeding	1,701,477	1,426,266	
	15,693,554	14,457,005	
Shelter and camp maintenance	2,330,634	1,722,400	
Health care	2,855,936	2,501,817	
Social welfare	457,276	455,897	
Registration	357,284	357,990	
Transport within UNRWA area	1,836,545	1,619,770	
Warehousing and handling	1,042,604	941,796	
Administration	498,275	457,927	
Share of common services (schedule C)	904,152	905,046	
Unclassified budget requirements	800,000	—	
	26,776,261		23,419,648
TOTAL RELIEF PROGRAMME			
Rehabilitation programme (schedule B)			
General education	5,213,450	4,137,545	
Vocational education	2,925,000	835,404	
Placement services	524,223	354,974	
Special camp facilities	750,000	100,073	
Special activities	532,000	296,294	
Projects	81,081,000	1,652,329	
Administration	626,840	497,238	
Share of common services (schedule C)	904,152	905,045	
	92,556,665		8,778,902
TOTAL REHABILITATION PROGRAMME			
	119,332,926		32,198,550
TOTAL BUDGET AND EXPENDITURE			
	In cash	In kind	Total
	\$	\$	\$
Income			
Contributions			
From Governments (schedule D)	20,253,812	3,392,463	23,646,275
From others (schedule E)	1,890	198,932	200,822
	20,255,702	3,591,395	23,847,097
TOTAL CONTRIBUTIONS			
Miscellaneous operating income			356,386
Exchange adjustments			14,658
			24,218,141
TOTAL INCOME			
EXCESS OF EXPENDITURE OVER INCOME			
			7,980,409

The notes to the financial statements are an integral part of these statements and should be read in conjunction therewith.

Certified correct
(Signed) Elmer E. FEISTEL, Jr.
Comptroller

Approved
(Signed) Henry R. LABOUISSSE
Director

Audit certificate

The above budget, expenditure and income statement has been examined in accordance with the provisions of the financial regulations. All information and explanations required were provided, and I certify, as a result of the audit, that the statement is in accordance with the books of the Agency and is, in my opinion, correct.

(Signed) Lars BREIE, Norway
On behalf of the Board of Auditors

Assets and liabilities
(Expressed in US dollars)

ASSETS

	<i>As of 30 June 1956</i>		<i>As of 30 June 1955</i>
	\$	\$	\$
Cash			
Cash in banks, on hand and in transit	21,721,386		
Letters of credit outstanding	1,324,978		
Funds in hands of agents	1,151,199	24,197,563	31,254,452
Accounts receivable			
Claims for refund or damages	482,096		
Others	171,154	653,250	861,053
Advances to vendors		82,916	40,268
Inventories (including supplies and equipment in transit \$1,015,335)			
Supplies	5,057,182		
Major equipment	38,854	5,096,046	6,072,745
Prepaid expenses		174,867	61,543
TOTAL		<u>30,204,642</u>	<u>38,290,061</u>

LIABILITIES AND WORKING CAPITAL

Liabilities			
Accounts payable	849,855		
Funds held on behalf of others	19,342		
Provident fund	4,703	873,900	1,001,565
Deferred income		10,000	—
Reserve for liquidation		2,093,228	1,915,759
Working capital			
Balance at 30 June 1955	35,372,737		
Deduct subsequent adjustments applicable to previous fiscal years	164,814		
	35,207,923		
Deduct excess of expenditure over income for the fiscal year ended 30 June 1956 (statement I)	7,980,409	27,227,514	35,372,737
TOTAL		<u>30,204,642</u>	<u>38,290,061</u>

The notes to the financial statements are an integral part of these statements and should be read in conjunction therewith.

Certified correct
(Signed) Elmer E. FEISTEL, Jr.
Comptroller

Approved
(Signed) Henry R. LABOUISSÉ
Director

Audit certificate

The above statement of assets and liabilities has been examined in accordance with the provisions of the financial regulations. All information and explanations required were provided, and I certify, as a result of the audit, that the statement is in accordance with the books of the Agency and is, in my opinion, correct.

(Signed) Lars BREIE, Norway
On behalf of the Board of Auditors

Budget and expenditure for the relief programme

For the fiscal year ended 30 June 1956

(Expressed in US dollars)

	Budget \$	Expenditure \$
<i>Basic subsistence and cloth</i>		
<i>Operations</i>		
International staff salaries and allowances	21,720	23,636
Area staff salaries and allowances	234,446	248,184
Related international staff costs	6,662	5,686
Related area staff costs	11,458	12,932
Basic food supplies	12,277,860	12,039,832
Blankets	261,482	253,795
Soap	269,042	267,714
Domestic fuel	113,627	104,075
Cloth	500,000	30,251
Miscellaneous supplies	8,501	3,401
Rentals and maintenance	17,968	16,738
Travel	4,329	4,988
Professional services	1,085	2,653
Miscellaneous services	886	594
Rations charged to other activities	—	(5,071)
Losses of supplies	—	3,694
Operational reserve	234,119	—
TOTAL	13,963,185	13,913,102
<i>Construction and equipment</i>		
Equipment	8,878	7,649
Buildings and structures	16,814	8,198
Tents	3,200	1,790
TOTAL	28,892	17,637
TOTAL BASIC SUBSISTENCE AND CLOTH	13,992,077	13,030,739
<i>Milk and supplementary feeding</i>		
<i>Operations</i>		
International staff salaries and allowances	6,461	6,936
Area staff salaries and allowances	291,055	290,127
Related international staff costs	1,927	1,570
Related area staff costs	28,875	28,735
Supplementary food supplies	792,959	636,113
Milk supplies	345,952	275,205
Miscellaneous supplies	67,120	43,973
Rental and maintenance	54,377	48,809
Travel	2,472	1,574
Miscellaneous services	856	782
Grants and subsidies	2,698	2,436
Losses of supplies	—	70
TOTAL	1,594,752	1,336,330
<i>Construction and equipment</i>		
Equipment	30,148	35,339
Buildings and structures	76,301	54,060
Tents	276	537
TOTAL	106,725	89,936
TOTAL MILK AND SUPPLEMENTARY FEEDING	1,701,477	1,426,266
<i>Shelter and camp maintenance</i>		
<i>Operations</i>		
International staff salaries and allowances	10,544	10,172
Area staff salaries and allowances	456,594	442,919
Related international staff costs	3,369	1,225
Related area staff costs	44,279	41,999
Tents	137,500	317,821

Budget and expenditure for the relief programme
(continued)

For the fiscal year ended 30 June 1956
(Expressed in US dollars)

	<i>Budget</i> \$	<i>Expenditure</i> \$
<i>Shelter and camp maintenance (continued)</i>		
<i>Operations (continued)</i>		
Sanitation supplies	40,463	24,495
Miscellaneous supplies	87,181	67,042
Rentals and maintenance	226,043	209,261
Travel	4,189	4,184
Professional services	809	944
Miscellaneous services	1,446	1,115
Losses of supplies	—	519
TOTAL	1,012,417	1,121,696
<i>Construction and equipment</i>		
Equipment	20,553	13,851
Buildings and structures	1,297,664	586,853
TOTAL	1,318,217	600,704
TOTAL SHELTER AND CAMP MAINTENANCE	2,330,634	1,722,400
<i>Health care</i>		
<i>Operations</i>		
International staff salaries and allowances	114,092	116,018
Area staff salaries and allowances	873,522	813,555
Related international staff costs	34,922	31,068
Related area staff costs	86,202	79,739
Food supplies	106,076	76,213
Medical supplies	275,309	165,730
Miscellaneous supplies	93,844	73,447
Rentals and maintenance	56,676	53,399
Travel	16,696	13,879
Professional services	19,666	34,819
Miscellaneous services	1,836	1,801
Grants and subsidies	842,505	883,053
Losses of supplies	—	3,102
TOTAL	2,521,346	2,345,833
<i>Construction and equipment</i>		
Equipment	195,183	54,362
Buildings and structures	139,407	101,622
TOTAL	334,590	155,984
TOTAL HEALTH CARE	2,855,936	2,501,817
<i>Social welfare</i>		
<i>Operations</i>		
International staff salaries and allowances	10,328	10,384
Area staff salaries and allowances	104,771	97,883
Related international staff costs	2,980	2,128
Related area staff costs	10,212	17,700
Supplies	15,313	26,373
Rentals and maintenance	2,274	2,085
Travel	8,401	3,909
Freight on non-programme donations	150,000	187,122
Professional services	13,191	1,433
Miscellaneous services	313	81
Grants and subsidies	97,115	96,723
Losses of supplies	—	190
Operational reserve	7,328	—
TOTAL	422,226	446,011

Budget and expenditure for the relief programme
(continued)

For the fiscal year ended 30 June 1956

(Expressed in US dollars)

	Budget \$	Expenditure \$
<i>Social welfare (continued)</i>		
<i>Construction and equipment</i>		
Equipment	7,001	3,631
Buildings and structures	28,049	6,255
TOTAL	35,050	9,886
TOTAL SOCIAL WELFARE	457,276	455,897
<i>Registration</i>		
<i>Operations</i>		
International staff salaries and allowances	20,677	27,499
Area staff salaries and allowances	149,895	189,935
Related international staff costs	6,035	8,359
Related area staff costs	13,889	16,041
Supplies	9,877	28,926
Travel	10,531	12,011
Hire of tabulating equipment	21,000	15,981
Miscellaneous services	—	445
Operational reserve	125,000	—
TOTAL	356,904	299,197
<i>Construction and equipment</i>		
Equipment	380	46,952
Buildings and structures	—	11,841
TOTAL	380	58,793
TOTAL REGISTRATION	357,284	357,990
<i>Transport within UNRWA area</i>		
<i>Operations</i>		
International staff salaries and allowances	16,579	17,524
Area staff salaries and allowances	561,928	638,138
Related international staff costs	4,300	3,539
Related area staff costs	42,618	47,565
Automotive fuel and supplies	208,794	184,362
Miscellaneous supplies	9,920	9,687
Rentals and maintenance	15,145	12,860
Travel	30,502	27,431
Hire of vehicles	216,083	194,786
Rail, ocean and highway freight	1,114,072	955,609
Hire of airplanes	131,569	133,145
Repairs to equipment	43,626	20,204
Miscellaneous services	9,981	9,287
Losses of supplies	—	2,572
Transport charged to other functions	(870,614)	(846,519)
Operational reserve	62,812	—
TOTAL	1,597,315	1,410,190
<i>Construction and equipment</i>		
Equipment	238,125	207,969
Buildings and structures	1,106	1,611
TOTAL	239,231	209,580
TOTAL TRANSPORT WITHIN UNRWA AREA	1,836,546	1,619,770
<i>Warehousing and handling</i>		
<i>Operations</i>		
International staff salaries and allowances	121,799	109,504
Area staff salaries and allowances	342,617	371,523
Related international staff costs	40,017	26,916

Budget and expenditure for the relief programme
(continued)

For the fiscal year ended 30 June 1956

(Expressed in US dollars)

	<i>Budget</i> \$	<i>Expenditure</i> \$
<i>Warehousing and handling (continued)</i>		
<i>Operations (continued)</i>		
Related area staff costs	29,095	30,091
Supplies	22,837	14,375
Rentals and maintenance	71,464	71,401
Travel	9,457	6,450
Professional services	2,993	1,451
Repairs to equipment	1,031	376
Port and related services	290,538	233,395
Miscellaneous services	7,402	5,649
Losses of supplies	—	24,719
TOTAL	939,250	895,850
<i>Construction and equipment</i>		
Equipment	17,366	14,173
Buildings and structures	85,988	31,773
TOTAL	103,354	45,946
TOTAL WAREHOUSING AND HANDLING	1,042,604	941,796
<i>Administration</i>		
<i>Operations</i>		
International staff salaries and allowances	65,672	61,799
Area staff salaries and allowances	307,404	297,489
Related international staff costs	20,768	14,213
Related area staff costs	30,514	29,463
Supplies	8,409	7,482
Rentals and maintenance	26,621	23,519
Travel	5,187	3,564
Communications	13,121	9,766
Repairs to equipment	130	134
Hospitality and representation	2,993	2,933
TOTAL	480,819	450,362
<i>Construction and equipment</i>		
Equipment	5,976	4,712
Buildings and structures	11,480	2,853
TOTAL	17,456	7,565
TOTAL ADMINISTRATION	498,275	457,927
<i>Share of common services (schedule C)</i>		
Operations	873,177	868,488
Construction and equipment	30,975	36,558
	904,152	905,046
<i>Unclassified budget requirements</i>	800,000	—
<i>Total relief programme</i>		
Operations	23,761,391	22,187,059
Construction and equipment	2,214,870	1,232,589
Unclassified budget requirements	800,000	—
TOTAL RELIEF PROGRAMME	26,776,261	23,419,648

The notes to the financial statements are an integral part of these statements and should be read in conjunction therewith.

Budget and expenditure for the rehabilitation programme

For the fiscal year ended 30 June 1956

(Expressed in US dollars)

	Budget \$	Expenditure \$
<i>General education</i>		
<i>Operations</i>		
International staff salaries and allowances	76,582	44,647
Area staff salaries and allowances	2,333,090	2,204,047
Related international staff costs	33,965	15,168
Related area staff costs	261,824	241,454
Educational supplies	408,288	332,863
Miscellaneous supplies	29,487	16,342
Rentals and maintenance	177,571	178,547
Travel	15,150	10,162
Professional services	15,679	15,935
Miscellaneous services	1,246	878
Grants and subsidies	907,966	712,591
Losses of supplies	—	103
TOTAL	4,260,848	3,772,737
<i>Construction and equipment</i>		
Equipment	219,197	125,939
Buildings and structures	733,405	228,129
Tents	—	10,740
TOTAL	952,602	364,808
TOTAL GENERAL EDUCATION	5,213,450	4,137,545
<i>Vocational education</i>	2,925,000	835,404
<i>Placement services</i>		
<i>Operations</i>		
International staff salaries and allowances	6,863	4,906
Area staff salaries and allowances	35,398	34,910
Related international staff costs	2,173	1,062
Related area staff costs	3,510	3,449
Tents	—	5,446
Supplies	593	254
Travel	1,742	998
Miscellaneous services	944	797
Grants and subsidies	473,000	303,152
TOTAL PLACEMENT SERVICES	524,223	354,974
<i>Special camp facilities</i>	750,000	100,073
<i>Special activities</i>	532,000	296,294
<i>Projects</i>		
Yarmuk-Jordan Valley	50,000,000	91,580
Sinai	26,630,000	138,743
Research, planning and experimentation	422,000	203,993
Urban housing	750,000	73,262
Industrial, commercial and banking	608,000	226,938
Agriculture and land development	1,296,000	449,605
Grants	850,000	468,208
Minor projects	525,000	—
TOTAL PROJECTS	81,081,000	1,652,329
<i>Administration</i>		
<i>Operations</i>		
International staff salaries and allowances	299,864	246,303
Area staff salaries and allowances	171,444	157,874
Related international staff costs	102,044	51,308
Related area staff costs	16,766	17,372
Supplies	7,587	2,015
Rentals and maintenance	756	234

Budget and expenditure for the rehabilitation programme
(continued)

For the fiscal year ended 30 June 1956
(Expressed in US dollars)

	<i>Budget</i> \$	<i>Expenditure</i> \$
<i>Administration (continued)</i>		
<i>Operations (continued)</i>		
Travel	16,068	9,249
Communications	1,389	1,212
Miscellaneous services	8,365	2,961
Hospitality and representation	1,500	1,625
Losses of supplies	—	4,754
TOTAL	625,783	494,907
<i>Construction and equipment</i>		
Equipment	1,057	924
Build'ngs and structures	—	1,407
TOTAL	1,057	2,331
TOTAL ADMINISTRATION	626,840	497,238
<i>Share of common services (schedule C)</i>	<i>904,152</i>	<i>905,045</i>
TOTAL REHABILITATION PROGRAMME	92,556,665	8,778,902

The notes to the financial statements are an integral part of these statements and should be read in conjunction therewith.

Schedule C

Budget and expenditure for common services

For the fiscal year ended 30 June 1956
(Expressed in US dollars)

	<i>Budget</i> \$	<i>Expenditure</i> \$
<i>Operations</i>		
International staff salaries and allowances	543,640	562,793
Area staff salaries and allowances	505,045	526,047
Related international staff costs	166,761	144,420
Related area staff costs	49,925	58,579
Supplies	51,729	36,391
Rentals and maintenance	78,776	80,747
Travel	36,056	43,483
Communications	69,460	73,200
Professional services	22,853	14,071
Procurement agents services	84,000	83,327
Miscellaneous services	30,887	34,136
Hospitality and representation	19,130	18,520
Public relations supplies and services	88,091	58,241
Losses—miscellaneous	—	3,020
TOTAL	1,746,353	1,736,975
<i>Construction and equipment</i>		
Equipment	61,951	50,382
Buildings and structures	—	22,734
TOTAL	61,951	73,116
TOTAL COMMON SERVICES	1,808,304	1,810,091

Budget and expenditure for common services
(continued)

For the fiscal year ended 30 June 1956
(Expressed in US dollars)

<i>Allocation of common services</i>		<i>Budget</i> \$	<i>Expenditure</i> \$
<i>Operations</i>			
Relief		873,177	868,488
Rehabilitation		873,176	868,487
		<u>1,746,353</u>	<u>1,736,975</u>
<i>Construction and equipment</i>			
Relief		30,975	36,558
Rehabilitation		30,976	36,558
		<u>61,951</u>	<u>73,116</u>
<i>Total common services</i>			
Relief		904,152	905,046
Rehabilitation		904,152	905,045
	TOTAL	<u>1,808,304</u>	<u>1,810,091</u>

The notes to the financial statements are an integral part of these statements and should be read in conjunction therewith.

Schedule D

Pledges and contributions from Governments to UNRWA

For the fiscal year ended 30 June 1956
(Expressed in US dollars)

<i>Name of contributor</i>	<i>Description</i>	<i>Pledge</i>		<i>Contribution paid</i>		<i>Balance of unpaid pledge</i> \$
		<i>Unpaid from previous years</i> \$	<i>For 1955-1956</i> \$	<i>In cash</i> \$	<i>In kind</i> \$	
Australia	50,000 Australian pounds	—	112,500	112,500	—	—
Austria	US dollars	—	700	700	—	—
Belgium	1,500,000 Belgian francs	—	30,000	30,000	—	—
Brazil	US dollars	25,000	—	—	—	25,000
Burma	30 tons of rice	—	3,528	—	3,528	—
Canada	Canadian dollars 200,000, and wheat (\$300,000)	—	500,000	—	—	500,000
Denmark	300,000 Danish kroner	—	43,434	—	—	43,434
Egypt	Transport, rents and port services	—	224,924	—	224,924	—
Federation of Rhodesia and Nyasaland	Maize	19,600	—	—	19,600	—
France	270 million French francs	771,429	—	54,857	—	716,572 ¹
France	200 million French francs	—	571,428 ²	285,714	—	285,714
France	Rent of camp and warehouse sites	—	27,705	—	27,705	—
Germany (Federal Republic)	70,000 German marks	—	16,603	16,603	—	—
Greece	Currants	6,000	11,000	—	6,000	11,000
India	Cloth (\$52,500) and medical services (\$31,499)	52,500	31,499	—	52,500	31,499
Indonesia	US dollars	30,000	30,000	30,000	—	30,000
Iran	10 tons of rice, and cash, 250,000 rials (\$3,350)	5,138	3,350	—	5,138	3,350
Israel	Israeli pounds equivalent to US \$50,000	50,000	—	—	—	50,000
Japan	US dollars	—	10,000 ³	10,000	—	—
Jordan	(see footnote ⁴)	—	—	—	—	—
Korea	US dollars	2,000	—	—	—	2,000
Lebanon	Refund of port charges to 30 June 1951	33,375	—	—	—	33,375
Lebanon	US dollars	66,000	—	—	—	66,000
Lebanon	Water and rent of camp sites	—	12,164	—	12,164	—
CARRIED FORWARD		<u>1,061,042</u>	<u>1,628,835</u>	<u>540,374</u>	<u>351,559</u>	<u>1,797,944</u>

Pledges and contributions from Governments to UNRWA
(continued)

For the fiscal year ended 30 June 1956

(Expressed in US dollars)

Name of contributor	Description	Pledge		Contribution paid		Balance of unpaid pledge
		Unpaid from previous years	For 1955-1956	In cash	In kind	
		\$	\$	\$	\$	\$
	BROUGHT FORWARD	1,061,042	1,628,835	540,374	351,559	1,797,944
Luxembourg	US dollars	2,000	2,000	4,000	—	—
Mexico (due from UNKRA)	Relief supplies (balance of pledge)	11,409	—	11,409	—	—
Monaco	200,000 French francs	286	286	286	—	286
Netherlands	220,000 Dutch guilders (125,000 for 1955-1956)	25,000	32,895	57,895	—	—
New Zealand	Powdered milk	28,000	—	—	28,000	—
New Zealand	50,000 sterling	—	140,000 ³	140,000	—	—
Norway	300,000 Norwegian kroner	—	42,135 ³	42,135	—	—
Pakistan	100,000 Pakistani rupees	—	21,000 ³	—	—	21,000
Saudi Arabia	2,000 tons of fuel and US dollars 40,000	75,000	115,000	40,000	—	150,000
Sweden	300,000 Swedish kronor	—	57,915	57,915	—	—
Switzerland	Hospital equipment (balance of pledge)	31,678	—	—	12,444	19,234
Syria	Rents, transport, and refunds of portage	—	74,900	9,797	65,103	—
Syria	Refund of port charges to 30 June 1951	17,916	—	—	—	17,916
Turkey	85 tons of wheat	—	5,357	—	5,357	—
Turkey	Turkish pounds or supplies	—	5,000	—	—	5,000
United Kingdom	3,500,057 sterling	9,800,160 ¹	—	1,000,001	—	8,800,159
United Kingdom	1,607,143 sterling	—	4,500,000	4,500,000	—	—
United States	US dollars	30,943,055 ¹	—	—	—	30,943,055
United States	US dollars and flour (valued at \$2,850,000)	—	16,700,000	13,850,000	2,850,000	—
Uruguay	US dollars	5,000	—	—	—	5,000
Yugoslavia	Relief supplies	80,000	40,000	—	80,000	40,000
	TOTAL	42,080,546	23,365,323	20,253,812	3,392,463	41,799,594

The general notes to this report are an integral part of these statements and should be read in conjunction therewith.

¹ Designated by the contributor for the rehabilitation programme.

² Half of this pledge is subject to parliamentary approval.

³ Equivalent amount also pledged for 1956-1957.

⁴ By agreement, Jordan is to contribute JD 5,000 (US \$14,000) monthly but no payments have been received since end of November 1952.

Schedule E

Contributions from others to UNRWA

For the fiscal year ended 30 June 1956

(Expressed in US dollars)

Name of contributor	Description	Contribution	
		In cash	In kind
		\$	\$
Basheer Al Oraibi	200 Libyan pounds	560	—
British Syrian Lebanese Mission	Rent of camp sites	—	5,038
Canadian Red Cross	Leather	—	9,933
Hamed Abu Malluh	Rent of school	—	536
Heirs of Saad Pasha Shatila	Rent of camp sites	—	1,772
Lutheran World Federation	Medical supplies, foodstuffs and warehouse rent	—	674
Mahmoud Ureiban	Rent of clinic and school	—	536
Mneimneh and Bohsali	Rent of camp sites	—	892
Near East Christian Council Committee	Rent of hospital	—	6,720
Pontifical Mission	Medical services	—	1,428
Sheikh Ali Abu Middein	Rent of clinic and school	—	1,762
Sheikh Freih Musadar	Rent of clinic and school	—	1,538
UNESCO	Services of seconded personnel	—	102,140
UNICEF	Medical supplies	—	5,005
W. A. Cadbury Trust	300 sterling	840	—
WHO	Services of seconded personnel	—	58,706
Sundry donors of under \$500 each	Miscellaneous	490	2,252
	TOTAL	1,890	198,932

The general notes to this report are an integral part of these statements and should be read in conjunction therewith.

Contributions from Governments direct to refugees

For the fiscal year ended 30 June 1956

(Expressed in US dollars)

<i>Name of contributor</i>	<i>Commodity or service</i>	<i>Value \$</i>
Egypt		No information ¹
Jordan	Educational and welfare services	516,965
Lebanon	Hospital and orphanage services	21,214
Saudi Arabia	Kerosene	52,549
Syria		No information ¹
TOTAL		590,728

The general notes to this report are an integral part of these statements and should be read in conjunction therewith.

¹ Requests have been made to the Governments of all the host countries to furnish information concerning contributions made direct to the refugees. No information has been received from the Governments of Egypt and Syria.

STATEMENT IV

Contributions from others direct to refugees

For the fiscal year ended 30 June 1956

(Expressed in US dollars)

<i>Name of contributor</i>	<i>Commodity or service</i>	<i>Value \$</i>
American Middle East Relief	Clothing, blankets and footwear	6,946
American Friends Service Committee	Clothing, blankets and footwear	12,542
American National Red Cross	Red Cross gift boxes	50,304
American Presbyterian Mission	Educational and medical services	13,959
Anglican Bishop, Jerusalem	Cash and education	35,745
Arab Evangelical Episcopal Community	Cash, medical care and relief supplies	22,114
Arab National Hospital	Clothing, medical care and education	15,985
Arab Women's Union Committee	Cash, shelter, education and relief supplies	4,665
Australian Red Cross	Clothing	12,596
Baraka Sanatorium, Jordan	Cash, education and medical care	4,360
Bible Society, Beirut	Welfare services	1,242
British Red Cross Society	Clothing, wool and footwear	54,999
British Syrian Lebanese Mission	Educational services	9,225
Canadian Red Cross	Clothing, bedding, relief and school supplies	60,813
Catholic Relief Services	Clothing, bedding, footwear and medical supplies	265,211
Church Missionary Society, Amman	Shelter, clothing and medical services	686
Church World Service, USA	Clothing, blankets, footwear and tinned butter	188,109
Congregational Christian Service Committee	Cash, educational and medical services	29,745
Council of Organizations for Relief Services Overseas, New Zealand	Clothing and footwear	23,423
Daniel and Emily Oliver Orphanage, Lebanon	Food, shelter and education	3,600
Danish Bird's Nest, Lebanon	Educational services	1,386
Dar El Awlad Orphanage, Jerusalem	Food, shelter and education	1,381
Dar El Awlad Orphanage, Lebanon	Food, shelter and education	3,870
Dar El Tifi, Jerusalem	Cash, shelter and relief services	15,842
CARRIED FORWARD		838,748

Contributions from others direct to refugees

(continued)

For the fiscal year ended 30 June 1956

(Expressed in US dollars)

Name of contributor	Commodity or service	Value \$
	BROUGHT FORWARD	838,748
Dutch Red Cross	Clothing	1,312
Evangelical Hospital, Jordan	Cash, food, clothing and medical care	2,103
French Faculty of Medicine, Beirut	Medical care	1,242
French Hospital, Bethlehem	Food, clothing, medical care and education	9,450
Freres College, Jerusalem	Food, clothing and education	5,600
Friends Boys School, Jordan	Food, clothing and education	3,696
Girl Guides Association of New Zealand	Relief supplies, gifts and books	1,400
Greek Orthodox Patriarchate, Jerusalem	Cash, shelter and education	1,627
Joint Christian Committee	Cash and clothing	2,675
Jordan Red Crescent	Cash, education and relief services	16,176
Mr. Sami Khoury, Lebanon	Flour	582
Lutheran World Federation	Food, clothing, medical care and education	311,087
Meals for Millions Foundation	Food	2,418
Mennonite Central Committee	Clothing, blankets and footwear	22,559
Middle East Relief Association	Clothing	1,538
Moslem Brethren, Hebron	Food	4,284
Moslem Orphanage School, Jerusalem	Shelter, education and relief services	7,602
Moslem Waqfs, Hebron	Food	6,048
Moslem Waqfs, Jerusalem	Food	1,890
Moslem Waqfs, Lebanon	Shelter, water and electricity	4,662
Near East Christian Council Committee	Cash, education and welfare services	14,220
New Zealand Council	Clothing and footwear	22,665
Notre Dame de Sion, Jerusalem	Food, education and relief services	5,521
Obay Orphanage, Lebanon	Educational services	1,107
Ophthalmic Hospital, Jerusalem	Cash, food and medical care	48,227
Oxford Committee for Famine Relief	Clothing and footwear	3,947
Palestine Permanent Bureau	Medical services	1,389
Pontifical Mission	Cash, relief supplies, warehousing and medical services	245,743
Shneller's Orphanage, Lebanon	Food, shelter and education	1,197
Sisters of Charity, Bethany	Shelter, education and relief services	13,552
Sisters of Nazareth, Amman	Cash, food, clothing and medical services	12,180
Southern Baptist Mission, Jordan	Medical care	1,344
Trapist Convent, Latrun	Cash, shelter and relief services	4,577
United Church of Canada	Clothing and footwear	700
War Relief Service, USA	Clothing and footwear	1,672
Women's Voluntary Services	Clothing	19,444
World Relief Commission	Clothing and footwear	2,213
YMCA	Educational supplies and services	39,023
YWCA	Educational and welfare services	1,656
Sundry donors giving under \$500 each	Miscellaneous	2,495
	TOTAL	1,689,571

The general notes to this report are an integral part of these statements and should be read in conjunction therewith.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 30 June 1956

STATEMENT OF BUDGET, EXPENDITURE AND INCOME

Note 1. The budget of the Agency for the fiscal year ended 30 June 1956 is that submitted to the General Assembly and referred by it in its resolution 916 (X) adopted on 3 December 1955.

Note 2. The budget and expenditure figures appearing in the financial statements and supporting schedules are based upon the Agency's gross requirements on an accrual basis (modified to the extent that buildings and structures and major equipment in use have been charged to expenditure in the year of acquisition (see note 11)).

Note 3. Losses on assets of the types mentioned in note 11 are not included in the loss accounts because the assets themselves have already been charged to expenditure, largely in prior years. Such losses during this fiscal year amounted to \$44,590 approximately.

Note 4. Income as reflected in statement I represents only income to UNRWA as distinguished from contributions made direct to the refugees and detailed in statements III and IV. To be classified as income to UNRWA, a contribution must be subject to direct and complete control by the Agency and, in addition, must be of a type which the Agency can use in its programme. All other contributions are classified as "direct to the refugees," whether or not handled by UNRWA.

Note 5. Contributions (and pledges) of cash to the Agency, from countries where exchange restrictions are in force, are stated in US dollars at official rates of exchange prevailing at the time of receipt. Other cash contributions are stated in US dollars at rates which approximate the average free market rates for such currencies.

Note 6. Contributions (and pledges) in kind to the Agency are stated at values indicated by the contributors, if known; otherwise at values considered by the Agency as appropriate.

Note 7. Exchange adjustments reflecting a net credit resulted from converting non-dollar currencies to local (mission area) currencies and from the Agency practice of reflecting contributions and expenditures in Lebanese and Syrian pounds, in US dollars at fixed rates approximating the average free market rates for these currencies.

STATEMENT OF ASSETS AND LIABILITIES

Note 8. Cash other than US dollars is reflected in US dollars at official rates of exchange where exchange restrictions exist; otherwise at free market rates prevailing on 30 June 1956. Other assets and all liabilities based on other than US dollars are reflected in US dollars at fixed rates employed by the Agency throughout the year. These rates are the same as official exchange rates where such rates exist; in other cases rates are established by the Agency to approximate the average free market rates for the appropriate currencies for the period under review.

Note 9. Cash in banks includes a fixed time deposit of \$3,000,000 with The Chase Manhattan Bank, New York, of which \$1,000,000 is subject to a first lien in favour of that Bank as security for an open letter of credit of the same amount in favour of the United Nations Children's Fund (UNICEF) as a source of additional funds if required by that organization in its activities as procurement agent for UNRWA. To date, UNICEF has not found it necessary to draw against this letter of credit. Cash in banks also includes \$305 (representing 106 Egyptian pounds) constituting 50 per cent of a joint account with the District Administration of Gaza which is subject to withdrawal only upon the joint authorization of UNRWA and the District Administration, and \$8,451 representing deposits with banks as full guarantees against loans by the banks under the Agency's rehabilitation programme.

Note 10. Inventories of basic commodities (representing approximately one-half of the total inventory) are valued at cost; the remainder is at estimated cost; inventories of major equipment are stated at cost or cost less depreciation, as appropriate. Major equipment inventories comprise:

- (a) Equipment purchased but not yet issued; and
- (b) Equipment purchased for projects, the cost of which is applicable to several projects over a period of more than one year.

Note 11. The following assets of the Agency are not reflected as such in the statement of assets and liabilities:

- (a) Loans to refugees totalling \$139,738 most of which is believed to be uncollectable;
- (b) Capital stock of the Jordan Development Bank, Ltd., at a cost of \$980,000;
- (c) Net investment in the Ghor Nimrin Tent Factory, \$218,310;
- (d) Major equipment in use, currently valued at \$999,221 (cost less depreciation);
- (e) Structures and buildings (principally refugee shelters, classrooms and distribution centres) currently valued at \$2,877,344 (cost less depreciation).

Disbursements for these assets and any subsequent recoveries have been treated as expenditure and miscellaneous operating income (or as credits to expenditure in certain cases of loan recoveries and of the Ghor Nimrin Tent Factory) respectively in the current financial statements or in the statements of prior periods.

Note 12. In addition to the liabilities appearing in statement B, the Agency had, at 30 June 1956, contingent liabilities of \$4,939,946 mainly comprising purchase orders issued for goods and services not yet received. There was also \$1,237,918 outstanding on procurement requests sent to UNICEF (as the Agency's procurement agent) but on which purchase orders had not yet been placed. As mentioned in note 9, the Agency is also contingently liable as a guarantor of \$8,451 of loans made by banks to refugees.

Note 13. The liability to the provident fund represents the balance of the June contributions by staff

members and the Agency not paid over to the fund until July.

Note 14. Details of the net adjustments to the working capital fund applicable to the previous fiscal year are as follows:

	\$
Net adjustments of:	
Previous year's inventories	7,614
Previous year's expenditures	8,130
Liabilities at 30 June 1955	6,471
Claims set up in previous years	2,129
Reserve on claim set up in previous year and now considered doubtful of collection	140,470
	<u>164,814</u>

MEMORANDUM STATEMENTS

Note 15. In addition to the activities of UNRWA, certain contributions were made to the Palestine refugee programme by Governments, voluntary agencies, UNICEF, and others in the form of direct aid to the refugees (including minor quantities of supplies contributed to UNRWA but not utilizable by UNRWA in its own programme and consequently generally passed

on to the refugees through voluntary agencies). These contributions have not been recognized in the financial statements of UNRWA. For information, however, they have been shown in memorandum form in statements III and IV and are recapitulated in the following summary designed to reflect the total of all known contributions to the Palestine refugee programme during the period under review:

	\$	\$
Contributions to UNRWA (statement I)		
In cash	20,255,702	
In kind	3,591,395	23,847,097
Contributions direct to refugees:		
By governments (statement III)	590,728	
By others (statement IV)	1,689,571	2,280,299
TOTAL CONTRIBUTIONS TO PALESTINE REFUGEE PROGRAMME		<u>26,127,396</u>

Note 16. All contributions direct to the refugees are listed only to the extent reported by the contributors and (except for clothing) are shown at the contributors' valuations. Clothing has been valued at the rates used by the customs authorities of Lebanon.

REPORT OF THE BOARD OF AUDITORS

1. The Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East submitted to the Board of Auditors the following financial statements for certification:

Statement I—Budget, expenditure and income for the year ended 30 June 1956; and

Statement II—Assets and liabilities as of 30 June 1956, together with associated schedules.

2. Relying on United Nations financial regulation 12 and with the consent of the Advisory Committee on Administrative and Budgetary Questions, the Board of Auditors directed that the Norwegian member of the Board (a) arrange for examinations of the Agency's accounts in the Near East; (b) certify the financial statements on behalf of the Board; and (c) make an audit report to the General Assembly. Due to the location of the accounts, it was also this year arranged that staff of the Comptroller and Auditor General, Great Britain, would examine the Agency's records.

3. The Comptroller and Auditor General, Great Britain, advises that he obtained all the information and explanations required in the course of examinations made of the books of account and other records of UNRWA for the year ended 30 June 1956.

4. On behalf of the Board of Auditors, appreciation is expressed for the assistance extended by the Comptroller and Auditor General, Great Britain, and his officers. It is also a pleasure to record that the audit task was facilitated by the co-operation of the Director and officers of UNRWA.

5. In paragraph 2 of last year's report¹ it was stated that "(a) the state of holdings of stores could not readily be established, due to the fact that a new stores accounting system was being progressively brought into operation"; and "(b) internal audit work was in arrears to such a degree that dependence could not be placed on it."

(a) The new system of supply accounting which was introduced in March 1956 was in operation by 30 June 1956. It involves the holding in bulk of stocks of certain supplies previously held in user divisions and this has facilitated the closer assessment of requirements. Internal audit reports indicate that certain field offices found some difficulty in introducing and operating the new system but the initial troubles are apparently being surmounted.

(b) The internal audit, which was virtually abandoned in 1954-1955 was resumed early in 1956 and general reviews of cash and store transactions were made at each of the field offices. Copies of the internal audit reports have been made available to the Board.

6. *Income and expenditure.* Cash contributions amounted to \$20,255,702 and contributions in kind were valued at \$3,591,395. Miscellaneous income amounted to \$356,386, the major items being sale of empty containers (\$190,405) and bank interest (\$130,830). After adding exchange adjustments of \$14,658 the total income received during the year was \$24,218,141. This

total does not include contributions by Governments and others direct to refugees. A list of such contributions is given in the Agency's statements III and IV and explained in note 15 to the financial statements. The value of contributions in kind was much greater than in previous years owing to the United States providing \$2,850,000 of its pledged contribution in the form of flour. The quantity of flour so received was less than could have been procured elsewhere for the same cost and it is understood that the United States is contemplating an increase in its total contribution for 1956-1957. The total expenditure during the year on relief and rehabilitation was \$32,198,550. The excess of expenditure over income thus amounted to \$7,980,409. This was met from the accumulated surpluses, which were thereby reduced to \$27,227,514.

7. *The relief programme.* The number of registered refugees increased (mainly through births) during 1955-1956 from 905,986 to 922,279, located as follows:

	Lebanon	Syria	Jordan	Gaza	Total
June 1955	103,600	88,179	499,606	214,601	905,986
June 1956	102,625	89,977	512,706	216,971	922,279

8. Expenditure on relief measures, amounting to \$23,419,648 was made up as follows:

	\$
Basic subsistence, milk and supplementary feeding ..	13,839,199
Shelter and camp maintenance	1,226,085
Health care and social welfare	1,789,239
Transport in area, etc.	1,316,766
Registration	116,156
	<hr/>
	18,287,445
Administration, common services, area and international staff costs	5,132,203
	<hr/>
TOTAL	23,419,648

9. *The rehabilitation programme.* Expenditure on this programme in 1955-1956 amounted to \$8,778,902, a summary classification of outlays being:

	\$
General education	4,137,545
Vocational training	835,404
Special activities (Fundamental education, social welfare, etc.)	296,294
Research, planning and experimentation	203,993
Grants	468,208
Industrial, commercial and banking	226,938
Agriculture and land development	449,605
Urban housing	73,262
Placement services	354,974
Special camp facilities	190,073
Yarmouk-Jordan Valley	91,580
Sinai	138,743
Administration and share of common services	1,402,283
	<hr/>
TOTAL	8,778,902

10. Expenditure on rehabilitation since the \$200 million Fund was introduced in 1951 has totalled \$27,500,000, of which nearly \$12 million was on general and vocational education.

¹ Official Records of the General Assembly, Tenth Session, Supplement No. 6B (A/2989), p. 14.

11. *The Yarmouk-Jordan Valley project.* The expenditure in 1955-1956, amounting to \$91,580, comprised \$72,603 on the Irbid-Macarin road (see paragraph 12 of the present report) and \$54,339 on the anti-malarial campaign, less a credit of \$35,362 for equipment bought for the feasibility survey and returned to the Agency as a result of an agreed settlement of the Agency's share of cost of the survey. The master plan based on this survey has been completed, but no expenditure on the main irrigation and hydro-electric schemes has been incurred. The total cost of the feasibility survey up to 30 June 1956 was about \$2,700,000; the Agency's contribution being \$1,052,019 net.

12. *The Irbid-Macarin road.* In last year's report² it was stated that \$443,157 had been spent by the Agency out of their promised contribution of \$515,760 towards the cost of constructing this road, which should connect the dam site at Macarin with Irbid, although it seemed possible that the dam might not be sited there. It subsequently transpired that the master plan for the project does envisage the siting of a dam at Macarin. The

Agency has now entered into an agreement with the Jordan Government under which the balance of \$72,603 of the Agency's original offer has been paid to that Government, which will complete the road and maintain it in future.

13. *Sinai survey project.* The total cost to the Agency up to 30 June 1956 was \$395,240, including \$140,893 for consultants' fees.

14. *Staff.* The international staff numbered 167 at the year-end, an increase of twenty-seven in the year. The number of area employees was 9,798, an increase of 1,125 in the year.

15. *Memorandum to the Advisory Committee.* In accordance with established practice a memorandum is being addressed to the Advisory Committee on Administrative and Budgetary Questions in which attention is being drawn to some matters relating to the routine of administration.

(Signed) Lars BREIE, Norway
On behalf of the Board of Auditors

25 October 1956

² A/2989, p. 15.