

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

FINANCIAL REPORT
and
AUDITED FINANCIAL STATEMENTS
for the year ended 31 December 1984
and
REPORT OF THE BOARD OF AUDITORS

GENERAL ASSEMBLY

OFFICIAL RECORDS: FORTIETH SESSION

SUPPLEMENT No. 5C (A/40/5/Add.3)



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NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

[25 July 1985]

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LETTER OF TRANSMITTAL

17 June 1985

Sir,

I have the honour to transmit to you the financial statements of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the financial period ended 31 December 1984, which were submitted by the Commissioner-General. These statements have been examined and include the audit opinion of the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts.

Accept, Sir, the assurances of my highest consideration.

(Signed) R. T. NELSON
Auditor General of Ghana
and Chairman of the
United Nations Board of Auditors

The President of the General Assembly
of the United Nations
New York, N.Y.

I. FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 1984

Introduction

1. The Commissioner-General of the United Nations Relief and Works Agency (UNRWA) has the honour to submit his financial report on the accounts for the year ended 31 December 1984. The financial statements, consisting of 25 statements supported by 20 schedules and notes are considered to be an integral part of the financial report. The significant accounting policies are described in a note to the financial statements. These accounts have been transmitted to the Board of Auditors of the United Nations in accordance with article XII.2 of the Financial Regulations of the United Nations.

2. The following paragraphs summarize significant items reflected in the financial statements and schedules.

Fund accounting

3. A full system of fund accounting was adopted by UNRWA in 1984. Under this system, all contributions received for unrestricted use were credited to the Agency's General Fund while contributions received for special purposes were credited to individual fund accounts, thus providing a full identification of income and expenditure by purpose and separation of the assets and liabilities of each fund. This represents a change from previous practice in which contributions for special purposes were credited to and disbursed from the Agency's General Fund.

4. The introduction of a full fund accounting system was made prior to the close of the 1984 financial year in order to provide opening balances for each of the separate fund accounts at the beginning of 1985. In order, however, to provide a comparison with the financial results of previous years, the financial statements contained in this report present information on a consolidated or all-fund basis as in previous years (Statements I, II and III) and on an individual fund basis (Statements IV-VI with respect to the General Fund and Statements VII-XXI with respect to separate project funds). As in previous years, separate statements are also provided for the Bayssarieh Camp Fund (Statement XXII) and the Area Staff Provident Fund (Statements XXIII-XXV).

1984 budget

5. Information on the Agency's budget is submitted to the General Assembly in the Commissioner-General's Annual Report. Preliminary information on the 1984 budget was thus submitted to the General Assembly at its thirty-eighth session 1/ and information on revised budget estimates based on updated calculations of anticipated income was submitted to the thirty-ninth session. 2/ The table below shows a summary of the revised budget estimates (in United States dollars):

1/ Official Records of the General Assembly, Thirty-eighth Session, Supplement No. 13 (A/38/13).

2/ Ibid., Thirty-ninth Session, Supplement No. 13 (A/39/13).

Revised 1984 budget estimates

(United States dollars)

| Activity | Recurrent | Non-recurrent | Total |
|--|---------------------|-------------------|---------------------|
| <u>Part I. Education services</u> | | | |
| General education | 106 703 000 | 12 710 000 | 119 413 000 |
| Vocational and professional training | 14 040 000 | 1 618 000 | 15 658 000 |
| Share of common costs from part IV | <u>14 049 000</u> | <u>481 000</u> | <u>14 530 000</u> |
| Total, part I | <u>134 792 000</u> | <u>14 809 000</u> | <u>149 601 000</u> |
| <u>Part II. Health services</u> | | | |
| Medical services | 18 792 000 | 811 000 | 19 603 000 |
| Supplementary feeding | 11 542 000 | 179 000 | 11 721 000 |
| Environmental sanitation | 7 940 000 | 1 071 000 | 9 011 000 |
| Share of common costs from part IV | <u>7 562 000</u> | <u>260 000</u> | <u>7 822 000</u> |
| Total, part II | <u>45 836 000</u> | <u>2 321 000</u> | <u>48 157 000</u> |
| <u>Part III. Relief services</u> | | | |
| Shelter | 606 000 | 596 000 | 1 202 000 |
| Special hardship assistance | 10 892 000 | 108 000 | 11 000 000 |
| Relief and welfare services | 3 811 000 | 580 000 | 4 391 000 |
| Share of common costs from part IV | <u>6 664 000</u> | <u>241 000</u> | <u>6 905 000</u> |
| Total, part III | <u>21 973 000</u> | <u>1 525 000</u> | <u>23 498 000</u> |
| <u>Part IV. Common costs</u> | | | |
| Supply and transport services | 9 280 000 | 516 000 | 9 796 000 |
| Other internal services | 13 126 000 | 443 000 | 13 569 000 |
| General administration | <u>5 869 000</u> | <u>23 000</u> | <u>5 892 000</u> |
| Total, part IV | 28 275 000 | 982 000 | 29 257 000 |
| Costs allocated to programmes | <u>(28 275 000)</u> | <u>(982 000)</u> | <u>(29 257 000)</u> |
| Net, part IV | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Part V. Extraordinary costs not allocable to programmes</u> | | | |
| Increase in provision for: | | | |
| Staff separation costs | - | 12 278 000 | 12 278 000 |
| Staff repatriation costs | - | 250 000 | 250 000 |
| Lebanon Emergency Relief Programme | - | 106 000 | 106 000 |
| Winding down costs of basic rations programme | <u>1 213 000</u> | <u>-</u> | <u>1 213 000</u> |
| Total part V | <u>1 213 000</u> | <u>12 634 000</u> | <u>13 847 000</u> |
| Total, all parts | <u>203 814 000</u> | <u>31 289 000</u> | <u>235 103 000</u> |

6. As indicated in paragraph 7 below, actual income for 1984 was considerably less than projected levels, and it was necessary during 1984 to reduce further the 1984 budget to a level consistent with available financial resources. Statement I therefore shows on a consolidated basis by programme the final revised budget for 1984 together with related expenditure. As indicated in statement I, against a revised programme budget of \$202.7 million, UNRWA incurred expenditure of \$191.3 million.

1984 income and expenditure

7. Total income received by UNRWA for all funds in cash and in kind in 1984 was \$181.2 million, as shown in statement II. Total income in 1984, which included a one-time receipt of \$8.9 million on the closure of the United Nations Special Emergency Operations Trust Fund, was \$8 million less than the income of \$189.2 million received in 1983.

8. Expenditure in 1984 by all funds in cash and in kind was \$191.3 million, a reduction of \$19.6 million from expenditure of \$210.9 million in 1983. Higher expenditure in 1983 related mainly to additional costs incurred as a result of the Lebanon emergency.

Accounting for supplies

9. Under its previous practice, UNRWA purchased certain supplies for inventory and maintained such supplies as a general ledger asset, charging them to its budgetary expenditure accounts only when they were consumed. In order to improve budgetary control and to record all expenditures at the time they are incurred, all purchases of supplies for inventories, beginning in 1985, will be charged directly to the appropriate budget expenditure accounts on receipt of the goods. To effect this change, supply inventories as at 31 December 1984 in the amount of \$11.9 million, which had not been previously recorded in the expenditure accounts of the Agency, were debited to the General Fund working capital account.

Contributions in kind

10. Under the new method of supply accounting, budget standard prices will no longer be used and contributions in kind will be recorded at contributor's valuations. The effect of this change in valuation on the 1984 accounts was that contributions receivable in kind as at 31 December 1984 showed a balance of \$1 million more than at the then applicable Agency's standard prices.

Provision for staff separation and repatriation costs

11. UNRWA, in accordance with general United Nations practice, makes annual budgetary provision for separation and repatriation payments to staff members who will leave the Agency during the year. However in previous years, UNRWA also maintained in its accounts an unfunded reserve for unforeseen staff separations that might occur in future years. As it is not possible to predict when such payments might become necessary in future years or the sums that might be required, the establishing of such reserves does not appear either necessary or financially

sound. On the contrary, the funding of the reserves would require the setting aside of a very large portion of the balance of cash resources of the Agency with very serious consequences to the funding of its services to refugees. Therefore, provision for future staff separation costs in the amount of \$26.5 million and staff repatriation costs in the amount of \$1 million (both unfunded) have been deleted from the accounts. Should staff repatriation in any one year exceed the annual amounts budgeted, the excess costs would become a charge to the Agency's working capital account.

General Fund

12. As indicated in statement IV, \$162.1 million of unrestricted income in cash and in kind was received for the General Fund in 1984. In addition, \$8.4 million in contributions for special projects was received during 1984 prior to the adoption of full fund accounting and was credited to the General Fund. At the end of 1984 these contributions were transferred to the respective project fund balances (see statement VI, General Fund: working capital account). General Fund regular programme expenditure in cash and in kind in 1984 totalled \$177.5 million. In addition, net allocations were made from the General Fund to special projects in the amount of \$3.1 million.

13. The working capital account of UNRWA is not a statutory operating reserve but is the balance remaining in the General Fund after liabilities are deducted from assets. The working capital account is used for three purposes: (a) to meet temporary, within-year imbalances in cash flow, (b) to fund unforeseen emergency needs, and (c) in the event of a substantial reduction in the Agency's programme to meet any extraordinary liquidating liabilities. The working capital account balance was \$19.2 million as at 1 January 1984 and \$18.6 million as at 31 December 1984. This amount represents less than two months' operating expenses of the General Fund.

Project funds

14. During 1984, UNRWA had 15 projects funded by special contributions. Statements VII-XXI show the income received and expenditure incurred for each of these projects during the year and the assets and liabilities of each project fund as at 31 December 1984.

II. REPORT OF THE BOARD OF AUDITORS

Introduction

1. As required by article XII of the Financial Regulations of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the Board of Auditors has audited the accounts of UNRWA for the year ended 31 December 1984.
2. The examination was made in accordance with article XII of the Financial Regulations of the United Nations and the annex thereto and with the common auditing standards adopted by the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency. The examination was conducted at UNRWA headquarters at Vienna and at the Agency's field offices in Jordan and the Syrian Arab Republic.
3. During the year under review, the Board of Auditors continued its normal practice of reporting the results of specific audits and issuing management letters containing detailed observations and recommendations to the Administration. This practice has helped to maintain a continuous dialogue with the Administration.
4. The following are the most significant matters arising from our audit examination. We have discussed these matters with the Administration whose responses are referred to as appropriate.

Summary of findings

5. We noted that in part VIII of the UNRWA Occupation Classification Manual some 16 salary-related allowances and benefits have been established for area staff members for which no provision is made in the UNRWA area staff rules.
6. Our review indicated also that language allowances are paid to area staff members with duty station at Vienna for the knowledge of English, which is the official and principal working language of the Agency.
7. Our review revealed that the dates of delivery stipulated on purchase orders are not always met by suppliers and that, in general, the contractual date on which delivery has to be completed by the supplier is the date of arrival of the goods at the port of destination, although this arrival, for lack of documentation, cannot be monitored effectively by the Supply Division at headquarters.
8. We noted that in practice a "liquidated damages clause" is rarely included in UNRWA purchase orders for supplies other than basic commodities and is not even applied to all purchases of basic food commodities.
9. Our audit disclosed furthermore that in one field office the register of approved suppliers has not been kept up to date to serve as an effective control instrument in local procurement activities.
10. Our field office audit also revealed that the procedures with regard to payments from imprest fund accounts are unsound and lead, in practice, to single cash payments up to the equivalent of \$1,000.

11. As regards the UNRWA stock management system, we noted that the required information on data on average consumption in the field is often provided to headquarters in a disparate and incomplete way.

12. Our field and headquarters audit disclosed that the existing situation with regard to the administrative procedures for the survey of UNRWA property is not satisfactory because the relevant organization directive No. 12 is outdated in several respects.

Payroll and staff costs

Salary-related allowances for area staff members

13. We noted that in part VIII of the UNRWA Occupation Classification Manual, issued by the Director of Personnel under the authority of organization directives Nos. 1, 3 and 15, some 16 allowances and other benefits applicable to salary grades and manning table posts have been established for area staff (especially the education service category) for which no provision whatsoever has been made in chapter III, Salaries and related allowances, of the UNRWA area staff rules.

14. As most of these allowances are clearly salary-related benefits or salary supplements (post allowance, professional allowance, excess class period supplement, additional assignment allowance, practice teaching allowance etc.), we pointed out that, under the provisions of area staff regulation 3.1, the general terms and conditions under which such benefits and entitlements may be paid should have been established by the Commissioner-General in the staff rules.

15. The Administration agreed that the Occupation Classification Manual allowances are salary-related allowances and stated that consideration should be given to amending chapter III of the area staff regulations in order to provide a new regulation making specific reference to the Commissioner-General's authority to establish salary-related allowances. The Administration argued, nevertheless, that it would not be appropriate to incorporate or enumerate these allowances in the area staff rules.

16. In our view, however, the title of chapter III, and the terms of area staff regulation 3.1 provide sufficient legal basis for the authority of the Commissioner-General to promulgate salary-related benefits and entitlements of area staff members. It is, however, equally clear that all such benefits can be established only in the staff rules.

17. We therefore advise that UNRWA should examine the possibility of including the basic terms and conditions of salary-related benefits and entitlements of area staff members in chapter III of the staff rules, as is already the case with most benefits in the common United Nations system as well as for UNRWA international staff.

Language allowances for area staff with duty station at Vienna

18. Rule 9 of the annex to the area staff rules provides, inter alia, that an UNRWA area staff member with duty station at Vienna whose mother tongue is not English shall be paid a language allowance if he or she passes a test in English, it being the principal working language of the Agency.

19. The UNRWA Comptroller confirmed to us that since of the working languages of the United Nations Secretariat only English is used in the area of operations of UNRWA, it is the official working language of the Agency. Indeed we noted, furthermore, that an excellent or good knowledge of written and spoken English is listed practically without exception among the minimum qualifications in post vacancy notices for headquarters at Vienna.

20. Considering that in the United Nations common system the payment of language allowances is restricted explicitly to official languages "other than the language in which the staff member is required to be proficient by the terms of his or her appointment" (see United Nations staff rule 103.6 (a)), we stated that, in our view, the special circumstances brought about by the transfer of UNRWA headquarters from Beirut to Vienna do not warrant the granting of allowances for the knowledge of the sole official working language of area staff by means of a general and permanent measure as provided now under rule 9 of the annex to the UNRWA area staff rules.

21. The Administration stated that the English language allowance to area staff members was a small financial incentive in recognition of the predominantly Arabic-speaking work force of a Middle East-based organization that was moved to the United Nations environment at Vienna and that the benefits to the Agency far outweighed the costs.

22. We recommend, nevertheless, that the Agency should consider amending the provisions of rule 9 in order to limit the payment of allowances in general to languages other than the language in which the staff member is required to be proficient by the terms of his or her appointment.

Procurement system

Contractual delivery dates

23. Our audit revealed that the dates of delivery stipulated on the purchase orders are not always met by the suppliers, as in several instances the shipping documents were issued only on the dates when the delivery in the port of destination was requested.

24. We noted, furthermore, that in general the contractual date on which delivery has to be completed by the supplier is the date of arrival of the goods at the port of destination, although the actual arrival of the goods, for lack of proper documentation, cannot be monitored effectively by the Supply Division at headquarters.

25. We recommended that the shipping date at the port of loading should be stipulated as the contractual delivery date whenever possible and that the internal control system on the timely delivery of goods should be strengthened.

26. The Administration agreed that delivery dates were not always respected by the Agency's suppliers and that, for control purposes, it was normally easier to check the actual shipping dates at the port of loading than the dates of arrival of the goods at the port of destination. From now on, UNRWA purchase orders would stipulate the shipping date at the port of loading as the contractual delivery date except when, for operational reasons, the date of arrival at the port of destination was more suitable or necessary.

27. Moreover, an internal control system has now been set up that will enable UNRWA headquarters to follow up on all procurement activities from the date a bill of material is raised until the date the supplies reach the warehouses and to analyse in particular the time-lags between the award of contracts, shipping, arrival of the goods at the port of destination and arrival at UNRWA warehouses.

Liquidated damages clause

28. In the UNRWA procurement system a "liquidated damages clause", to cover the Agency against the unsatisfactory performance of a contract, is normally included only in purchase orders for the procurement of basic commodities. It may be included in purchase orders for other supplies but only with the approval of the Chief, Supply Division, and when, in the opinion of the branch heads at headquarters or of the field supply and transport officer it is in the Agency's interest to do so (UNRWA Manual of Supply Procedures, sect. 3, para. 7 (d) (ii)).

29. We noted in this regard that in practice the liquidated damages clause is rarely included in purchase orders for supplies other than basic commodities and is not even applied to all purchases of basic food commodities.

30. We questioned the restrictive use of this penalty clause by the Agency because, in our view, this stipulation is a normal commercial measure of legal precaution and also serves to promote satisfactory performance of the contract by suppliers.

31. The Administration replied that the liquidated damages clause had been designed to protect the Agency against delays of supplies that would seriously disrupt its food distribution programmes and that it was not useful to impose this clause, for example, for late delivery of general stores supplies where possible delivery delays did not disrupt UNRWA programmes. The cost factor is also important in calculating, claiming and accounting for liquidated damages, which in most cases will be higher than the actual amount claimed.

32. The Administration believed also that it would be contrary to the Agency's interest to include the liquidated damages clause automatically on all purchase orders. Even in the case of basic commodities procurement, the use of this clause was not mandatory and it should in practice only be applied therefore for basic commodities purchase orders where the Agency was dealing with a new supplier or a supplier with an unsatisfactory performance record as well as for certain other high-value purchases where the application of such a clause was to the advantage and in the interest of the Agency.

33. We recommend, nevertheless, that UNRWA should reconsider the matter with a view to issuing instructions on a less restrictive use of the liquidated damages clause for all high-value purchases.

Register of approved suppliers

34. Our audit disclosed that in one field office the register of approved suppliers had not been kept up to date to serve as an effective control instrument in the local procurement activities: some catalogue groups were not listed in the register and for some other groups only few suppliers were registered; suppliers were added to or deleted from the register without evidence of proper authorization; registered suppliers who did not show an interest in tendering or

whose performances were inadequate were not duly removed from the register; the prescribed comments about the actual performances of suppliers were not made in the register; and the register was not always used as a basis for obtaining competitive quotations.

35. We therefore recommended that the field office register of approved suppliers should be revised and updated thoroughly and that a reasonable time-limit should be fixed for the completion of this task.

36. The Administration explained that the recorded shortcomings and deficiencies were due mainly to local circumstances and practices that conflict with UNRWA standing procedures (scarcity of supplies, suppliers who refuse to be registered etc.), as well as to the absence in the Field Procurement Section of staff fully qualified in English and in administrative procedures. Nevertheless, the field office register of approved suppliers had been amended recently and would shortly be presented for review by the management.

Cash management

Imprest funds

37. In UNRWA field offices, imprest funds are established solely to facilitate financial operations by making cash funds available for quick settlement of small invoices and claims that are properly payable under existing budget allotments and for other purposes involving minor amounts for which cash disbursements have been authorized. Moreover, individual cash payments from imprest funds will normally not exceed the equivalent of \$200, but finance officers may in special circumstances establish a higher limit not exceeding \$400. Limits for cheque payments from imprest fund accounts will be established by finance officers by category and/or amount taking into account local circumstances and requirements (see technical financial instruction No. 19 of 1 June 1982, paras. 3 and 18).

38. Our audit revealed in this regard that in one field office cheque payments from imprest fund accounts repeatedly exceeded the limits established by the field finance officer. In another field office, the general limits for imprest fund cash payments were not observed, due mainly to the fact that in 1981 written exemptions from these limits have been granted by UNRWA headquarters for purchases of fresh foodstuffs and for travel subsistence allowances.

39. We noted, nevertheless, that unlimited cash payments from imprest fund accounts for fresh foodstuffs, as practised in the field office, were not clearly approved by the UNRWA comptroller in 1981 and that in any case the exemptions granted by headquarters in 1981 had not been duly reflected in the revised UNRWA technical financial instructions.

40. In our view, the procedures with regard to payments from imprest fund accounts by the field offices are unsound and lead, in practice, to single cash payments up to the equivalent of \$1,000, which is no longer in accordance with UNRWA imprest fund policy.

41. We therefore recommended that the matter be re-examined as soon as possible with a view to establishing realistic limits for cash payments from imprest funds by category of expenditure (including fresh foodstuffs and travel costs) and by

area, and that these limits should be reflected in updated instructions. Moreover, internal controls should be strengthened in the field offices to ensure strict adherence to the established imprest fund cash and cheque payment limitations by approving officers and fund custodians.

42. The Administration replied that an Agency-wide review of imprest fund management would be undertaken in 1985 and, if required as a result of this review, revised instructions on the administration of imprest funds would be issued.

Expendable and non-expendable property

Stock management system

43. A follow-up review revealed that the recommendation in our previous report 1/ with regard to the reporting on slow-moving stocks is being implemented as an improved control system entered into force as from January 1985.

44. Our examination of the indent forms SM 21 submitted by the field offices to headquarters during the period 1983-1984 disclosed, nevertheless, that the required information on the average consumption for the last 12 months and on the estimated future consumption was often provided in a disparate and incomplete way.

45. In view of the fact that complete and uniform information on consumption patterns is a prerequisite for an efficient stock management control at the headquarters Supply Division level, we recommended that firm corrective measures should be taken in this respect.

46. The Administration agreed that consumption data should be provided by the field offices on a common basis. The field supply and transport officers had been instructed accordingly and they would as from 1 January 1985 quote consumption data in their periodic reviews for inventory items that are available and therefore do not need to be ordered (slow-moving stocks).

Survey of property

47. Our field and headquarters audit disclosed that the existing situation with regard to the administrative procedures for the survey of UNRWA property is not satisfactory, due mainly to the fact that the relevant organization directive No. 12 of April 1963 is outdated in several respects, as it contains references to posts and committees that no longer exist and procedures that do not recognize changes in the work pattern of the Agency.

48. In particular, the absence of fully operational rules on the appraisal of unserviceability due to normal wear and tear, weaknesses in the method of survey of supplies and equipment of minor value, inadequate controls on the safe storage and disposal of surveyed property items, the lack of updated and detailed instructions on the function and responsibilities of the Property Survey Board secretaries and

1/ Official Records of the General Assembly, Thirty-ninth Session, Supplement No. 5C (A/39/5/Add.3), sect. I.

the functional interrelation between budget and disposal actions are among the issues that should be addressed urgently by means of a complete review of organization directive No. 12.

49. We noted in this regard that the draft revision of organization directive No. 12 prepared at headquarters in 1982 is not sufficiently comprehensive to cope effectively with the situation, as it is limited mostly to accessory issues such as the updating of post titles and the adjustment of various amounts mentioned.

50. We recommended that an in-depth review be undertaken by competent staff as soon as possible with a view to establishing a new co-ordinated and coherent policy for the survey of UNRWA property to be included in the revised organization directive No. 12.

51. The Administration replied that an Agency-wide review of procedures for the survey of property would be undertaken by headquarters and that an officer would be designated to complete the revision of organization directive No. 12 as soon as possible.

Cases of fraud

52. The Board was informed of certain irregularities and inconsistencies in respect of the disbursement of cash grants to refugees to assist in repairing shelters that had been damaged following the occurrences in South Lebanon in 1982. The investigations are being pursued and have led the Agency to call for explanations from the staff members concerned.

53. The Agency also informed the Board of possible irregularities committed by certain staff in the supply and transport operations in Lebanon. Disciplinary action, including the separation from service of two staff members, has been taken against the staff concerned.

54. Finally, there is a case of suspected fraud by a supplier of heating oil to the Agency in the Syrian Arab Republic. Investigations are being pursued to ascertain the scope of the matter and to determine any possible collusion by UNRWA staff.

55. The Agency was not able to provide the exact amount of funds involved in the above cases at this time.

Comments on matters dealt with in the 1983 report

56. The matters contained in our 1983 report 1/ have either been dealt with to our satisfaction or have been raised again in this report.

Acknowledgement

57. The Board of Auditors wishes to express its appreciation for the co-operation and assistance extended by the Commissioner-General, his officers and members of their staff.

(Signed) R. T. NELSON
Auditor General of Ghana

(Signed) A. DEFOY
Senior President of the Court
of Accounts of Belgium

(Signed) Francisco S. TANTUICO, Jr.
Chairman, Commission on Audit,
the Philippines

III. OBSERVATIONS OF THE COMMISSIONER-GENERAL OF UNRWA ON THE COMMENTS AND RECOMMENDATIONS OF THE BOARD OF AUDITORS

Introduction

1. The report of the Board of Auditors is contained in section II above. The observations of the Commissioner-General on the points raised by the Auditors are given in the following paragraphs and are intended to supplement the views of the Administration, as already contained in the Auditors' report. For convenience, the relevant paragraph numbers of the Board of Auditors are shown beside the headings of the Commissioner-General's observations.

Payroll and staff costs (audit, paras. 13-22)

2. Except with respect to a language allowance for area staff members (see para. 3 below), the auditors' observations in this section concern the method of promulgating area staff allowances and not the allowances themselves. The Auditors recommend that the basic terms and conditions of all salary-related allowances be included in the area staff rules. Due to the wide diversity of these allowances, UNRWA has found it more appropriate to promulgate some of them through other means such as the Agency's Occupation Classification Manual. Nevertheless, the Agency agrees that the link between the area staff regulations, rules and associated directives should be made more explicit. The Administration will undertake a review of the pertinent documents and introduce revisions as required to meet the points raised by the Auditors.

3. The granting of an English language allowance to area staff members was introduced when the Agency was required to move from Beirut to Vienna as a small incentive to the then predominantly Arabic-speaking area staff members who transferred to Vienna. In the light of the comments by the Auditors and the length of time that has passed since the Agency relocated to Vienna, the English language allowance was discontinued in August 1984.

Procurement system (audit, paras. 23-36)

4. As indicated in the Auditors' report, the Administration revised its procedures with respect to contractual delivery dates to stipulate the shipping date at the port of loading except where, for operational reasons, the date of arrival at the port of destination is more suitable or necessary.

5. The Agency uses a liquidated damages clause in most of its contracts for basic commodities or foodstuffs as the timely delivery of such products is critical if ration and feeding programmes are not to be disrupted. For these items, late delivery could also adversely affect the quality of the commodities purchased. For other items, the Agency relies on the provision, contained in all purchase orders, that establishes the right of UNRWA to the payment of damages for any failure on the part of the vendor to deliver all or part of the items by the agreed delivery date or dates. This provision, which provides for a claim for damages actually incurred, is in keeping with general international commercial practice and is modelled on the conditions of contract used by the United Nations.

6. As indicated in the Auditors' report, the Agency's standing procedures require the periodic revision of registers of approved suppliers. Action has been taken by the field office concerned to amend the register of suppliers.

Cash management (audit, paras. 37-42)

7. In addition to the five UNRWA field offices, there are area offices in four of the five fields. These offices were established to provide administrative and management oversight over those education, health and relief operations that are at some distance from the field offices. The distances vary from field to field but an area office may be as much as 400 kilometres away from the field office. The area offices have been delegated authority to undertake certain financial transactions within the limits established by the Agency's financial instructions. In order to effect these transactions Agency bank accounts have been opened in each of the areas. These accounts are, in general, operated as imprest funds and are used to purchase, among other things, fresh foodstuffs for the Agency's feeding programmes. Because of local commercial practices, the area offices in one field were authorized to purchase fresh foodstuffs whose value exceeded the Agency's imprest fund limits. In another field, the bank account is also used to make payments on behalf of the field office. These payments, which may be for large sums, are not imprest fund disbursements. The Agency is undertaking a study to clarify the several types of payments that may be made from one bank account and to ensure that the limits relating to each type are observed.

Expendable and non-expendable property (audit, paras. 43-51)

8. As indicated in paragraph 46, in response to a recommendation by the Auditors, the Administration instituted on 1 January 1985 a revised system of reporting consumption data. The Administration has also undertaken a comprehensive review of the Agency's procedures for the survey of UNRWA property and will issue a revised directive at an early date.

IV. AUDIT OPINION

We have examined the following appended financial statements, numbered I to XXV, properly identified, and relevant schedules of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the financial period ended 31 December 1984. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. As a result of our examination, we are of the opinion that the financial statements present fairly the financial position as at the end of the period and the results of its operations for the period then ended. The financial statements were prepared in accordance with the stated accounting principles, which were applied on a basis consistent with that of the preceding financial period and the transactions were in accordance with the Financial Regulations and legislative authority.

(Signed) R. T. NELSON
Auditor General of Ghana

(Signed) A. DEFOY
Senior President of the Court
of Accounts of Belgium

(Signed) Francisco S. TANTUICO, Jr.
Chairman, Commission on Audit,
the Philippines

17 June 1985

V. CERTIFICATION OF THE FINANCIAL STATEMENTS

29 March 1985

I certify that the appended financial statements of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, numbered I to XXV, are correct.

(Signed) Edward H. GREGORY
Comptroller

VI. FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1984

STATEMENT I

ALL FUNDS

Budget and expenditure for the year ended 31 December 1984

(United States dollars)

| Activity | Recurrent costs | | Non-recurrent costs | | Total costs | |
|--|-----------------|--------------|---------------------|-------------|--------------|--------------|
| | Budget | Expenditure | Budget | Expenditure | Budget | Expenditure |
| <u>Part I. Education services</u> | | | | | | |
| General education | 96 380 000 | 94 055 920 | 3 872 000 | 2 074 002 | 100 252 000 | 96 129 922 |
| Vocational and professional training | 12 354 000 | 11 222 721 | 1 706 000 | 342 023 | 14 060 000 | 11 564 744 |
| Share of common costs from part IV | 13 440 000 | 12 930 477 | 557 000 | 329 870 | 13 997 000 | 13 260 347 |
| Total, part I | 122 174 000 | 118 209 118 | 6 135 000 | 2 745 895 | 128 309 000 | 120 955 013 |
| <u>Part II. Health services</u> | | | | | | |
| Medical services | 20 972 000 | 19 714 752 | 861 000 | 468 658 | 21 833 000 | 20 183 410 |
| Supplementary feeding | 9 815 000 | 9 269 405 | 56 000 | 25 315 | 9 871 000 | 9 294 720 |
| Environmental sanitation | 7 152 000 | 6 874 186 | 775 000 | 499 289 | 7 927 000 | 7 373 475 |
| Share of common costs from part IV | 7 219 000 | 6 944 440 | 305 000 | 178 040 | 7 524 000 | 7 122 480 |
| Total, part II | 45 158 000 | 42 802 783 | 1 997 000 | 1 171 302 | 47 155 000 | 43 974 085 |
| <u>Part III. Relief services</u> | | | | | | |
| Shelter | 595 000 | 560 796 | 223 000 | 171 448 | 818 000 | 732 244 |
| Special hardship assistance | 11 051 000 | 12 136 702 | 31 000 | 21 494 | 11 082 000 | 12 158 196 |
| Relief and welfare services | 3 829 000 | 3 463 227 | 224 000 | 121 008 | 4 053 000 | 3 584 235 |
| Share of common costs from part IV | 6 382 000 | 6 128 322 | 275 000 | 157 762 | 6 657 000 | 6 286 084 |
| Total, part III | 21 857 000 | 22 289 047 | 753 000 | 471 712 | 22 610 000 | 22 760 759 |
| <u>Part IV. Common costs</u> | | | | | | |
| Supply and transport services | 8 778 000 | 8 279 365 | 583 000 | 240 592 | 9 361 000 | 8 519 957 |
| Other internal services | 13 234 000 | 12 683 648 | 359 000 | 297 097 | 13 593 000 | 12 980 745 |
| General administration | 5 029 000 | 5 040 226 | 195 000 | 127 983 | 5 224 000 | 5 168 209 |
| Total, part IV | 27 041 000 | 26 003 239 | 1 137 000 | 665 672 | 28 178 000 | 26 668 911 |
| Costs allocated to programmes | (27 041 000) | (26 003 239) | (1 137 000) | (665 672) | (28 178 000) | (26 668 911) |
| Net, part IV | - | - | - | - | - | - |
| <u>Part V. Extraordinary costs not allocable to programmes</u> | | | | | | |
| Increase in provision for area staff separation costs | - | - | 3 353 000 | 2 744 211 | 3 353 000 | 2 744 211 |
| Winding down costs of basic rations programme | 951 000 | 519 407 | - | - | 951 000 | 519 407 |
| Lebanon Emergency Relief Programme - North Lebanon | - | - | 114 000 | 113 992 | 114 000 | 113 992 |
| Extraordinary costs due to disturbances | - | - | 163 000 | 215 587 | 163 000 | 215 587 |
| Total, part V | 951 000 | 519 407 | 3 630 000 | 3 073 790 | 4 581 000 | 3 593 197 |
| Total, all parts | 190 140 000 | 183 820 355 | 12 515 000 | 7 462 699 | 202 655 000 | 191 283 054 |

SCHEDULE 1.1

ALL FUNDS

Expenditure for the year ended 31 December 1984

(United States dollars)

| | Recurrent costs | Non- recurrent costs | Total costs |
|--|--------------------|----------------------------|----------------|
| EDUCATION SERVICES | | | |
| <u>General education</u> | | | |
| Elementary education | 54 137 016 | 1 217 655 | 55 354 671 |
| Preparatory education | 34 683 685 | 806 213 | 35 489 898 |
| Secondary education | 319 038 | - | 319 038 |
| In-service staff training and education development centres | 1 283 709 | 38 758 | 1 322 467 |
| Pre-school training centres | 489 877 | 7 414 | 497 291 |
| School for displaced refugees from Lebanon | 31 649 | 1 037 | 32 686 |
| Administration | 3 110 946 | 2 925 | 3 113 871 |
| | <hr/> | <hr/> | <hr/> |
| Total, general education | 94 055 920 | 2 074 002 | 96 129 922 |
| | <hr/> | <hr/> | <hr/> |
| <u>Vocational and professional training</u> | | | |
| <u>Training conducted in UNRWA centres</u> | | | |
| Wadi Seer training centre | 1 819 413 | 92 500 | 1 911 913 |
| Amman training centre | 1 535 944 | 41 891 | 1 577 835 |
| Kalandia vocational training centre | 958 735 | 49 187 | 1 007 922 |
| Ramallah men's teacher training centre | 584 691 | 6 581 | 591 272 |
| Ramallah women's training centre | 1 376 015 | 44 483 | 1 420 538 |
| Gaza vocational training centre | 1 170 378 | 32 329 | 1 203 207 |
| Siblin training centre | 1 082 700 | 54 809 | 1 137 509 |
| Damascus vocational training centre | 1 509 440 | 13 514 | 1 522 954 |
| | <hr/> | <hr/> | <hr/> |
| Total, training conducted in UNRWA centres | 10 037 856 | 335 294 | 10 373 150 |
| | <hr/> | <hr/> | <hr/> |

SCHEDULE 1.1 (continued)

| | Recurrent costs | Non- recurrent costs | Total costs |
|---|--------------------|----------------------------|----------------|
| <u>Training subsidized outside UNRWA centres</u> | | | |
| Trade training | 5 017 | - | 5 017 |
| Nursing training | 4 083 | - | 4 083 |
| Secretarial training | 13 877 | - | 13 877 |
| Adult craft training | 5 841 | - | 5 841 |
| Midwifery training | 8 586 | - | 8 586 |
| | <hr/> | <hr/> | <hr/> |
| Total, training subsidized outside UNRWA centres | 37 404 | - | 37 404 |
| | <hr/> | <hr/> | <hr/> |
| <u>Common training costs</u> | | | |
| Vocational training common costs | 471 118 | 1 386 | 472 504 |
| Vocational instructor training in UNRWA centres | - | - | - |
| outside UNRWA centres | - | 5 343 | 5 343 |
| Teacher training common costs | 150 364 | - | 150 364 |
| | <hr/> | <hr/> | <hr/> |
| Total, common training costs | 621 482 | 6 729 | 628 211 |
| | <hr/> | <hr/> | <hr/> |
| <u>Placement services</u> | 67 804 | - | 67 804 |
| | <hr/> | <hr/> | <hr/> |

SCHEDULE 1.1 (continued)

| | Recurrent costs | Non- recurrent costs | Total costs |
|--|--------------------|----------------------------|----------------|
| <u>University education</u> | | | |
| University scholarships in the West Bank | 54 258 | - | 54 258 |
| University scholarships in Jordan | 152 643 | - | 152 643 |
| University scholarships in Egypt | 12 264 | - | 12 264 |
| University scholarships in Lebanon | 16 039 | - | 16 039 |
| University scholarships in the Syrian Arab Republic | 63 129 | - | 63 129 |
| University scholarships in Iraq | 2 555 | - | 2 555 |
| University scholarships in Turkey | 433 | - | 433 |
| University scholarships in Saudi Arabia | 1 640 | - | 1 640 |
| University scholarships in the Sudan | 900 | - | 900 |
| University scholarships in Algeria | 900 | - | 900 |
| University scholarships in Democratic Yemen | 900 | - | 900 |
| | <hr/> | <hr/> | <hr/> |
| Total, university education | 305 661 | - | 305 661 |
| | <hr/> | <hr/> | <hr/> |
| <u>Vocational and professional training administration</u> | | | |
| | 152 514 | - | 152 514 |
| | <hr/> | <hr/> | <hr/> |
| Total, vocational and professional training | 11 222 721 | 342 023 | 11 564 744 |
| | <hr/> | <hr/> | <hr/> |
| <u>Share of common costs</u> | | | |
| Supply and transport services 47 per cent | 3 891 302 | 113 078 | 4 004 380 |
| Other internal services 51 per cent | 6 468 660 | 151 520 | 6 620 180 |
| General administration 51 per cent | 2 570 515 | 65 272 | 2 635 787 |
| | <hr/> | <hr/> | <hr/> |
| Total, share of common costs | 12 930 477 | 329 870 | 13 260 347 |
| | <hr/> | <hr/> | <hr/> |
| Total, education services | 118 209 118 | 2 745 895 | 120 955 013 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

SCHEDULE 1.1 (continued)

| | Recurrent costs | Non- recurrent costs | Total costs |
|-------------------------------------|--------------------|----------------------------|----------------|
| HEALTH SERVICES | | | |
| <u>Medical services</u> | | | |
| Pharmacy services | 336 534 | 32 853 | 369 387 |
| Laboratory services | 377 130 | 20 164 | 397 294 |
| Clinic services | 8 268 105 | 205 183 | 8 473 288 |
| Maternity centres | 269 656 | 420 | 270 076 |
| General hospitals | 5 839 211 | 102 280 | 5 941 491 |
| Tuberculosis control | 241 747 | 41 180 | 282 927 |
| Mental health | 445 998 | - | 445 998 |
| Dental care | 324 084 | 39 511 | 363 595 |
| School health services | 305 668 | - | 305 668 |
| Health education | 191 314 | 892 | 192 206 |
| Other medical services | 214 043 | 6 864 | 220 907 |
| Augusta Victoria Hospital | 1 346 533 | 1 828 | 1 348 361 |
| Rehabilitation centre South Lebanon | 35 200 | 13 090 | 48 290 |
| Administration | 1 519 529 | 4 393 | 1 523 922 |
| | <hr/> | <hr/> | <hr/> |
| Total, medical services | 19 714 752 | 468 658 | 20 183 410 |
| | <hr/> | <hr/> | <hr/> |
| <u>Supplementary feeding</u> | | | |
| Hot meal programme | 4 992 960 | 25 315 | 5 018 275 |
| Milk distribution programme | 2 435 298 | - | 2 435 298 |
| Other supplementary rations | 1 481 492 | - | 1 481 492 |
| Administration | 359 655 | - | 359 655 |
| | <hr/> | <hr/> | <hr/> |
| Total, supplementary feeding | 9 269 405 | 25 315 | 9 294 720 |
| | <hr/> | <hr/> | <hr/> |
| <u>Environmental sanitation</u> | | | |
| Surface-water drainage | 39 187 | 274 796 | 313 983 |
| Refuse and sewage disposal | 5 241 291 | 172 084 | 5 413 375 |
| Water supply | 1 164 420 | 49 932 | 1 214 352 |
| Insect and rodent control | 51 827 | 618 | 52 445 |
| Ancillary sanitation facilities | 1 353 | - | 1 353 |
| Administration | 376 108 | 1 859 | 377 967 |
| | <hr/> | <hr/> | <hr/> |
| Total, environmental sanitation | 6 874 186 | 499 289 | 7 373 475 |
| | <hr/> | <hr/> | <hr/> |

SCHEDULE 1.1 (continued)

| | Recurrent costs | Non- recurrent costs | Total costs |
|---|--------------------|----------------------------|----------------|
| <u>Share of common costs</u> | | | |
| Supply and transport services 27 per cent | 2 235 428 | 64 960 | 2 300 388 |
| Other internal services 26 per cent | 3 297 749 | 77 245 | 3 374 994 |
| General administration 28 per cent | 1 411 263 | 35 835 | 1 447 098 |
| | <hr/> | <hr/> | <hr/> |
| Total, share of common costs | 6 944 440 | 178 040 | 7 122 480 |
| | <hr/> | <hr/> | <hr/> |
| Total, health services | 42 802 783 | 1 171 302 | 43 974 085 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| RELIEF SERVICES | | | |
| <u>Shelter</u> | | | |
| Shelter construction and maintenance | 11 124 | 149 185 | 160 309 |
| Roads and camp improvements | 154 052 | 22 263 | 176 315 |
| Camp rentals | 382 748 | - | 382 748 |
| Administration | 12 872 | - | 12 872 |
| | <hr/> | <hr/> | <hr/> |
| Total shelter | 560 796 | 171 448 | 732 244 |
| | <hr/> | <hr/> | <hr/> |
| <u>Special hardship assistance</u> | | | |
| Cost of supplies | 10 078 074 | - | 10 078 074 |
| Distribution costs | 402 204 | 16 140 | 418 344 |
| Blankets and clothing | 1 225 304 | - | 1 225 304 |
| Subsidies and grants | 381 706 | - | 381 706 |
| Other costs | 44 048 | 5 354 | 49 402 |
| Administration | 5 366 | - | 5 366 |
| | <hr/> | <hr/> | <hr/> |
| Total, special hardship assistance | 12 136 702 | 21 494 | 12 158 196 |
| | <hr/> | <hr/> | <hr/> |

SCHEDULE 1.1 (continued)

| | Recurrent costs | Non- recurrent costs | Total costs |
|--|--------------------|----------------------------|-------------------|
| <u>Relief and welfare services</u> | | | |
| Quality control | 53 265 | - | 53 265 |
| Eligibility and registration | 910 796 | - | 910 796 |
| Sewing centre instruction | 345 808 | 69 214 | 415 022 |
| Carpentry centre instruction | 21 499 | - | 21 499 |
| Youth activities | 113 000 | 17 568 | 130 568 |
| Women's act'vities | 42 910 | 22 673 | 65 583 |
| Training of handicapped youth | 121 528 | - | 121 528 |
| Administration | 1 663 057 | 11 553 | 1 674 610 |
| Gaza Centre for the Blind | 191 364 | - | 191 364 |
| Total, relief and welfare services | 3 463 227 | 121 008 | 3 584 235 |
| <u>Share of common costs</u> | | | |
| Supply and transport services 26 per cent | 2 152 635 | 62 554 | 2 215 189 |
| Other internal services 23 per cent | 2 917 239 | 68 332 | 2 985 571 |
| General administration 21 per cent | 1 058 448 | 26 876 | 1 085 324 |
| Total, share of common costs | 6 128 322 | 157 762 | 6 286 084 |
| Total, relief services | 22 289 047 | 471 712 | 22 760 759 |
| COMMON COSTS | | | |
| <u>Supply and transport services</u> | | | |
| Supply procurement and control | 1 135 709 | - | 1 135 709 |
| Supply warehousing | 1 043 948 | 101 336 | 1 145 284 |
| Supply and transport insurance administration | 68 890 | - | 68 890 |
| Vehicle maintenance | 1 009 351 | 14 863 | 1 024 214 |
| Passenger transport | 1 543 306 | 113 215 | 1 656 521 |
| Freight transport | 1 780 101 | 9 382 | 1 789 483 |
| Port operations | 417 996 | - | 417 996 |
| Administration | 1 280 064 | 1 796 | 1 281 860 |
| Total, supply and transport services | 8 279 365 | 240 592 | 8 519 957 |

SCHEDULE 1.1 (continued)

| | Recurrent costs | Non- recurrent costs | Total costs |
|---|--------------------|----------------------------|----------------|
| <u>Allocation of supply and transport services</u> | | | |
| Education services 47 per cent | (3 891 302) | (113 078) | (4 004 380) |
| Health services 27 per cent | (2 235 428) | (64 960) | (2 300 388) |
| Relief services 26 per cent | (2 152 635) | (62 554) | (2 215 189) |
| | <hr/> | <hr/> | <hr/> |
| Total, allocation of supply and transport services | (8 279 365) | (240 592) | (8 519 957) |
| | <hr/> | <hr/> | <hr/> |
| <u>Other internal services</u> | | | |
| Personnel services | 1 748 852 | 40 134 | 1 788 986 |
| Administrative services | 2 696 472 | 174 507 | 2 870 979 |
| Pay research and salary survey | 279 773 | - | 279 773 |
| Management services | 425 711 | - | 425 711 |
| Translation services | 279 816 | - | 279 816 |
| Legal services | 511 495 | - | 511 495 |
| Finance services | 2 654 815 | 5 324 | 2 660 139 |
| Data-processing services | 964 425 | 44 098 | 1 008 523 |
| Internal and external audit services | 687 166 | 108 | 687 274 |
| Protective services | 1 349 129 | 7 720 | 1 356 849 |
| Technical services | 1 085 994 | 3 687 | 1 089 681 |
| Production units - capital costs | - | 21 519 | 21 519 |
| | <hr/> | <hr/> | <hr/> |
| Total, other internal services | 12 683 648 | 297 097 | 12 980 745 |
| | <hr/> | <hr/> | <hr/> |
| <u>Allocation of other internal services</u> | | | |
| Education services 51 per cent | (6 468 660) | (151 520) | (6 620 180) |
| Health services 26 per cent | (3 297 749) | (77 245) | (3 374 994) |
| Relief services 23 per cent | (2 917 239) | (68 332) | (2 985 571) |
| | <hr/> | <hr/> | <hr/> |
| Total, allocation of other internal services | (12 683 648) | (297 097) | (12 980 745) |
| | <hr/> | <hr/> | <hr/> |

SCHEDULE 1.1 (continued)

| | Recurrent costs | Non- recurrent costs | Total costs |
|--|--------------------|----------------------------|----------------|
| <u>General administration</u> | | | |
| Agency administration | 467 651 | 2 894 | 470 545 |
| Field office administration | 1 414 033 | 701 | 1 414 734 |
| Area administration | 1 197 646 | 66 660 | 1 264 306 |
| Camp services administration | 569 723 | 9 729 | 579 452 |
| Public information services | 927 029 | 43 723 | 970 752 |
| External relations and contributions | 283 746 | - | 283 746 |
| New York Liaison Office | 157 974 | 4 276 | 162 250 |
| Cairo Office | 22 424 | - | 22 424 |
| | <hr/> | <hr/> | <hr/> |
| Total, general administration | 5 040 226 | 127 983 | 5 168 209 |
| | <hr/> | <hr/> | <hr/> |
| <u>Allocation of general administration</u> | | | |
| Education services 51 per cent | (2 570 515) | (65 272) | (2 635 787) |
| Health services 28 per cent | (1 411 263) | (35 835) | (1 447 098) |
| Relief services 21 per cent | (1 058 448) | (26 876) | (1 085 324) |
| | <hr/> | <hr/> | <hr/> |
| Total, allocation of general administration | (5 040 226) | (127 983) | (5 168 209) |
| | <hr/> | <hr/> | <hr/> |
| Total, common costs | 26 003 239 | 665 672 | 26 668 911 |
| Total, common costs allocated | (26 003 239) | (665 672) | (26 668 911) |
| | <hr/> | <hr/> | <hr/> |
| Net, common costs | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total, regular programme | 183 300 948 | 4 388 909 | 187 689 857 |
| | <hr/> | <hr/> | <hr/> |

SCHEDULE 1.1 (concluded)

| | Recurrent costs | Non- recurrent costs | Total costs |
|---|--------------------|----------------------------|----------------|
| EXTRAORDINARY COSTS | | | |
| <u>Extraordinary costs not allocable to programmes</u> | | | |
| <u>Lebanon Emergency Relief Programme, North Lebanon</u> | | | |
| <u>Health services</u> | | | |
| Medical services | - | 35 768 | 35 768 |
| Supplementary feeding | - | 69 143 | 69 143 |
| Environmental sanitation | - | 9 081 | 9 081 |
| | - | 113 992 | 113 992 |
| Total, Lebanon Emergency Relief, North Lebanon | - | 113 992 | 113 992 |
| <u>Other costs due to local disturbances in Lebanon</u> | | | |
| Evacuation costs of international staff and dependents | - | 93 198 | 93 198 |
| Travel subsistence allowance for area staff | - | 9 120 | 9 120 |
| International staff costs | - | 113 269 | 113 269 |
| Total, other costs due to local disturbances in Lebanon | - | 215 587 | 215 587 |
| <u>Other extraordinary costs</u> | | | |
| Increase in provision for local staff separation costs | - | 2 744 211 | 2 744 211 |
| Winding down of basic rations programme | 519 407 | - | 519 407 |
| Total, other extraordinary costs | 519 407 | 2 744 211 | 3 263 618 |
| Total, extraordinary costs | 519 407 | 3 073 790 | 3 593 197 |
| Total, all parts | 183 820 355 | 7 462 699 | 191 283 054 |

STATEMENT II

ALL FUNDS

Income and expenditure

(United States dollars)

| | As at | |
|--|---------------------|---------------------|
| | 31 December 1984 | 31 December 1983 |
| INCOME | | |
| Governments | 135 964 674 | 141 274 143 |
| Intergovernmental organizations: | | |
| European Economic Community | 20 461 338 | 24 877 778 |
| OPEC Fund | 1 000 000 | 1 313 000 |
| United Nations organizations | 16 380 867 | 7 710 001 |
| Other sources: | | |
| Non-governmental organizations | 3 474 013 | 5 824 874 |
| Miscellaneous income | 3 161 010 | 3 268 382 |
| Exchange rate gains | <u>746 802</u> | <u>4 915 107</u> |
| TOTAL INCOME | 181 188 704 | 189 183 285 |
| EXPENDITURE | <u>191 283 054</u> | <u>210 918 091</u> |
| EXCESS OF INCOME OVER EXPENDITURE | <u>(10 094 350)</u> | <u>(21 734 806)</u> |

STATEMENT III

ALL FUNDS

Assets and liabilities

(United States dollars)

| | As at | |
|---|-------------------|-------------------|
| | 31 December 1984 | 31 December 1983 |
| ASSETS | | |
| Cash on hand and in banks | 25 003 022 | 23 195 255 |
| Contributions receivable: | | |
| In cash | 13 151 196 | 34 661 133 |
| In kind | 4 725 879 | 8 161 380 |
| Accounts receivable less provision for uncollectible amounts | 1 902 332 | 1 910 556 |
| Prepaid expenses and advances to suppliers | 345 057 | 306 625 |
| Due from Area Staff Provident Fund | 89 402 | 536 971 |
| Inventories of supplies | - | 13 706 940 |
| TOTAL ASSETS | <u>45 216 888</u> | <u>82 478 860</u> |
| LIABILITIES | | |
| Accounts payable | 6 570 671 | 11 426 936 |
| Reserve for unliquidated obligations | 3 715 384 | 23 372 060 |
| Income received in advance: | | |
| In cash | 2 513 407 | 1 671 089 |
| Provision for staff separation costs | - | 25 779 442 |
| Provision for staff repatriation costs | - | 1 000 000 |
| TOTAL LIABILITIES | <u>12 799 462</u> | <u>63 249 527</u> |
| WORKING CAPITAL - GENERAL FUND | 18 558 388 | 19 229 333 |
| PROJECT FUND BALANCES | <u>13 859 038</u> | - |
| TOTAL LIABILITIES AND FUND BALANCES | <u>45 216 888</u> | <u>82 478 860</u> |

STATEMENT IV

GENERAL FUND

Income and expenditure for the year ended 31 December 1984

(United States dollars)

| | Cash | In kind | Total |
|--------------------------------------|--------------------|--------------------|---------------------|
| INCOME | | | |
| Pledged contributions | 144 352 731 | 7 700 215 | 152 052 946 |
| Allocation for the United Nations | 6 142 889 | - | 6 142 889 |
| Miscellaneous income | 3 161 010 | - | 3 161 010 |
| Exchange rate gains | <u>746 802</u> | <u>-</u> | <u>746 802</u> |
| TOTAL INCOME | 154 403 432 | 7 700 215 | 162 103 647 |
| Earmarked income | <u>8 431 268</u> | <u>-</u> | <u>8 431 268</u> |
| GROSS INCOME | <u>162 834 700</u> | <u>7 700 215</u> | <u>170 534 915</u> |
| EXPENDITURE | | | |
| Regular programme | 166 972 903 | 10 578 493 | 177 551 396 |
| Net allocation to project funds | <u>1 118 282</u> | <u>1 959 587</u> | <u>3 077 869</u> |
| GROSS EXPENDITURE | <u>168 091 185</u> | <u>12 538 080</u> | <u>180 629 265</u> |
| EXCESS OF INCOME OVER EXPENDITURE | <u>(5 256 485)</u> | <u>(4 837 865)</u> | <u>(10 094 350)</u> |

Schedule 4.1

GENERAL FUND

Miscellaneous income for the year ended 31 December 1984

(United States dollars)

| Description | Amount |
|---|------------------|
| Bank interest | 2 929 129 |
| Sale of empty containers and unserviceable property | 35 535 |
| Reimbursement of Area Staff Provident Fund administration costs | 69 678 |
| Profit on income production activities | 30 076 |
| Overheads recovered on procurement for other parties | 11 113 |
| Recovery of insurance claims | 51 167 |
| Miscellaneous | 34 312 |
| Total, miscellaneous income | <u>3 161 010</u> |

SCHEDULE 4.1 (A)

GENERAL FUND

Production and sales units for the year ended 31 December 1984

(United States dollars)

| Accounts | Embroidery centre | Carpentry shop | Printing unit | Production of cement blocks and tiles | Bread baking | Building maintenance services | Greeting cards and calendars | Total |
|--|----------------------|-------------------|------------------|---|-----------------|-------------------------------------|------------------------------------|-------------|
| <u>Production and capital costs</u> | 295 501 | 277 085 | 176 217 | 1 954 | 102 745 | 172 621 | 10 772 | 1 036 895 |
| <u>Costs allocated</u> | | | | | | | | |
| Transfer to other activities | (146 530) | (273 709) | (161 368) | (1 954) | (102 745) | (170 978) | (1 312) | (858 596) |
| Transfer to sales unit | (147 115) | (205) | - | - | - | - | (9 460) | (156 780) |
| | (293 645) | (273 914) | (161 368) | (1 954) | (102 745) | (170 978) | (10 772) | (1 015 376) |
| <u>Costs not allocated</u> | | | | | | | | |
| Construction and equipment | 1 856 | 3 171 | 14 849 | - | - | 1 643 | - | 21 519 |
| <u>Sales units</u> | | | | | | | | |
| Sales | 147 115 | 205 | - | - | - | - | 9 460 | 156 780 |
| Costs of goods sold | (122 081) | (187) | - | - | - | - | (4 436) | (126 704) |
| Net profit on sales transferred to income | 25 034 | 18 | - | - | - | - | 5 024 | 30 076 |

SCHEDULE 4.2

GENERAL FUND

Report on cash contributions as at 31 December 1984

(United States dollars)

| Contributor | Description | Local currency | Pledged contributions unpaid as at 1 January 1984 | Pledges made during 1984 | Collections during 1984 | Pledged contributions unpaid as at 31 December 1984 |
|--|-------------------------|-----------------|---|-----------------------------|----------------------------|---|
| <u>Governments and intergovernmental organizations</u> | | | | | | |
| Australia | Special contribution | \$A 1 400 000 | - | 1 318 800 | 1 318 800 | - |
| | | \$A 1 000 000 | - | 882 200 | 882 200 | - |
| Austria | | | - | 132 000 | 132 000 | - |
| Bahamas | | | - | 500 | 500 | - |
| Bahrain | | | - | 15 000 | 15 000 | - |
| Bangladesh | For 1983 | | - | 5 000 | 5 000 | - |
| Barbados | | | - | 1 000 | 1 000 | - |
| Belgium | | BF 18 000 000 | - | 283 172 | 283 172 | - |
| Brazil | | | 10 000 | - | - | 10 000 |
| Burkina Faso | | CFAF 500 000 | 1 445 | - | 1 445 a/ | - |
| Burma | | | - | 1 000 | 1 000 | - |
| Canada | | \$Can 5 500 000 | - | 4 272 557 | 4 272 557 | - |
| Chile | | | - | 5 000 | 5 000 | - |
| China | | | - | 50 000 | 50 000 | - |
| Cyprus | | | - | 1 822 | 1 822 | - |

SCHEDULE 4.2 (continued)

| Contributor | Description | Local currency | Pledged contributions | | Pledges made during 1984 | Collections during 1984 | Pledged contributions | |
|------------------------------|---|----------------|-----------------------------|-------------------------------|--------------------------|-------------------------|-------------------------------|-------------------------------|
| | | | unpaid as at 1 January 1984 | unpaid as at 31 December 1984 | | | unpaid as at 31 December 1984 | unpaid as at 31 December 1984 |
| Denmark | | Dkr 5 100 000 | - | - | 547 886 | 547 886 | - | - |
| Egypt | | LE 6 000 | - | - | 7 299 | - | 7 299 | - |
| European Economic Community | | ECU 16 000 000 | 18 491 004 | - | 11 448 000 | 18 070 247 | 420 757 | - |
| | Commodities Reimbursement of shipping costs | | - | - | 1 444 896 | - | 1 444 896 | - |
| Finland | | Fmk 2 200 000 | - | - | 159 148 | - | 159 148 | - |
| | Special contribution | Fmk 1 000 000 | - | - | 369 872 | 369 872 | - | - |
| France | | FF 6 600 000 | - | - | 829 146 | 829 146 | - | - |
| | 1984/1985 | FF 1 650 000 | - | - | 102 355 | 102 355 | - | - |
| | 1983/1984 | FF 1 500 000 | - | - | 58 740 | 58 740 | - | - |
| | Additional contribution | FF 300 000 | 35 757 | - | - | 35 757 | - | - |
| Germany, Federal Republic of | | DM 2 500 000 | - | - | 926 784 | 926 784 | - | - |
| | Special contribution | DM 7 177 000 | - | - | 2 526 223 | 2 526 223 | - | - |
| Greece | | | - | - | 55 000 | 55 000 | - | - |
| Holy See | | | - | - | 2 500 | 2 500 | - | - |
| Iceland | | | - | - | 12 000 | 12 000 | - | - |
| India | | | - | - | 9 500 | 9 500 | - | - |
| Indonesia | | Rs 100 000 | - | - | 7 642 | - | 7 642 | - |
| | Special contribution | | 10 000 | - | 8 000 | 18 000 | - | - |
| Iraq | | | 3 500 000 | - | - | 3 500 000 a/ | - | - |

SCHEDULE 4.2 (continued)

| Contributor | Description | Local currency | Pledged contributions unpaid as at 1 January 1984 | Pledges made during 1984 | Collections during 1984 | Pledged contributions unpaid as at 31 December 1984 |
|------------------------|--|-------------------|---|-----------------------------|----------------------------|---|
| Ireland | | | - | 295 865 | 295 865 | - |
| Italy | | Lit 2 500 000 000 | - | 1 311 475 | 1 311 475 | - |
| Japan | | | - | 8 500 000 | 8 500 000 | - |
| Jamaica | For 1980 | | 3 000 | - | 3 000 | - |
| Kuwait | Special contribution | | - | 600 000 | 600 000 | - |
| | | | - | 500 000 | - | 500 000 |
| Libyan Arab Jamahiriya | For 1982 Additional contribution for 1981 | | - | 926 581 | 926 581 | - |
| | | | 1 250 000 | - | - | 1 250 000 |
| Luxembourg | | LuxF 369 000 | 3 000 000 | - | - | 3 000 000 |
| Malaysia | | | - | 6 319 | 6 319 | - |
| Maldives | | | - | 5 000 | 5 000 | - |
| Malta | | | - | 1 000 | 1 000 | - |
| | | | - | 872 | 872 | - |
| Mauritius | | | - | 1 250 | 1 250 | - |
| Mexico | | | - | 3 000 | 3 000 | - |
| Monaco | | FF 7 000 | - | 815 | 815 | - |
| Morocco | | DH 228 000 | - | 38 000 | 38 000 | - |
| Netherlands | | f. 4 960 000 | - | 1 437 265 | 1 437 265 | - |
| New Zealand | | £ stg. 54 180 | - | 75 882 | 75 882 | - |
| Norway | Additional contribution | Nkr 55 000 000 | - | 7 034 951 | 7 034 951 | - |
| | | Nkr 5 000 000 | - | 636 829 | 636 829 | - |

SCHEDULE 4.2 (continued)

| Contributor | Description | Local currency | Pledged contributions unpaid as at 1 January 1984 | Pledges made during 1984 | Collections during 1984 | Pledged contributions unpaid as at 31 December 1984 |
|--------------------|----------------------------|----------------|---|-----------------------------|----------------------------|---|
| Oman | Additional contribution | | - | 25 000 | 25 000 | - |
| Pakistan | | S 411 000 | - | 25 000 | - | 25 000 |
| Panama | | | - | 20 927 | 20 927 | - |
| Philippines | | | - | 500 | 500 | - |
| Portugal | | | - | 2 967 | 2 967 | - |
| | | | 691 | - | 691 | - |
| Portugal | | | - | 15 000 | 15 000 | - |
| Qatar | | | 100 000 | - | - | 100 000 |
| Republic of Korea | | | - | 5 000 | 5 000 | - |
| Saudi Arabia | Special contribution | | - | 1 200 000 | - | 1 200 000 |
| | | | 1 200 000 | 2 000 000 | 3 200 000 | - |
| Senegal | | | - | 5 000 | - | 5 000 |
| | | | 322 | - | - | 322 |
| Seychelles | | | - | 500 | 500 | - |
| Spain | | | 1 000 000 | 1 000 000 | 1 000 000 | 1 000 000 |
| Sudan | | | 12 047 | - | 12 047 a/ | - |
| Sweden | | SKr 55 000 000 | - | 6 878 959 | 6 878 959 | - |
| Extra contribution | | SKr 5 000 000 | - | 596 054 | 596 054 | - |
| Switzerland | | SwF 1 700 000 | - | 790 330 | 790 330 | - |
| Thailand | | B 360 500 | - | 15 640 | 15 640 | - |
| Togo | | CFAF 250 000 | - | 624 | - | 624 |

SCHEDULE 4.2 (continued)

| Contributor | Description | Local currency | Pledged contributions unpaid as at 1 January 1984 | Pledges made during 1984 | Collections during 1984 | Pledged contributions unpaid as at 31 December 1984 |
|--|---|------------------|---|-----------------------------|----------------------------|---|
| Trinidad and Tobago | Special contribution | | - | 2 488 | 2 488 | - |
| Tunisia | Special contribution | D 6 600 | - | 2 487 | 2 487 | - |
| | | | - | 7 616 | - | 7 616 |
| Turkey | Special contribution | D 2 500 | - | 2 885 | - | 2 885 |
| | | | - | 19 123 | 19 213 | - |
| United Arab Emirates | For 1983 For 1982 Special contribution for 1982 | | - | 800 000 | - | 800 000 |
| | | | 300 000 | - | - | 300 000 |
| | | | 500 000 | - | - | 500 000 |
| United Kingdom of Great Britain and Northern Ireland | | £ stg. 5 000 000 | - | 7 255 500 | 7 255 500 | - |
| United States of America | | | - | 67 000 000 | 67 000 000 | - |
| Yemen | | | 2 000 | - | 2 000 a/ | - |
| Zimbabwe | | \$2 6 000 | - | 5 134 | 5 134 | - |
| Total, Governments and intergovernmental organizations | | | | | | |
| | | | 29 416 266 | 134 704 778 | 153 369 855 | 10 751 189 |

SCHEDULE 4.2 (concluded)

| Contributor | Description | Local currency | Pledged contributions unpaid as at 1 January 1984 | Pledges made during 1984 | Collections during 1984 | Pledged contributions unpaid as at 31 December 1984 |
|--|-------------|----------------|---|-----------------------------|----------------------------|---|
| <u>United Nations</u> | | | | | | |
| United Nations Emergency Trust Fund | | | - | 8 870 839 | 8 870 839 | - |
| | | | - | 8 870 839 | 8 870 839 | - |
| Total, United Nations | | | | | | |
| <u>Non-governmental organizations</u> | | | | | | |
| Arabian American Oil Co. (ARAMCO) | | | - | 180 000 | 180 000 | - |
| Australian Care for Refugees (AUSTCARE) | | | - | 40 156 | 17 968 | 22 188 |
| Canadian Save the Children Fund | | | - | 56 292 | 56 292 | - |
| Calouste Gulbenkian Foundation | | | - | 5 883 | 5 883 | - |
| Norwegian Refugee Council | | | - | 217 251 | 217 251 | - |
| Sheikh Mohamad El-Zaben Caritas (Swiss and German aid) | | | - | 64 100 | 64 100 | - |
| Mr. Nizar Halbawi | | | - | 44 832 | 51 513 | - |
| Sundry donors | | | 6 681 | | | - |
| | | | 6 681 | 777 114 | 761 607 | 22 188 |
| Total, for non-governmental organizations | | | | | | |
| | | | 29 442 947 | 144 352 731 | 163 002 301 | 10 773 377 |
| Grand total | | | | | | |

Note: In addition to the cash contributions, a sum of \$6,142,889 was allocated from the United Nations regular budget for UNRWA international staff costs, thus bringing the total cash income to \$150,495,620. Of this allocation an amount of \$7,889 was outstanding at year-end.

a/ Written off.

SCHEDULE 4.3

GENERAL FUND

Report on contributions in kind and services as at 31 December 1984

(United States dollars)

| Contributor | Description | Pledged contributions undelivered as at 1 January 1984 | Pledges made during 1984 | Deliveries during 1984 | Pledged contributions undelivered as at 31 December 1984 |
|-------------------------------|---|--|--------------------------|------------------------|--|
| Governments and others | | | | | |
| European Economic Community | Butter oil 800 tonnes | - | 1 612 743 | - | 1 612 743 |
| | Olive oil 30 tonnes | - | 52 029 | - | 52 029 |
| | Skim milk 950 tonnes | - | 855 899 | - | 855 899 |
| | Food supplies | 752 626 | - | 752 626 | - |
| France | Rent | - | 117 755 | 117 755 | - |
| Gaza authorities | Rent | - | 94 613 | 94 613 | - |
| | Medical supplies | - | 7 259 | 7 259 | - |
| India | Sports supplies (Rs 100,000) | - | 7 642 | - | 7 642 |
| | Surgical dressings (Rs 200,000) (1983 pledge) | 19 822 | - | - | 19 822 |
| | Surgical dressings (Rs 200,000) (1982 pledge) | 19 822 | - | - | 19 822 |
| | Port services | - | 71 866 | 71 866 | - |
| Israel | Transport services | - | 135 285 | 135 285 | - |
| | Water | - | 68 900 | 68 900 | - |
| Japan | Flour | 1 828 615 | - | 1 828 615 | - |
| Jordan | Rent | - | 161 929 | 161 929 | - |
| | Water | - | 619 536 | 619 536 | - |
| | Medical supplies | - | 641 | 641 | - |
| | Sewage connections | - | 171 630 | 171 630 | - |
| Lebanon | Rent, laboratory and X-ray services | - | 29 302 | 29 302 | - |
| | Cash (LL 60,000) for rent | - | 6 744 | - | 6 744 |
| | Tea (c & f UNRWA ports) | - | 2 000 | 2 000 | - |
| Sri Lanka | Flour (6,000 tonnes c.i.f. UNRWA ports) SwF 4,500,000 | 392 640 | 1 875 000 | 2 001 628 | 266 012 |

SCHEDULE 4.3 (concluded)
(United States dollars)

| Contributor | Description | Pledged contributions undelivered as at 1 January 1984 | Pledges made during 1984 | Deliveries during 1984 | Pledged contributions undelivered as at 31 December 1984 |
|--|--|--|--------------------------|------------------------|--|
| Syrian Arab Republic | Rent | - | 104 916 | 104 916 | - |
| | Water | - | 14 669 | 14 669 | - |
| | Reimbursement of portorage costs | 2 600 | 8 638 | 10 181 | 1 057 |
| | Reimbursement of transport costs | 860 | 16 988 | 14 371 | 3 497 |
| Yugoslavia | Medical supplies | 35 850 | 25 000 | 35 850 | 25 000 |
| | Medical supplies for 1983 (pledged in 1984) | - | 25 000 | - | 25 000 |
| | Total, Governments and others | 3 052 855 | 6 085 984 | 6 243 572 | 2 895 267 |
| <u>United Nations agencies</u> | | | | | |
| United Nations Educational, Scientific and Cultural Organization (UNESCO) | Services of staff | - | 897 279 | 897 279 | - |
| | Internal travel cost of associate specialist | - | 2 660 | 2 660 | - |
| World Health Organization (WHO) | Services of staff | - | 467 200 | 467 200 | - |
| | Total, United Nations agencies | - | 1 367 139 | 1 367 139 | - |
| <u>Non-governmental organizations</u> | | | | | |
| MISEREOR Terre des Hommes OXFAM, United Kingdom American Near East Refugee Aid Church World Service Near East Council of Churches Local authorities, Syrian Arab Republic Sundry donors | | - | 60 454 | 60 454 | - |
| | | - | 23 813 | 23 813 | - |
| | | - | 11 661 | 11 661 | - |
| | | 550 | 18 419 | 18 969 | - |
| | | - | 5 000 | 5 000 | - |
| | | - | 29 925 | 29 925 | - |
| | | - | 6 154 | 6 154 | - |
| | | - | 91 666 | 91 666 | - |
| | Total, non-governmental organizations | 550 | 247 092 | 247 642 | - |
| | Grand total | 3 053 405 | 7 700 215 | 7 856 353 | 2 895 267 |

STATEMENT V

GENERAL FUND

Assets and liabilities as at 31 December 1984

(United States dollars)

ASSETS

| | | |
|---|------------------|--------------------------|
| Cash on hand and in banks | | 11 798 027 |
| Contributions receivable: | | |
| In cash | 10 781 266 | |
| In kind | <u>2 895 267</u> | |
| | | 13 676 533 |
| Accounts receivable less provision for uncollectible amounts | | 1 902 332 |
| Prepaid expenses and advances to suppliers | | 345 057 |
| Due from project funds | | 2 838 499 |
| Due from Area Staff Provident Fund | | <u>89 402</u> |
| TOTAL ASSETS | | <u><u>30 649 850</u></u> |

LIABILITIES

| | | |
|--------------------------------------|--|--------------------------|
| Accounts payable | | 6 509 291 |
| Reserve for unliquidated obligations | | 3 715 384 |
| Income received in advance: | | |
| In cash | | 1 866 787 |
| TOTAL LIABILITIES | | <u><u>12 091 462</u></u> |

WORKING CAPITAL

| | |
|--|-------------------|
| Balance as at 1 January 1984 | 19 229 333 |
| Add: | |
| Transfers from reserves and other adjustments | <u>33 810 167</u> |
| | 53 039 500 |

STATEMENT V (concluded)

GENERAL FUND

Assets and liabilities as at 31 December 1984

(United States dollars)

Less:

Transfers to project funds,
conversion of inventories
and debits to contributions 24 386 762

EXCESS OF EXPENDITURE OVER INCOME 10 094 350

34 481 112

Balance as at 31 December 1984

18 558 388

TOTAL, LIABILITIES AND WORKING CAPITAL

30 649 850

STATEMENT VI

GENERAL FUND

Working capital (operating reserve)

(United States dollars)

| | For the year ended | |
|---|--------------------------|--------------------------|
| | 31 December 1984 | 31 December 1983 |
| Balance as at 1 January | <u>19 229 333</u> | <u>9 192 865</u> |
| Add: | | |
| Savings on liquidation of prior years' commitments | 6 037 884 | 1 039 865 |
| Reversal of the provision for staff separation costs | 26 521 821 | 30 717 071 |
| Reversal of the provision for staff repatriation costs | 1 000 000 | - |
| Overstated prior years' estimated liabilities | 241 862 | 326 110 |
| Over-absorbed current year price variations | 8 600 | - |
| Other adjustments of prior years' accounts increasing working capital | <u>-</u> | <u>112 893</u> |
| | <u>33 810 167</u> | <u>32 195 939</u> |
| Deduct: | | |
| Conversion of inventories into memorandum assets | 11 901 958 | - |
| Transfer to project fund balances | 8 431 268 | - |
| Unallocated current year price variations | - | 6 544 |
| Write-off of short-delivered contributions in kind and unpaid pledges | 4 053 536 | 415 997 |
| Other adjustments of prior years' accounts reducing working capital | - | 2 124 |
| Excess of expenditure over income | <u>10 094 350</u> | <u>21 734 806</u> |
| | <u>34 481 112</u> | <u>22 159 471</u> |
| Balance as at 31 December | <u><u>18 558 388</u></u> | <u><u>19 229 333</u></u> |

PROJECT FUNDS

Supplementary feeding
University scholarships-Arabian American Oil Co. (ARAMCO)
OPEC Fund - Phase II
OPEC Fund - Phase III
School construction
Miscellaneous construction
Gaza Centre for the Blind
Gaza pre-school programme
Other Gaza projects
Lebanon emergency relief
Lebanon reconstruction
Intermediate Health Care Unit, Saida, Lebanon
UNRWA Rehabilitation Centre, South Lebanon
Sewing Centre, Shatila Camp, Lebanon
Ramallah Men's Teacher Training Centre and Ramallah Women's Training Centre

STATEMENT VII
SUPPLEMENTARY FEEDING

I. Income and expenditure for the year ended 31 December 1984

(United States dollars)

| | Cash | In kind | Total |
|--------------------------------------|------------------|------------------|------------------|
| INCOME | | | |
| Pledged contributions | <u>3 246 349</u> | <u>2 429 394</u> | <u>5 665 743</u> |
| TOTAL INCOME | <u>3 246 349</u> | <u>2 429 394</u> | <u>5 665 743</u> |
| EXPENDITURE | <u>3 246 349</u> | <u>2 429 394</u> | <u>5 665 743</u> |
| EXCESS OF INCOME OVER EXPENDITURE | <u>-</u> | <u>-</u> | <u>-</u> |

Note: In addition to the above expenditure, a sum of \$3,628,977, comprising \$1,114,421 in cash and \$2,514,556 in kind, has been spent on this project with funds allocated from the General Fund.

II. Assets and liabilities as at 31 December 1984

(United States dollars)

| | |
|------------------------------------|------------------|
| ASSETS | |
| Contributions receivable | <u>1 683 002</u> |
| TOTAL ASSETS | <u>1 683 002</u> |
| LIABILITIES | |
| Due to General Fund | <u>1 683 002</u> |
| TOTAL LIABILITIES | <u>1 683 002</u> |
| FUND BALANCE | <u>-</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>1 683 002</u> |

SCHEDULE 7.1

SUPPLEMENTARY FEEDING

Report on contributions as at 31 December 1984

(United States dollars)

| Contributor | Description | Pledged contributions unpaid/ undelivered as at 1 January 1984 | Pledges made during 1984 | Collections/ deliveries during 1984 | Pledged contributions unpaid/ undelivered as at 31 December 1984 |
|-----------------------------------|------------------------------------|---|-----------------------------|---|--|
| <u>Cash</u> | | | | | |
| European Economic Community | Operating costs and commodities | - | 3 224 419 | 2 898 000 | 326 419 |
| | Reimbursement of shipping costs | - | 21 930 | 21 930 | - |
| | Total cash | - | 3 246 349 | 2 919 930 | 326 419 |
| <u>In kind</u> | | | | | |
| European Economic Community | Butter oil 200 tonnes | - | 403 186 | - | 403 186 |
| | Skim milk 900 tonnes | - | 810 851 | - | 810 851 |
| Switzerland | Whole milk 300 tonnes | - | 1 205 357 | 1 062 811 | 142 546 |
| | Total in kind | - | 2 419 394 | 1 062 811 | 1 356 583 |
| | Grand total | - | 5 665 743 | 3 982 741 | 1 683 002 |

STATEMENT VIII

UNIVERSITY SCHOLARSHIPS

Arabian American Oil Co. (ARAMCO)I. Income and expenditure for the year ended 31 December 1984

(United States dollars)

| | Cash | In kind | Total |
|--------------------------------------|---------------|----------|---------------|
| INCOME | | | |
| Pledged contributions | <u>75 000</u> | <u>-</u> | <u>75 000</u> |
| EXPENDITURE | <u>22 187</u> | <u>-</u> | <u>22 187</u> |
| EXCESS OF INCOME OVER EXPENDITURE | <u>52 813</u> | <u>-</u> | <u>52 813</u> |

II. Assets and liabilities as at 31 December 1984

(United States dollars)

| | |
|------------------------------------|---------------|
| ASSETS | |
| Cash in bank | <u>52 813</u> |
| TOTAL ASSETS | <u>52 813</u> |
| LIABILITIES | - |
| FUND BALANCE | <u>52 813</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>52 813</u> |

SCHEDULE 8.1

UNIVERSITY SCHOLARSHIPS

Arabian American Oil Co. (ARAMCO)

Report on contributions as at 31 December 1984

(United States dollars)

| Contributor | Pledged contributions unpaid as at 1 January 1984 | Pledges made during 1984 | Collections during 1984 | Pledged contributions unpaid as at 31 December 1984 |
|-------------|--|-----------------------------|----------------------------|--|
| <u>Cash</u> | | | | |
| ARAMCO | - | 75 000 | 75 000 | - |
| Total cash | - | 75 000 | 75 000 | - |

STATEMENT IX

OPEC FUND - PHASE II

I. Income and expenditure for the year ended 31 December 1984

(United States dollars)

| | |
|-------------|-------------------|
| INCOME | - |
| | <u> </u> |
| EXPENDITURE | - |
| | <u> </u> |

II. Assets and liabilities as at 31 December 1984

(United States dollars)

| | |
|------------------------------------|-------------------|
| ASSETS | |
| Contributions receivable | 563 000 |
| | <u> </u> |
| TOTAL ASSETS | 563 000 |
| | <u> </u> |
| LIABILITIES | - |
| Due to General Fund | 221 166 |
| | <u> </u> |
| TOTAL LIABILITIES | 221 166 |
| | <u> </u> |
| FUND BALANCE | 341 834 |
| | <u> </u> |
| TOTAL LIABILITIES AND FUND BALANCE | 563 000 |
| | <u> </u> |

SCHEDULE 9.1

OPEC FUND - PHASE II

Report on contributions as at 31 December 1984

(United States dollars)

| Contributor | Pledged contributions unpaid as at 1 January 1984 | Pledges made during 1984 | Collections during 1984 | Pledged contributions unpaid as at 31 December 1984 |
|-------------|--|-----------------------------|----------------------------|--|
| <u>Cash</u> | | | | |
| OPEC Fund | <u>963 000</u> | <u>-</u> | <u>400 000</u> | <u>563 000</u> |
| Total cash | <u><u>963 000</u></u> | <u><u>-</u></u> | <u><u>400 000</u></u> | <u><u>563 000</u></u> |

STATEMENT X

OPEC FUND - PHASE III

I. Income and expenditure for the year ended 31 December 1984

(United States dollars)

| | Cash | In kind | Total |
|--------------------------------------|------------------|----------|------------------|
| INCOME | | | |
| Pledged contributions | <u>1 000 000</u> | <u>-</u> | <u>1 000 000</u> |
| EXPENDITURE | <u>11 818</u> | <u>-</u> | <u>11 818</u> |
| EXCESS OF INCOME OVER EXPENDITURE | <u>988 182</u> | <u>-</u> | <u>988 182</u> |

II. Assets and liabilities as at 31 December 1984

(United States dollars)

| | |
|------------------------------------|------------------|
| ASSETS | |
| Contributions receivable | <u>1 000 000</u> |
| TOTAL ASSETS | <u>1 000 000</u> |
| LIABILITIES | |
| Due to General Fund | <u>11 818</u> |
| TOTAL LIABILITIES | <u>11 818</u> |
| FUND BALANCE | <u>988 182</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>1 000 000</u> |

SCHEDULE 10.1

OPEC FUND - PHASE III

Report on contributions as at 31 December 1984

(United States dollars)

| Contributor | Pledged contributions unpaid as at 1 January 1984 | Pledges made during 1984 | Collections during 1984 | Pledged contributions unpaid as at 31 December 1984 |
|-------------|--|-----------------------------|----------------------------|--|
| <u>Cash</u> | | | | |
| OPEC Fund | <u>-</u> | <u>1 000 000</u> | <u>-</u> | <u>1 000 000</u> |
| Total cash | <u><u>-</u></u> | <u><u>1 000 000</u></u> | <u><u>-</u></u> | <u><u>1 000 000</u></u> |

STATEMENT XI

SCHOOL CONSTRUCTION

I. Income and expenditure for the year ended 31 December 1984

(United States dollars)

| | |
|-------------|-----------------|
| INCOME | <u><u>-</u></u> |
| EXPENDITURE | <u><u>-</u></u> |

II. Assets and liabilities as at 31 December 1984

(United States dollars)

ASSETS

Cash in bank 1 654 402

TOTAL ASSETS 1 654 402

LIABILITIES

FUND BALANCE 1 654 402

TOTAL LIABILITIES AND FUND BALANCE 1 654 402

SCHEDULE 11.1

SCHOOL CONSTRUCTION

Report on contributions as at 31 December 1984

(United States dollars)

| Contri- butor | Local currency | Pledged contributions unpaid as at | Pledges made during 1984 | Collections during 1984 | Pledged contributions unpaid as at |
|------------------|-----------------|--|-----------------------------|----------------------------|--|
| | | 1 January 1984 | | | 31 December 1984 |
| <u>Cash</u> | | | | | |
| Canada | \$Can 1 900 000 | <u>1 526 104</u> | <u>-</u> | <u>1 526 104</u> | <u>-</u> |
| | Total cash | <u><u>1 526 104</u></u> | <u><u>-</u></u> | <u><u>1 526 104</u></u> | <u><u>-</u></u> |

STATEMENT XII

MISCELLANEOUS CONSTRUCTION

I. Income and expenditure for the year ended 31 December 1984

(United States dollars)

| | Cash | In kind | Total |
|--|-----------|---------|-----------|
| INCOME | | | |
| Pledged contributions | 2 263 240 | - | 2 263 240 |
| EXPENDITURE | 249 609 | - | 249 609 |
| EXCESS OF INCOME OVER EXPENDITURE | 2 013 631 | - | 2 013 631 |

II. Assets and liabilities as at 31 December 1984

(United States dollars)

| | |
|--|-----------|
| ASSETS | |
| Cash in bank | 2 013 631 |
| TOTAL ASSETS | 2 013 631 |
| LIABILITIES | - |
| FUND BALANCE | 2 013 631 |
| TOTAL, LIABILITIES AND FUND BALANCE | 2 013 631 |

SCHEDULE 12.1

MISCELLANEOUS CONSTRUCTION

Report on contributions as at 31 December 1984

(United States dollars)

| Contri- butor | Local currency | Pledged contributions unpaid as at 1 January 1984 | Pledges made during 1984 | Collections during 1984 | Pledged contributions unpaid as at 31 December 1984 |
|------------------|-----------------|--|-----------------------------|----------------------------|--|
| <u>Cash</u> | | | | | |
| Canada | \$Can 3 000 000 | - | 2 263 240 | 2 263 240 | - |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| | Total cash | - | 2 263 240 | 2 263 240 | - |
| | | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

STATEMENT XIII

GAZA CENTRE FOR THE BLIND

I. Income and expenditure for the year ended 31 December 1984

(United States dollars)

| | Cash | In kind | Total |
|--------------------------------------|---------|---------|---------|
| INCOME | | | |
| Pledged contributions | 191 364 | - | 191 364 |
| EXPENDITURE | 191 364 | - | 191 364 |
| EXCESS OF INCOME OVER EXPENDITURE | - | - | - |

II. Assets and liabilities as at 31 December 1984

(United States dollars)

| | |
|--|--------|
| ASSETS | |
| Contributions receivable | 82 872 |
| TOTAL ASSETS | 82 872 |
| LIABILITIES | |
| Due to General Fund | 82 872 |
| TOTAL LIABILITIES | 82 872 |
| FUND BALANCE | |
| TOTAL, LIABILITIES AND FUND BALANCE | 82 872 |

SCHEDULE 13.1

GAZA CENTRE FOR THE BLIND

Report on contributions as at 31 December 1984

(United States dollars)

| Contributor | Pledged contributions unpaid as at 1 January 1984 | Pledges made during 1984 | Collections during 1984 | Pledged contributions unpaid as at 31 December 1984 |
|-------------------------------------|--|-----------------------------|----------------------------|--|
| <u>Cash</u> | | | | |
| Pontifical Mission for Palestine | 84 502 | 177 526 | 179 156 | 82 872 |
| Sundry donors | - | 13 838 | 13 838 | - |
| Total cash | <u>84 502</u> | <u>191 364</u> | <u>192 994</u> | <u>82 872</u> |

STATEMENT XIV

GAZA PRE-SCHOOL PROGRAMME

I. Income and expenditure for the year ended 31 December 1984
(United States dollars)

| | Cash | In kind | Total |
|--------------------------------------|---------|---------|---------|
| INCOME | | | |
| Pledged contributions | 461 871 | - | 461 871 |
| TOTAL INCOME | 461 871 | - | 461 871 |
| EXPENDITURE | 461 871 | - | 461 871 |
| EXCESS OF INCOME OVER EXPENDITURE | - | - | - |

Note: In addition to the above expenditure a sum of \$29,515 in cash has been spent on this project with funds allocated from the General Fund.

II. Assets and liabilities as at 31 December 1984
(United States dollars)

| | |
|--|---------|
| ASSETS | |
| Contributions receivable | 224 265 |
| TOTAL ASSETS | 224 265 |
| LIABILITIES | |
| Due to General Fund | 224 265 |
| TOTAL LIABILITIES | 224 265 |
| FUND BALANCE | - |
| TOTAL, LIABILITIES AND FUND BALANCE | 224 265 |

SCHEDULE 14.1

GAZA PRE-SCHOOL PROGRAMME

Report on contributions as at 31 December 1984

(United States dollars)

| Contributor | Pledged contributions unpaid as at 1 January 1984 | Pledges made during 1984 | Collections during 1984 | Pledged contributions unpaid as at 31 December 1984 |
|--|--|-----------------------------|----------------------------|--|
| <u>Cash</u> | | | | |
| American Friends Service Committee | 46 127 | 310 588 | 132 450 | 224 265 |
| Holy Land Christian Mission International | - | 71 000 | 71 000 | - |
| Quaker Service, Norway | - | 9 872 | 9 872 | - |
| Sundry donors | - | 70 411 | 70 411 | - |
| Total cash | <u>46 127</u> | <u>461 871</u> | <u>283 733</u> | <u>224 265</u> |

STATEMENT XV

OTHER GAZA PROJECTS

I. Income and expenditure for the year ended 31 December 1984

(United States dollars)

| | Cash | In kind | Total |
|--------------------------------------|-----------|---------|-----------|
| INCOME | | | |
| Pledged contributions | 1 244 155 | - | 1 244 155 |
| EXPENDITURE | 1 244 155 | - | 1 244 155 |
| EXCESS OF INCOME OVER EXPENDITURE | - | - | - |

II. Assets and liabilities as at 31 December 1984

(United States dollars)

| | |
|-------------------------------------|---------|
| ASSETS | |
| Cash in bank | 646 620 |
| TOTAL ASSETS | 646 620 |
| LIABILITIES | |
| Income received in advance | 646 620 |
| TOTAL LIABILITIES | 646 620 |
| FUND BALANCE | - |
| TOTAL, LIABILITIES AND FUND BALANCE | 646 620 |

SCHEDULE 15.1

OTHER GAZA PROJECTS

Report on contributions as at 31 December 1984

(United States dollars)

| Contributor | Local currency | Pledged contributions unpaid as at 1 January 1984 | Pledges made during 1984 | Collections during 1984 | Pledged contributions unpaid as at 31 December 1984 |
|------------------|---------------------|--|-----------------------------|----------------------------|--|
| <u>Cash</u> | | | | | |
| Sundry donors | Jordanian dinars | - | 1 244 155 | 1 244 155 | - |
| Total cash | | - | 1 244 155 | 1 244 155 | - |

STATEMENT XVI

LEBANON EMERGENCY RELIEF

I. Income and expenditure for the year ended 31 December 1984
(United States dollars)

| | Cash | In kind | Total |
|--------------------------------------|---------|---------|---------|
| INCOME | | | |
| Pledged contributions | 139 646 | 554 969 | 694 615 |
| EXPENDITURE | 113 992 | - | 113 992 |
| EXCESS OF INCOME OVER EXPENDITURE | 25 654 | 554 969 | 580 623 |

Note: During the course of this project, which has now been closed, it was necessary to meet the substantial excess of expenditure over income from the General Fund. Accordingly, the above excess of income over expenditure has been returned to the General Fund.

II. Assets and liabilities as at 31 December 1984
(United States dollars)

| | |
|---------------------------------------|---------|
| ASSETS | |
| Cash in bank | 6 404 |
| Contributions receivable | 550 479 |
| TOTAL ASSETS | 556 883 |
| LIABILITIES | |
| Due to General Fund | 556 883 |
| TOTAL LIABILITIES | 556 883 |
| FUND BALANCE | - |
| TOTAL LIABILITIES AND FUND BALANCE | 556 883 |

SCHEDULE 16.1

LEBANON EMERGENCY RELIEF

Report on contributions as at 31 December 1984

(United States dollars)

| Contributor | Description | Pledged contributions unpaid/undelivered as at 1 January 1984 | Pledges made during 1984 | Collections/deliveries during 1984 | Pledged contributions unpaid/undelivered as at 31 December 1984 |
|------------------------------|---|---|--------------------------|------------------------------------|---|
| <u>Cash</u> | | | | | |
| European Economic Community | Reimbursement of shipping costs | 145 200 | 19 250 | 88 000 | 76 450 |
| Germany, Federal Republic of | For health care programme in North Lebanon | - | 120 000 | 120 000 | - |
| Senegal | | 5 000 | - | 5 000 a/ | - |
| Sundry donors | | - | 396 | 396 | - |
| | Total cash | 150 200 | 139 646 | 213 396 | 76 450 |
| <u>In kind and services</u> | | | | | |
| Australia | Cornea beef | 479 505 | - | 479 505 | - |
| Belgium | Flour | 625 000 | - | 625 000 | - |
| European Economic Community | Butter oil 100 tonnes Skim milk 250 tonnes | - - | 201 592 229 325 | - - | 201 592 229 325 |
| | Olive oil 371.26 tonnes (1983 pledge) Skim milk 1 000 tonnes (1983 pledge) | 820 153 1 041 430 | - - | 788 717 1 041 430 | 31 436 - |
| France | Flour | 359 712 | - | 359 712 | - |
| Italy | Tomato paste | 200 474 | - | 200 474 | - |

SCHEDULE 16.1 (concluded)

| Contributor | Description | Pledged contributions unpaid/undelivered as at 1 January 1984 | Pledges made during 1984 | Collections/deliveries during 1984 | Pledged contributions unpaid/undelivered as at 31 December 1984 |
|--|------------------|---|--------------------------|------------------------------------|---|
| Japan | Flour | 2 760 130 | - | 2 760 130 | - |
| Yugoslavia | Blankets | 7 813 | - | 7 813 | - |
| Redd Barna, Norway | Staff costs | - | 31 518 | 19 842 | 11 676 |
| Save the Children Fund, United Kingdom | Staff costs | - | 33 363 | 33 363 | - |
| Red Cross of Yugoslavia | Blankets | - | 759 | 759 | - |
| UNICEF | Medical supplies | - | 58 412 | 58 412 | - |
| Sundry donors | | 395 449 | - | 395 449 | - |
| Total in kind and services | | 6 689 666 | 554 969 | 6 770 606 | 474 029 |
| Grand total | | 6 839 866 | 694 615 | 6 984 002 | 550 479 |

a/ Written off.

STATEMENT XVII

LEBANON RECONSTRUCTION

I. Income and expenditure for the year ended 31 December 1984

(United States dollars)

| | Cash | In kind | Total |
|--------------------------------------|------------------|----------|------------------|
| INCOME | | | |
| Pledged contributions | 4 783 244 | - | 4 783 244 |
| | <u>4 783 244</u> | <u>-</u> | <u>4 783 244</u> |
| EXPENDITURE | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| EXCESS OF INCOME OVER EXPENDITURE | 4 783 244 | - | 4 783 244 |
| | <u>4 783 244</u> | <u>-</u> | <u>4 783 244</u> |

II. Assets and liabilities as at 31 December 1984

(United States dollars)

| | |
|-------------------------------------|------------------|
| ASSETS | |
| Cash in bank | 8 214 778 |
| | <u>8 214 778</u> |
| TOTAL ASSETS | <u>8 214 778</u> |
| LIABILITIES | - |
| | <u>-</u> |
| FUND BALANCE | 8 214 778 |
| | <u>8 214 778</u> |
| TOTAL, LIABILITIES AND FUND BALANCE | <u>8 214 778</u> |

SCHEDULE 17.1

LEBANON RECONSTRUCTION

Report on contributions as at 31 December 1984

(United States dollars)

| Contributor | Local currency | Pledged contributions unpaid as at 1 January 1984 | Pledges made during 1984 | Collections during 1984 | Pledged contributions unpaid as at 31 December 1984 |
|--|----------------|---|--------------------------|-------------------------|---|
| <u>Cash</u> | | | | | |
| Saudi Arabia | | - | 4 000 000 | 4 000 000 | - |
| United Kingdom of Great Britain and Northern Ireland | £ stg. 500 000 | - | 738 500 | 738 500 | - |
| | £ stg. 500 000 | 723 589 | - | 723 589 | - |
| Council of Organizations for Relief, Rehabilitation and Development, Inc. (CORSO), New Zealand | NZ\$ 15 000 | - | 9 744 | 9 744 | - |
| World Vision, United States of America | | - | 35 000 | 35 000 | - |
| | Total cash | <u>723 589</u> | <u>4 783 244</u> | <u>5 506 833</u> | <u>-</u> |

STATEMENT XVIII

INTERMEDIATE HEALTH CARE UNIT, SAIDA, LEBANON

I. Income and expenditure for the year ended 31 December 1984

(United States dollars)

| | |
|-------------|-------|
| INCOME | - |
| | <hr/> |
| EXPENDITURE | - |
| | <hr/> |

II. Assets and liabilities as at 31 December 1984

(United States dollars)

| | |
|-------------------------------------|----------------------|
| ASSETS | |
| Cash in bank | <u>61 380</u> |
| TOTAL ASSETS | <u><u>61 380</u></u> |
| LIABILITIES | |
| Accounts payable | <u>61 380</u> |
| TOTAL LIABILITIES | <u><u>61 380</u></u> |
| FUND BALANCE | <u>-</u> |
| TOTAL, LIABILITIES AND FUND BALANCE | <u><u>61 380</u></u> |

STATEMENT XIX

UNRWA REHABILITATION CENTRE, SOUTH LEBANON

I. Income and expenditure for the year ended 31 December 1984

(United States dollars)

| | Cash | In kind | Total |
|--------------------------------------|---------------|---------------|---------------|
| INCOME | | | |
| Pledged contributions | <u>76 111</u> | <u>13 768</u> | <u>89 879</u> |
| EXPENDITURE | <u>76 111</u> | <u>13 768</u> | <u>89 879</u> |
| EXCESS OF INCOME OVER EXPENDITURE | <u>-</u> | <u>-</u> | <u>-</u> |

II. Assets and liabilities as at 31 December 1984

(United States dollars)

| | |
|-------------------------------------|---------------|
| ASSETS | |
| Contributions receivable | <u>54 159</u> |
| TOTAL ASSETS | <u>54 159</u> |
| LIABILITIES | |
| Due to General Fund | <u>54 159</u> |
| TOTAL LIABILITIES | <u>54 159</u> |
| FUND BALANCE | <u>-</u> |
| TOTAL, LIABILITIES AND FUND BALANCE | <u>54 159</u> |

SCHEDULE 19.1

UNRWA REHABILITATION CENTRE, SOUTH LEBANON

Report on contributions as at 31 December 1984

(United States dollars)

| Contributor | Pledged contributions unpaid/undelivered as at 1 January 1984 | Pledges made during 1984 | Collections/ deliveries during 1984 | Pledged contributions unpaid/undelivered as at 31 December 1984 |
|---------------------------|---|-----------------------------|---|---|
| <u>Cash</u> | | | | |
| Norwegian Refugee Council | <u>42 763</u> | <u>76 111</u> | <u>64 715</u> | <u>54 159</u> |
| Total cash | <u>42 763</u> | <u>76 111</u> | <u>64 715</u> | <u>54 159</u> |
| <u>In kind</u> | | | | |
| Norwegian Refugee Council | <u>-</u> | <u>13 768</u> | <u>13 768</u> | <u>-</u> |
| Total in kind | <u>-</u> | <u>13 768</u> | <u>13 768</u> | <u>-</u> |
| Grand total | <u>42 763</u> | <u>89 879</u> | <u>78 483</u> | <u>54 159</u> |

STATEMENT XX

SEWING CENTRE, SHATILA CAMP, LEBANON

I. Income and expenditure for the year ended 31 December 1984

(United States dollars)

| | Cash | In kind | Total |
|--------------------------------------|---------------|----------|---------------|
| INCOME | | | |
| Norwegian People's Aid | <u>28 376</u> | <u>-</u> | <u>28 376</u> |
| EXPENDITURE | <u>10 738</u> | <u>-</u> | <u>10 738</u> |
| EXCESS OF INCOME OVER EXPENDITURE | <u>17 638</u> | <u>-</u> | <u>17 638</u> |

II. Assets and liabilities as at 31 December 1984

(United States dollars)

| | |
|-------------------------------------|---------------|
| ASSETS | |
| Contributions receivable | <u>28 376</u> |
| TOTAL ASSETS | <u>28 376</u> |
| LIABILITIES | |
| Due to General Fund | <u>10 738</u> |
| TOTAL LIABILITIES | <u>10 738</u> |
| FUND BALANCE | <u>17 638</u> |
| TOTAL, LIABILITIES AND FUND BALANCE | <u>28 376</u> |

SCHEDULE 20.1

SEWING CENTRE, SHATILA CAMP, LEBANON

Report on contributions as at 31 December 1984

(United States dollars)

| Contributor | Pledged contributions unpaid as at 1 January 1984 | Pledges made during 1984 | Collections during 1984 | Pledged contributions unpaid as at 31 December 1984 |
|---------------------------|--|-----------------------------|----------------------------|--|
| <u>Cash</u> | | | | |
| Norwegian People's Aid | <u>-</u> | <u>28 376</u> | <u>-</u> | <u>28 376</u> |
| Total cash | <u><u>-</u></u> | <u><u>28 376</u></u> | <u><u>-</u></u> | <u><u>28 376</u></u> |

STATEMENT XXI

RAMALLAH MEN'S TEACHER TRAINING CENTRE AND
RAMALLAH WOMEN'S TRAINING CENTREI. Income and expenditure for the year ended 31 December 1984

(United States dollars)

| | Cash | In kind | Total |
|--------------------------------------|------------------|----------|------------------|
| INCOME | | | |
| Pledged contributions | <u>2 587 570</u> | <u>-</u> | <u>2 587 570</u> |
| EXPENDITURE | <u>2 011 810</u> | <u>-</u> | <u>2 011 810</u> |
| EXCESS OF INCOME OVER EXPENDITURE | <u>575 760</u> | <u>-</u> | <u>575 760</u> |

II. Assets and liabilities as at 31 December 1984

(United States dollars)

| | |
|-------------------------------------|----------------|
| ASSETS | |
| Cash in bank | 561 371 |
| Contributions receivable | <u>14 389</u> |
| TOTAL ASSETS | <u>575 760</u> |
| LIABILITIES | <u>-</u> |
| FUND BALANCE | <u>575 760</u> |
| TOTAL, LIABILITIES AND FUND BALANCE | <u>575 760</u> |

SCHEDULE 21.1

RAMALLAH MEN'S TEACHER TRAINING CENTRE AND RAMALLAH WOMEN'S TRAINING CENTRE

Report on contributions as at 31 December 1984

(United States dollars)

| Contributor | Local currency | Pledged contributions unpaid as at 1 January 1984 | Pledges made during 1984 | Collections during 1984 | Pledged contributions unpaid as at 31 December 1984 |
|---|---------------------------------|--|-----------------------------|----------------------------|--|
| <u>Cash</u> | | | | | |
| Denmark | Dkr 29 000 000 for 1984/1985 | - | 872 364 | 872 364 | - |
| | Dkr 22 000 000 for 1983/1984 | - | 1 525 236 | 1 525 236 | - |
| Rádda Barnen, Sweden | | - | 185 852 | 171 463 | 14 389 |
| Federation of Business and Professional Women, United Kingdom | | - | 4 118 | 4 118 | - |
| Total cash | | - | 2 587 570 | 2 573 181 | 14 389 |

STATEMENT XXII

BAYSSARIEH CAMP FUND

I. Operations account for the period ended 31 December 1984

(United States dollars)

Contributions received from:

| | |
|--------------------------------------|-----------|
| Government of Lebanon (LL 5 000 000) | 1 600 000 |
|--------------------------------------|-----------|

| | |
|--|---------------|
| Government of the Netherlands (£ stg. 24 150 and f. 50 000) | <u>69 783</u> |
|--|---------------|

1 669 783

Add:

| | |
|----------------------|------------------|
| Bank interest earned | <u>2 103 768</u> |
|----------------------|------------------|

3 773 551

Deduct:

| | |
|----------------------|----------------|
| Expenditure incurred | <u>170 424</u> |
|----------------------|----------------|

| | |
|--------------------------------|-------------------------|
| Fund balance as at 31 December | <u><u>3 603 127</u></u> |
|--------------------------------|-------------------------|

II. Assets and liabilities as at 31 December 1984

(United States dollars)

ASSETS

| | |
|--------------|------------------|
| Cash in bank | <u>3 603 127</u> |
|--------------|------------------|

| | |
|--------------|-------------------------|
| TOTAL ASSETS | <u><u>3 603 127</u></u> |
|--------------|-------------------------|

LIABILITIES

-

FUND BALANCE

3 603 127

| | |
|-------------------------------------|-------------------------|
| TOTAL, LIABILITIES AND FUND BALANCE | <u><u>3 603 127</u></u> |
|-------------------------------------|-------------------------|

STATEMENT XXIII

AREA STAFF PROVIDENT FUND

Income distribution account
(United States dollars)

| | For the year ended | |
|---|--------------------------|--------------------------|
| | 31 December 1984 | 31 December 1983 |
| Balance as at 1 January | 16 993 824 | 19 753 470 |
| Add: | | |
| Transfer from unallocated surplus | <u>1 400 000</u> | <u>-</u> |
| | 18 393 824 | 19 753 470 |
| Deduct: | | |
| Interest credited to participants' accounts in respect of prior years | <u>18 061 417</u> | <u>19 347 530</u> |
| Balance from prior years | <u>332 407</u> | <u>405 940</u> |
| Add net income: | | |
| Net investment income | 23 394 982 | 19 419 804 |
| Less: | | |
| Net exchange rate losses on payment to separated participants | <u>348</u> | <u>(26 832)</u> |
| | 23 394 634 | 19 446 636 |
| Less: | | |
| Administration expenses | <u>95 084</u> | <u>85 379</u> |
| Net income | <u>23 299 550</u> | <u>19 361 257</u> |
| Interim balance | 23 631 957 | 19 767 197 |
| Deduct: | | |
| 10 per cent of net income transferred to unallocated surplus | <u>2 329 955</u> | <u>1 936 126</u> |
| | 21 302 002 | 17 831 071 |
| Deduct: | | |
| Interest paid on credits withdrawn during year | <u>873 135</u> | <u>837 247</u> |
| Balance as at 31 December | <u><u>20 428 867</u></u> | <u><u>16 993 824</u></u> |

STATEMENT XXIV
 AREA STAFF PROVIDENT FUND
Unallocated surplus account
 (United States dollars)

| | For the year ended | |
|---------------------------------------|-------------------------|-------------------------|
| | 31 December 1984 | 31 December 1983 |
| Balance as at 1 January | 6 480 238 | 4 712 698 |
| Less: | | |
| Transfer to income for distribution | <u>1 400 000</u> | <u>-</u> |
| | 5 080 238 | 4 712 698 |
| Less: | | |
| Share paid to separated participants | <u>225 978</u> | <u>168 586</u> |
| | 4 854 260 | 4 544 112 |
| Add: | | |
| Transfer from income for current year | <u>2 329 955</u> | <u>1 936 126</u> |
| Balance as at 31 December | <u><u>7 184 215</u></u> | <u><u>6 480 238</u></u> |

STATEMENT XXV

AREA STAFF PROVIDENT FUND

Assets and liabilities

(United States dollars)

| | As at | |
|---|--------------------|--------------------|
| | 31 December 1984 | 31 December 1983 |
| ASSETS | | |
| Investments: | | |
| Bank of America, London | 53 460 094 | 48 398 470 |
| Bankers Trust, London | 66 441 611 | 61 685 990 |
| First National Bank of Chicago, Geneva | 77 570 908 | 69 585 520 |
| Creditanstalt Bankverein, Vienna | <u>56 714 739</u> | <u>38 872 390</u> |
| | <u>254 187 352</u> | <u>218 542 370</u> |
| LIABILITIES | | |
| Continuing participants' credits: | | |
| US dollar credits (Gaza) | 50 005 822 | 41 725 597 |
| US dollar credits (Lebanon) | 29 419 161 | 26 552 442 |
| US dollar credits (Syrian Arab Republic) | 26 948 945 | 21 706 378 |
| Jordan dinar credits (Jordan and West Bank) | | |
| JD 44,719,693 at 2.4722 | 110 556 024 | 95 154 094 |
| Austrian schilling credits (Headquarters, Vienna) | | |
| S 188,096,432 at 0.0454 | <u>8 539 578</u> | <u>7 751 477</u> |
| Total, continuing participants' credits | 225 469 530 | 192 889 988 |
| Ex-participants' credits | | |
| | 272 878 | 1 194 924 |
| Due to UNRWA general fund | 89 402 | 536 971 |
| Balance of exchange rate adjustments | 742 460 | 446 425 |
| Surplus: | | |
| Income available for distribution | 20 428 867 | 16 993 824 |
| Unallocated surplus | <u>7 184 215</u> | <u>6 480 238</u> |
| | <u>254 187 352</u> | <u>218 542 370</u> |

SCHEDULE 25.1

AREA STAFF PROVIDENT FUND

Investments and investment income for the year ended 31 December 1984

(United States dollars)

| | Bank of America, London | Bankers Trust, London | First National Bank of Chicago, Geneva | Creditanstalt Bankverein, Vienna | Total |
|-----------------------------------|-------------------------------|-----------------------------|--|--|--------------------|
| Investments as at 1 January | 48 398 470 | 61 685 990 | 69 585 520 | 38 872 390 | 218 542 370 |
| Add: | | | | | |
| Funding during year | - | - | - | 12 250 000 | 12 250 000 |
| | <u>48 398 470</u> | <u>61 685 990</u> | <u>69 585 520</u> | <u>51 122 390</u> | <u>230 792 370</u> |
| Gross investment income | 5 207 257 | 4 836 416 | 8 080 123 | 5 630 378 | 23 754 174 |
| Deduct: | | | | | |
| Investment managers' fees | 145 633 | 80 795 | 94 735 | 38 029 | 359 192 |
| Net investment income | <u>5 061 624</u> | <u>4 755 621</u> | <u>7 985 388</u> | <u>5 592 349</u> | <u>23 394 982</u> |
| Investments as at 31 December | <u>53 460 094</u> | <u>66 441 611</u> | <u>77 570 908</u> | <u>56 714 739</u> | <u>254 187 352</u> |
| Investment yield | <u>10.5%</u> | <u>7.7%</u> | <u>11.5%</u> | <u>12.6%</u> | <u>10.4%</u> |
| <u>Allocation of investments</u> | | | | | |
| <u>by currency</u> | | | | | |
| | | | <u>Percentage</u> | | |
| United States dollars | 86.5 | 69.1 | 99.4 | 99.8 | 88.9 |
| Pounds sterling | 1.1 | 1.0 | - | - | 0.5 |
| Swiss francs | - | - | 0.1 | - | - |
| Deutsche mark | 12.4 | 0.8 | 0.5 | - | 3.0 |
| Austrian schillings | - | - | - | 0.2 | - |
| Japanese yen | - | 16.1 | - | - | 4.2 |
| European Community Units (ECU) | - | 13.0 | - | - | 3.4 |
| | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> |
| <u>Investments by maturity</u> | | | | | |
| Up to two years | 52.7 | 59.3 | 66.6 | 49.4 | 57.9 |
| Up to seven years | 47.3 | 40.7 | 33.4 | 50.6 | 42.1 |
| | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> |

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of significant accounting policies

The following are the significant accounting policies of the Agency. These policies apply principally to the General Fund, but they also apply to project funds, the Bayssarieh Camp Fund and the Area Staff Provident Fund where appropriate:

- (a) The Agency's accounts are maintained in accordance with the Financial Regulations of the United Nations Relief and Works Agency for Palestine Refugees in the Near East as established by the Commissioner-General in consultation with the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions.
- (b) The financial period of the Agency is the calendar year.
- (c) The Agency's accounts are based on the premise of a going concern and on the principle of prudence.
- (d) Assets and liabilities and income and expenditure are recognized on the accrual basis of accounting. The principal exception to this policy is that contributions other than those by Governments and United Nations agencies are recognized only on the basis of actual receipt of cash or contributions in kind.
- (e) The accounts of the Agency are maintained in United States dollars. Transactions in other currencies are translated into United States dollars at the time of the transaction at rates of exchange established by the Agency. At the end of the financial period assets and liabilities not in United States dollars are reflected in United States dollars at the then applicable Agency exchange rates. Gain or loss on exchange of currencies is treated as an addition to or deduction from income.
- (f) Fixed assets of the Agency (consisting of vehicles, other equipment and certain lands and the buildings thereon) are not included in the assets reported in statement III of all funds and statement V of the General Fund. Costs of these assets are fully charged to expenditure in the period of purchase or construction. Memorandum records are maintained for such assets. Also not included in the above statements are the buildings and refugee shelters constructed by the Agency on land owned by various Governments or by private individuals. Appropriate memorandum records, however, are maintained for these buildings and for refugee shelters, ownership of which will presumably revert to the land-owners concerned, although this is less certain in the case of refugee shelters.
- (g) As from the end of the 1984 financial year, the accounting policy with respect to supply inventories has been changed (see note 3 (b) for the effect of this change). From 1985 onwards the costs of all supplies purchased for inventories will be fully charged to expenditure at the time of receipt of the goods. Memorandum records and the normal inventory control are maintained for these assets.
- (h) Miscellaneous income:
- (i) The net income realized from revenue-producing activities is treated as miscellaneous income;

(ii) Recoveries of expenditure that have been charged in the same financial year are credited against the same expenditure accounts, but recoveries of expenditure relating to earlier financial years are credited to miscellaneous income.

(i) The contributions that are received for special projects are established as separate funds, which are maintained on a fund accounting basis. Each fund is kept as a distinct financial and accounting entity with a separate self-balancing double-entry group of accounts. Separate financial statements are prepared for each fund.

General fund

Note 2. Reserve for unliquidated obligations (Statement V)

The reserve for unliquidated obligations is a reserve of funds for budgeted items for which a purchase order or a contract has been issued not later than at the year-end, or which has been specifically authorized by the Comptroller. These items, which have been charged to the current year's or prior years' expenditure, comprise:

| | <u>United States dollars</u> |
|-----------------|------------------------------|
| In current year | 1 949 803 |
| In prior years | <u>1 765 581</u> |
| | <u>3 715 384</u> |

This reserve will be liquidated when disbursements are made for the items.

Note 3. Working capital (Statements V and VI)

(a) As a result of the discontinuation of provision for staff separation costs and repatriation costs, a sum of \$27,521,821 has been credited to working capital.

(b) To implement the change in accounting policy with respect to supplies (see note 1 (q)), inventories amounting to \$11,901,958 have been debited to working capital.

(c) A sum of \$8,431,268, transferred from the working capital to project fund balances, relates to earmarked income that was previously accounted for as income of the General Fund.

(d) The sum of \$4,053,536 debited to working capital for short-delivered contributions in kind and unpaid pledges includes a write-off of a pledge of \$3.5 million for 1981 (see schedule 4.2).

Note 4. Contingent liabilities

At year-end the Agency had contingent liabilities of \$2,529,255, representing supplies on order from suppliers and for which purchase orders had been issued. In addition, there may be other contingent liabilities of a material but undeterminable amount in respect of certain claims for subsidies by Governments.

Note 5. Fixed assets

(a) The fixed assets not reported in statements III and V on assets and liabilities are summarized below at original cost values:

| | <u>United States dollars</u> |
|---|------------------------------|
| Vehicles (excluding those surveyed but not yet disposed of) | 5 353 052 |
| Other equipment | 9 982 938 |
| Land owned by UNRWA | 51 248 |
| Buildings on land owned by UNRWA | <u>422 031</u> |
| | <u>15 809 269</u> |

(b) The Agency has only the right of current occupancy of buildings (schools, training centres, ration distribution centres, clinics, warehouses and other installations) constructed by it on land owned by Governments or leased from private owners. The total cost of construction of such buildings (including the cost of financing purchase of land by local Governments in certain cases and of compensation to private land-owners of leased land) to 31 December 1984 was \$41,546,992.

(c) The Agency has also constructed refugee shelters at a total cost of \$11,455,450 on land owned by Governments or by individuals. The legal status of these shelters is uncertain.

Bayssarieh Camp Fund

Note 6. Special fund

This special project fund was established under the Agency's financial regulation 13.1 to provide the accounting and budgetary framework for the construction of a refugee camp at Bayssarieh, Lebanon.

Note 7. Operations accounts (Statement XXII)

Transactions related to this project commenced in 1977 when the contributions were received. No expenditure was, however, incurred prior to 1 January 1978. The operations account presented here thus covers the entire period from establishment of the project in 1977 to 31 December 1984. However, it should be noted that the project has been dormant for the last five years and no expenditure has been incurred during the years 1980-1984.

Area Staff Provident Fund

Note 8. Continuing participants' credits (Statement XXV)

(a) The continuing participant credits in currencies other than United States dollars include exchange rate gains for the year ended 31 December 1984. Details of these ploughed-back gains are as follows:

United States dollars

| | |
|--|-------------------|
| Jordanian dinars: 9.0% - JD 3 653 382 at 2.4722 | 9 031 890 |
| Austrian schillings: 4.0% - S 22 285 579 at 0.0454 | <u>1 011 765</u> |
| | <u>10 043 655</u> |

(b) A balance of \$742,460, comprising \$649,662 (for Jordanian dinars) and \$92,798 (for Austrian schillings), remains in the exchange rate adjustments account. These amounts are brought forward to 1985 and will therefore be merged in the exchange rate gains and losses of that year.

Note 9. Investments and investment income (Statement XXV and schedule 25.1)

(a) Investments are valued at cost or market value, whichever is lower. Based on this principle, the investment portfolio entrusted to the Bank of America, the First National Bank of Chicago and the Creditanstalt Bankverein is shown at cost, whereas the portfolio with the Bankers Trust is at market value. On the other hand, all the investment managers have based their valuations on market value.

(b) Because of the difference in valuation as well as the different accounting treatment of accrued management fees, the investment figures at year-end differ from the figures indicated by the investment managers in their annual reports for 1984.

(c) Because of the difference in valuation and accounting treatment of accrued management fees, investment yields of the portfolio in schedule 25.1 differ from the yields reported by the investment managers. A comparison of these yields is as follows:

| | <u>Schedule 25.1</u> (Percentage) | <u>Manager's</u> <u>Report</u> |
|--------------------------------|--------------------------------------|-----------------------------------|
| Bank of America | 10.5 | 11.1 |
| Bankers Trust | 7.7 | 7.5 |
| First National Bank of Chicago | 11.5 | 11.9 |
| Creditanstalt Bankverein | 12.6 | 13.0 |

Note 10. Contributions and funding (Schedule 25.1)

Funds provided to the investment managers (Creditanstalt Bankverein) during the year totalled \$12,250,000. This amount represents essentially the difference between the total Agency and participant contributions received and payments made by the Agency on behalf of the Provident Fund. A computation of the figures is as follows:

United States dollars

| | |
|--|----------------------|
| Contributions during the year | 23 066 957 |
| Add: | |
| Adjustments during the year (i.e. transfers, lump sums, reinstatements less withdrawals) | <u>510 835</u> |
| | 23 577 792 |
| Less: | |
| Over-funding by the General Fund as at 1 January 1984 | <u>536 971</u> |
| | 23 040 821 |
| Less: | |
| Payments made from the General Fund during the year | <u>10 880 223</u> |
| | 12 160 598 |
| Less: | |
| Funding to the investment managers from the General Fund during the year | <u>12 250 000</u> |
| Over-funding by the General Fund as at 31 December 1984 | <u><u>89 402</u></u> |