

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

ACCOUNTS
for the years ended 31 December 1977
and 31 December 1978
and
REPORT OF THE BOARD OF AUDITORS

GENERAL ASSEMBLY

OFFICIAL RECORDS: THIRTY-FOURTH SESSION

SUPPLEMENT No. 5C (A/34/5/Add.3)



UNITED NATIONS

New York, 1979

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.

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* The report of the Board of Auditors for both 1977 and 1978 appears as part three of the present volume.

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LETTER OF TRANSMITTAL

19 June 1979

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 as at 31 December 1977 and as at 31 December 1978.

In addition to the above, I have the honour to present the report of the Board of Auditors with respect to the accounts of the Agency for the years 1977 and 1978.

Accept, Sir, the assurances of my highest consideration.

*(Signed) Ahenkora Osei
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.

Part One

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1977

I. AUDIT OPINION

We have examined the following appended financial statements, properly identified, and relevant schedules of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the year ended 31 December 1977. 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 properly reflect the recorded financial transactions for the year, which transactions were in accordance with the Financial Regulations and legislative authority and present fairly the financial position as at 31 December 1977.

(Signed) Ahenkora OSEI
Auditor General of Ghana

(Signed) J. J. MACDONELL
Auditor General of Canada

(Signed) Osman Ghani KHAN
*Comptroller and Auditor General
of Bangladesh*

15 June 1979

II. FINANCIAL STATEMENTS FOR THE GENERAL FUND FOR THE YEAR ENDED 31 DECEMBER 1977

STATEMENT I

GENERAL FUND

Budget and expenditure and commitments for the year ended 31 December 1977
(in United States dollars)

Activity	Recurrent costs		Non-recurrent costs		Total costs	
	Budget	Expenditure and commitments	Budget	Expenditure and commitments	Budget	Expenditure and commitments
<i>Part I. Relief services</i>						
Basic rations	29 216 000	25 105 339	17 000	28 360	29 233 000	25 133 699
Shelter	352 000	360 999	31 000	51 935	383 000	412 934
Special hardship assistance	1 001 000	1 050 216	—	309	1 001 000	1 050 525
Share of common costs from part IV	6 180 000	5 692 882	235 000	268 892	6 415 000	5 961 774
<i>Total, part I</i>	36 749 000	32 209 436	283 000	349 496	37 032 000	32 558 932
<i>Part II. Health services</i>						
Medical services	8 528 000	8 456 228	656 000	301 310	9 184 000	8 757 538
Supplementary feeding	4 788 000	4 451 486	252 000	67 751	5 040 000	4 519 237
Environmental sanitation	3 035 000	3 051 642	281 000	260 843	3 316 000	3 312 485
Share of common costs from part IV	3 539 000	3 316 226	101 000	120 017	3 640 000	3 436 243
<i>Total, part II</i>	19 890 000	19 275 582	1 290 000	749 921	21 180 000	20 025 503
<i>Part III. Education services</i>						
General education	49 846 000	49 930 309	2 609 000	2 342 357	52 455 000	52 272 666
Vocational and professional training	7 317 000	7 170 853	175 000	223 129	7 492 000	7 393 982
Share of common costs from part IV	5 984 000	5 587 326	134 000	165 631	6 118 000	5 752 957
<i>Total, part III</i>	63 147 000	62 688 488	2 918 000	2 731 117	66 065 000	65 419 605

GENERAL FUND

Budget and expenditure and commitments for the year ended 31 December 1977 (continued)
(in United States dollars)

Activity	Recurrent costs		Non-recurrent costs		Total costs	
	Budget	Expenditure and commitments	Budget	Expenditure and commitments	Budget	Expenditure and commitments
Part IV. Common costs						
Supply and transport services	6 823 000	6 230 600	397 000	435 737	7 220 000	6 666 337
Other internal services	5 659 000	5 301 009	33 000	64 692	5 692 000	5 365 701
General administration	3 221 000	3 064 825	40 000	54 111	3 261 000	3 118 936
<i>Total, part IV</i>	15 703 000	14 596 434	470 000	554 540	16 173 000	15 150 974
Costs allocated to programmes	(15 703 000)	(14 596 434)	(470 000)	(554 540)	(16 173 000)	(15 150 974)
<i>Net, part IV</i>	—	—	—	—	—	—
Part V. Extraordinary costs not allocable to programmes						
Temporary relocation of Agency headquarters	—	—	4 883 000	4 797 440	4 883 000	4 797 440
Other costs due to local disturbances	—	—	1 244 000	1 049 264	1 244 000	1 049 264
Increase in provision for staff separation costs	—	—	3 214 000	2 715 279	3 214 000	2 715 279
Other costs	—	—	376 000	205 866	376 000	205 866
<i>Total, part V</i>	—	—	9 717 000	8 767 849	9 717 000	8 767 849
TOTAL, ALL PARTS	119 786 000	114 173 506	14 208 000	12 598 383	133 994 000	126 771 889

The notes to the financial statements are an integral part of these statements and should be read in conjunction therewith. Detailed figures of expenditure and commitments are given in schedules A and B, and details of liquidation of prior years' commitments are given in schedule G.

Certified correct
(Signed) Lloyd CALLOW
Comptroller

Approved
(Signed) Thomas W. McELHINEY
Commissioner-General

GENERAL FUND

Income and expenditure and commitments
(in United States dollars)

	For the year ended	
	31 December 1977	31 December 1976
Income		
Contributions by Governments (schedule C)	120 109 995	106 261 271
Contributions by United Nations agencies (schedule D)	5 419 488	5 074 091
Contributions from non-governmental sources (schedule E)	1 928 050	1 449 141
Miscellaneous income (schedule F) ..	1 763 773	1 169 357
Exchange adjustments	(242 840)	764 809
	<u>128 978 466</u>	<u>114 718 669</u>
Expenditure and commitments (statement I)	<u>126 771 889</u>	<u>114 774 837</u>
Excess of income over expenditure and commitments	<u>2 206 577</u>	<u>(56 168)</u>

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

Certified correct
(Signed) Lloyd CALLOW
Comptroller

Approved
(Signed) Thomas W. McELHINEY
Commissioner-General

STATEMENT III

GENERAL FUND

Working capital (operating reserve)
(in United States dollars)

	For the year ended	
	31 December 1977	31 December 1976
<i>Balance at 1 January</i>	11 781 586	10 775 287
Collection of pledges that had been written off	198 801	—
Share in surplus on liquidation of Staff Health Insurance Plan	—	58 332
Savings on liquidation of prior years' commitments (schedule G)	477 785	1 079 294
Overstated prior years' liabilities	1 069 060	43 596
Unallocated current year's variations between standard and actual costs	38 771	42 461
Other adjustments of prior years' accounts increasing working capital	36 952	14 789
Excess of income over expenditure and commitments (statement II)	<u>2 206 577</u>	<u>—</u>
	<u>4 027 946</u>	<u>1 238 472</u>
Deduct		
Write-off of short-delivered contributions in kind, and provision of reserve for doubtful pledges	24 573	176 005

GENERAL FUND

Working capital (operating reserve) (continued)

(in United States dollars)

	For the year ended	
	31 December 1977	31 December 1976
Other adjustments of prior years' accounts reducing working capital	25 760	—
Excess of expenditure and commitments over income	—	56 168
	<u>50 333</u>	<u>232 173</u>
BALANCE AT 31 DECEMBER	<u>15 759 199</u>	<u>11 781 586</u>

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

Certified correct
(Signed) Lloyd CALLOW
Comptroller

Approved
(Signed) Thomas W. McELHINEY
Commissioner-General

STATEMENT IV

GENERAL FUND

Assets and liabilities

(in United States dollars)

	For the year ended	
	31 December 1977	31 December 1976
Assets		
Cash on hand and in banks	19 383 975	18 392 780
Contributions receivable (schedules C, D and E)		
In cash	7 541 236	2 932 037
In kind	6 096 407	181 595
Accounts receivable less provision for uncollectible amounts	1 503 032	2 067 588
Prepaid expenses and advances to suppliers	2 627 131	1 531 216
Inventories of supplies	10 893 051	12 215 772
Cash held for special project	1 677 308	—
	<u>49 722 140</u>	<u>37 320 988</u>
Liabilities		
Accounts payable	4 995 358	5 285 927
Due to Area Staff Provident Fund	1 113 402	—
Food commodities borrowed	3 391 434	649 439
Provision for separation costs of staff ..	15 770 406	12 345 037
Reserve of unliquidated budget commitments	5 114 878	3 914 886
Income received in advance		
In cash	291 695	979 565
In kind	1 608 460	2 364 548
Provision for special project	1 677 308	—
Working capital (operating reserve) (statement III)	15 759 199	11 781 586
	<u>49 722 140</u>	<u>37 320 988</u>

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

Certified correct
(Signed) Lloyd CALLOW
Comptroller

Approved
(Signed) Thomas W. McELHINEY
Commissioner-General

SCHEDULES TO THE ACCOUNTS

GENERAL FUND

SCHEDULE A

Expenditure and commitments for the year ended 31 December 1977
(in United States dollars)

<i>Relief services</i>	<i>Recurrent costs</i>	<i>Non-recurrent costs</i>	<i>Total costs</i>
<i>Basic rations</i>			
Ration costs	23 857 058	—	23 857 058
Quality control	56 010	390	56 400
Distribution	1 055 694	27 970	1 083 664
Administration	136 577	—	136 577
<i>Total, basic rations</i>	<u>25 105 339</u>	<u>28 360</u>	<u>25 133 699</u>
<i>Shelter</i>			
Shelter construction and maintenance .	68	9 413	9 481
Roads and camp improvements	81 035	42 522	123 557
Camp rentals	273 888	—	273 888
Administration	6 008	—	6 008
<i>Total, shelter</i>	<u>360 999</u>	<u>51 935</u>	<u>412 934</u>
<i>Special hardship assistance</i>	<u>1 050 216</u>	<u>309</u>	<u>1 050 525</u>
<i>Share of common costs</i>			
Supply and transport services 54 per cent	3 364 524	235 298	3 599 822
Other internal services 26 per cent	1 378 262	16 820	1 395 082
General administration 31 per cent	950 096	16 774	966 870
<i>Total, share of common costs</i>	<u>5 692 882</u>	<u>268 892</u>	<u>5 961 774</u>
TOTAL, RELIEF SERVICES	<u><u>32 209 436</u></u>	<u><u>349 496</u></u>	<u><u>32 558 932</u></u>

Expenditure and commitments for the year ended 31 December 1977
(continued)

(in United States dollars)

<i>Health services</i>	<i>Recurrent costs</i>	<i>Non-recurrent costs</i>	<i>Total costs</i>
<i>Medical services</i>			
Pharmacy services	153 785	373	154 158
Laboratory services	163 266	8 808	172 074
General clinics	3 054 308	234 672	3 288 980
Maternal and child health clinics	1 215 181	8 903	1 224 084
General hospitals	2 189 370	5 791	2 195 161
Tuberculosis control	311 996	4 479	316 475
Mental health care	106 607	—	106 607
Dental care	125 143	18 406	143 549
School health services	134 972	69	135 041
Health education	131 511	140	131 651
Other medical services	101 685	19 494	121 180
Administration	768 403	175	768 578
<i>Total, medical services</i>	<u>8 456 228</u>	<u>301 310</u>	<u>8 757 538</u>
<i>Supplementary feeding</i>			
Hot meal programme	2 464 265	67 141	2 531 406
Milk programme	1 189 886	588	1 190 474
Other supplementary rations	582 488	—	582 488
Administration	214 847	22	214 869
<i>Total, supplementary feeding</i>	<u>4 451 486</u>	<u>67 751</u>	<u>4 519 237</u>
<i>Environmental sanitation</i>			
Surface-water drainage	9 015	119 156	128 171
Refuse and sewage disposal	2 364 161	94 401	2 458 562
Water supply	430 175	45 645	475 820
Insect and rodent control	27 337	—	27 337
Ancillary sanitation facilities	8 482	1 205	9 687
Administration	212 472	436	212 908
<i>Total, environmental sanitation</i>	<u>3 051 642</u>	<u>260 843</u>	<u>3 312 485</u>
<i>Share of common costs</i>			
Supply and transport services 21 per cent	1 308 426	91 505	1 399 931
Other internal services 24 per cent	1 272 242	15 525	1 287 767
General administration 24 per cent	735 558	12 987	748 545
<i>Total, share of common costs</i>	<u>3 316 226</u>	<u>120 017</u>	<u>3 436 243</u>
TOTAL, HEALTH SERVICES	<u><u>19 275 582</u></u>	<u><u>749 921</u></u>	<u><u>20 025 503</u></u>

Expenditure and commitments for the year ended 31 December 1977
(continued)

(in United States dollars)

<i>Education services</i>	<i>Recurrent costs</i>	<i>Non-recurrent costs</i>	<i>Total costs</i>
<i>General education</i>			
Elementary education	29 743 654	2 260 138	32 003 792
Preparatory education	17 554 998	55 014	17 610 012
Secondary education	259 732	—	259 732
UNRWA/UNESCO Institute of Education	613 214	5 230	618 444
Other in-service staff training	169 920	1 131	171 051
Youth activities	51 908	9 832	61 740
Women's activities	11 007	3 268	14 275
Pre-school play centres	3 413	298	3 711
Education development centres	169 291	7 446	176 737
Administration	1 353 172	—	1 353 172
<i>Total, general education</i>	<u>49 930 309</u>	<u>2 342 357</u>	<u>52 272 666</u>
<i>Vocational and professional training</i>			
<i>Training conducted in UNRWA centres</i>			
Wadi Seer training centre	1 105 223	43 739	1 148 962
Amman training centre	1 010 146	14 386	1 024 532
Kalandia vocational training centre	494 963	7 459	502 422
Ramallah men's teacher-training centre	335 177	7 862	343 039
Ramallah women's training centre	807 055	6 423	813 478
Gaza vocational training centre	574 630	12 316	586 946
Gaza centre for the blind	92 326	3 807	96 133
Siblin training centre	798 613	88 876	887 489
Damascus vocational training centre	605 872	32 731	638 603
Adult craft training centres	208 594	1 393	209 987
Price variations	23 049	(34)	23 015
<i>Total, training conducted in UNRWA centres</i>	<u>6 055 648</u>	<u>218 958</u>	<u>6 274 606</u>
<i>Training subsidized outside UNRWA centres</i>			
Trades training	4 714	—	4 714
Basic nursing training	5 757	—	5 757
Physiotherapist training	325	—	325
Vocational training for girls	1 507	—	1 507
Secretarial training	5 929	—	5 929
Adult craft training	6 121	—	6 121
Training of handicapped youth	60 166	—	60 166
Price variations	27	—	27
<i>Total, training subsidized outside UNRWA centres</i>	<u>84 546</u>	<u>—</u>	<u>84 546</u>

Expenditure and commitments for the year ended 31 December 1977
(continued)

(in United States dollars)

<i>Education services (continued)</i>	<i>Recurrent costs</i>	<i>Non-recurrent costs</i>	<i>Total costs</i>
<i>Common training costs</i>			
Vocational training common costs .	408 388	60	408 448
Vocational instructor training:	—	1 489	1 489
In UNRWA centres	—	2 125	2 125
Outside UNRWA centres	1 726	497	2 223
Teacher instructor training outside UNRWA centres	138 640	—	138 640
Teacher training common costs	548 754	4 171	552 925
<i>Total, common training costs</i>	61 638	—	61 638
<i>Placement services</i>			
<i>University education</i>			
University scholarships in Jordan ..	58 015	—	58 015
University scholarships in Egypt ...	71 655	—	71 655
University scholarships in Lebanon .	16 879	—	16 879
University scholarships in the Syrian Arab Republic	35 167	—	35 167
University scholarships in Iraq	7 086	—	7 086
University scholarships in Saudi Arabia	5 700	—	5 700
<i>Total, university education</i>	194 502	—	194 502
<i>Vocational and professional training administration</i>	225 765	—	225 765
<i>Total, vocational and professional training</i>	7 170 853	223 129	7 393 982
<i>Share of common costs</i>			
Supply and transport services			
25 per cent	1 557 650	108 934	1 666 584
Other internal services 50 per cent	2 650 505	32 347	2 682 852
General administration 45 per cent	1 379 171	24 350	1 403 521
<i>Total, share of common costs</i>	5 587 326	165 631	5 752 957
TOTAL, EDUCATION SERVICES	62 688 488	2 731 117	65 419 605

Expenditure and commitments for the year ended 31 December 1977
(continued)

(in United States dollars)

<i>Common costs</i>	<i>Recurrent costs</i>	<i>Non-recurrent costs</i>	<i>Total costs</i>
<i>Supply and transport services</i>			
Supply procurement and control ..	523 126	10 099	533 225
Supply warehousing	796 003	47 406	843 409
Supply and transport insurance administration	33 675	—	33 675
Vehicle maintenance	679 599	9 918	689 517
Passenger transport	937 405	214 792	1 152 197
Freight transport	1 961 922	150 000	2 111 922
Port operations	701 639	—	701 639
Administration	597 231	3 522	600 753
<i>Total, supply and transport services</i>	<u>6 230 600</u>	<u>435 737</u>	<u>6 666 337</u>
<i>Allocation of supply and transport services</i>			
Relief services 54 per cent	(3 364 524)	(235 298)	(3 599 822)
Health services 21 per cent	(1 308 426)	(91 505)	(1 399 931)
Education services 25 per cent	(1 557 650)	(108 934)	(1 666 584)
<i>Total, allocation of supply and transport services</i>	<u>(6 230 600)</u>	<u>(435 737)</u>	<u>(6 666 337)</u>
<i>Other internal services</i>			
Eligibility and registration	602 560	2 670	605 230
Personnel services	633 300	—	633 300
Administrative services	911 892	52 678	964 570
Translation services	116 536	—	116 536
Legal services	236 313	—	236 313
Finance services	1 243 975	464	1 244 439
Data processing services	296 865	592	297 457
Internal and external audit services	312 358	—	312 358
Protective services	607 788	7 501	615 289
Technical services	339 422	787	340 209
<i>Total, other internal services</i>	<u>5 301 009</u>	<u>64 692</u>	<u>5 365 701</u>
<i>Allocation of other internal services</i>			
Relief services 26 per cent	(1 378 262)	(16 820)	(1 395 082)
Health services 24 per cent	(1 272 242)	(15 525)	(1 287 767)
Education services 50 per cent	(2 650 505)	(32 347)	(2 682 852)
<i>Total, allocation of other internal services</i>	<u>(5 301 009)</u>	<u>(64 692)</u>	<u>(5 365 701)</u>

Expenditure and commitments for the year ended 31 December 1977
(continued)

(in United States dollars)

<i>Common costs (continued)</i>	<i>Recurrent costs</i>	<i>Non-recurrent costs</i>	<i>Total costs</i>
General administration			
Agency administration	402 295	7 494	409 789
Field office administration	845 226	27 336	872 562
Area administration	654 185	7 277	661 462
Camp services administration	376 939	1 214	378 153
Public information services	533 101	4 318	537 419
New York liaison office	105 902	—	105 902
Cairo office	25 001	—	25 001
European liaison office (Geneva) .	122 176	—	122 176
Production units — capital costs (Schedule B)	—	6 472	6 472
Total, general administration	3 064 825	54 111	3 118 936
Allocation of general administration			
Relief services 31 per cent	(950 096)	(16 774)	(966 870)
Health services 24 per cent	(735 558)	(12 987)	(748 545)
Education services 45 per cent	(1 379 171)	(24 350)	(1 403 521)
Total, allocation of general administration	(3 064 825)	(54 111)	(3 118 936)
TOTAL, COMMON COSTS	14 596 434	554 540	15 150 974
TOTAL, COMMON COSTS ALLOCATED	(14 596 434)	(554 540)	(15 150 974)
NET, COMMON COSTS	—	—	—

Expenditure and commitments for the year ended 31 December 1977
(continued)

(in United States dollars)

<i>Extraordinary costs not allocable to programmes</i>	<i>Non-recurrent costs</i>	<i>Total costs</i>
<i>Temporary relocation of Agency headquarters</i>		
Staff allowances and travel	2 773 982	2 773 982
Temporary staff	531 119	531 119
Premises	677 785	677 785
Office equipment (including movement thereof)	320 111	320 111
Computer, communications and miscellaneous services	480 052	480 052
Miscellaneous	14 391	14 391
	<u>4 797 440</u>	<u>4 797 440</u>
<i>Damages, losses and other costs due to local disturbances</i>		
Loss of supplies and idle time of printing shop	36 307	36 307
Replacement of damaged equipment and non-consumable supplies	210 098	210 098
Repairs to damaged installations	378 904	378 904
Increased transport on re-routing of supplies	278 670	278 670
Staff allowances and temporary staff mainly on re-routing of supplies	108 832	108 832
Miscellaneous	36 453	36 453
	<u>1 049 264</u>	<u>1 049 264</u>
<i>Other extraordinary costs</i>		
Increase in the provision for staff separation costs due to increase in salary scales	2 715 279	2 715 279
Retroactive participation of staff in United Nations Joint Staff Pension Fund	77 233	77 233
Relocation of Gaza field office	128 633	128 633
	<u>2 921 145</u>	<u>2 921 145</u>
TOTAL, EXTRAORDINARY COSTS	<u><u>8 767 849</u></u>	<u><u>8 767 849</u></u>

GENERAL FUND

Production and sales units for the year ended 31 December 1977

(in United States dollars)

Accounts	Embroidery centre	Audio-visual aids	Carpentry shop	Printing shop	Sanitation supplies factory	Bread baking	Building maintenance services	Total
Production and capital costs	67 117	288 860	92 834	144 546	12 364	51 130	109 369	766 220
Costs allocated								
Transfer to other activities	—	(288 860)	(92 580)	(107 929)	(12 364)	(51 130)	(109 369)	(662 232)
Transfer to sales unit	(61 389)	—	(127)	—	—	—	—	(61 516)
Idle time due to disturbances (allocated to extraordinary costs)	—	—	—	(36 000)	—	—	—	(36 000)
	(61 389)	(288 860)	(92 707)	(143 929)	(12 364)	(51 130)	(109 369)	(759 748)
Costs not allocated								
Construction and equipment	5 728	—	127	617	—	—	—	6 472
Sales units								
Sales	(68 710)	—	(140)	—	—	—	—	(68 850)
Costs of goods sold (at standard prices)	58 644	—	127	—	—	—	—	58 771
Net profit on sales	(10 066)	—	(13)	—	—	—	—	(10 079)
Net price variation between standard and actual cost of supplies	7	—	—	—	—	6	(49)	(36)
Transfer to income	(10 059)	—	(13)	—	—	6	(49)	(10 115)
	10 059	—	13	—	—	(6)	49	10 115
	—	—	—	—	—	—	—	—

GENERAL FUND

Contributions by Governments for the year ended 31 December 1977

(in United States dollars)

Name of contributor	Description or purpose	Contributions pledged for 1977	Unpaid balances	
			from prior years	for 1977
Argentina	Maize	—	125 000	—
	US dollars	5 000	—	2 000
Australia	\$A 380 000	419 430	—	—
Austria	US dollars	107 000	—	—
Bahrain	US dollars	15 000	—	15 000
Belgium	BF 9 000 000	253 521	—	—
	BF 12 250 000 (additional contribution)	374 274	—	374 274
	Flour (c.i.f. UNRWA ports) 2 206 tons	507 380	—	9 148
Benin	US dollars	403	—	—
Brazil	US dollars	10 000	—	10 000
Canada	\$Can. 1 500 000	1 416 750	—	—
	Flour (c.i.f. UNRWA ports) 7 725.95 tons (\$Can 2 500 000)	2 272 727	—	2 272 727
Chile	US dollars	2 000	—	—
Cyprus	US dollars	482	—	—
Denmark	DKr 1 400 000 (one half of regular contribution 1976/77)	113 267	—	—
	DKr 1 500 000 (one half of regular contribution 1977/78)	129 982	—	129 982
	DKr 2 000 000 (special contribution)	333 461	—	—
	DKr 6 500 000 (two thirds of contribution for vocational and teacher-training and general education 1976/77)	766 667	—	—
	DKr 8 184 000 (one third of contribution for vocational and teacher-training and general education 1977/78)	451 667	—	—
Egypt	LE 3 000	4 290	—	4 290
European Economic Community (EEC)	Cash	3 971 088	—	3 675 876
	Food-stuffs (see annex to schedule C for details)*	12 408 368	—	998 370
Finland	US dollars (pledge Fmk 950 000)	226 839	—	—
	US dollars (additional contribution)	24 062	—	—
France	US dollars regular contribution	936 000	—	—
	Flour (f.o.b. France) 1 655 tons	273 807	—	—
	Rents	80 442	—	—
	US dollars for teaching of French 1977/78	33 697	—	—
Gaza authorities	Rents	65 626	—	—
	Cash for construction of drainage at Bureij camp, Gaza	2 563	—	—
Germany, Federal Republic of	DM 2 000 000 (regular contribution)	840 336	—	—
	DM 4 715 000 special contribution for:			
	(1) Operating costs of Wadi Seer training centre, Jordan	916 971	—	—
	(2) Elementary education in UNRWA schools:			
	(a) Jordan	370 000	—	—
	(b) Lebanon	370 000	—	—
	(c) Syria	370 000	—	—
	Flour (c.i.f. UNRWA ports) 1 986.75 tons	456 952	—	2 929

Contributions by Governments for the year ended 31 December 1977 (continued)

(in United States dollars)

Name of contributor	Description or purpose	Contributions pledged for 1977	Unpaid balances	
			from prior years	for 1977
Ghana	US dollars	5 220	—	—
Greece	US dollars	17 000	—	—
	Rice (c.i.f. UNRWA ports) 21 tons	13 000	—	—
Holy See	US dollars	2 500	—	—
Iceland	US dollars	14 000	—	—
India	Supplies (c.i.f. UNRWA ports)	12 579	27 343	12 579
Indonesia	US dollars	6 000	—	—
Iran	US dollars	30 000	—	—
Iraq	Iraqi dinars	121 600	122 034	121 600
Ireland	£ 57 000	109 440	—	109 440
Israel	Transport services	291 349	—	—
	Port services	346 392	—	—
	Water	68 900	—	—
Italy	US dollars (regular contribution)	226 750	—	—
	US dollars (additional contribution for 1976 received in 1977)	26 000	—	—
	Lit 7 000 000 for education (1972 pledge)	—	8 000	—
Jamaica	US dollars	3 000	—	—
Japan	US dollars	3 000 000	—	—
	Rice (f.o.b. Alexandria) 8 447.125 tons net	2 500 000	—	2 500 000
	Cash for transport and insurance of rice to UNRWA ports	474 714	—	474 714
Jordan	Rent	129 943	—	—
	Water	110 511	—	—
	Medical supplies	20 158	—	—
Kuwait	US dollars	600 000	—	600 000
Lebanon	Rent, laboratory and X-ray services	94 177	—	—
	Water	1 643	—	—
	Medical supplies	800	—	—
Liberia	US dollars	5 000	10 000	—
Libyan Arab Jamahiriya	US dollars	1 000 000	—	—
Luxembourg	US dollars	9 450	—	—
Malaysia	US dollars	1 500	—	1 500
Mauritania	US dollars (1976 pledge)	—	1 000	—
Mauritius	US dollars	2 000	—	—
Monaco	F 1 000	201	—	—
Morocco	US dollars	50 667	—	—
	US dollars (additional contribution for 1976 received in 1977)	6 818	—	—
Netherlands	US dollars	1 799 640	—	—
	US dollars (additional contribution)	208 030	—	—
New Zealand	\$NZ 120 000	118 336	18 236	41 322
Nigeria	US dollars (1975 pledge and part of 1973 pledge)	—	7 920	—

Contributions by Governments for the year ended 31 December 1977 (continued)
(in United States dollars)

Name of contributor	Description or purpose	Contributions pledged for 1977	Unpaid balances	
			from prior years	for 1977
Norway	US dollars	2 432 743	—	—
	US dollars (special contribution)	192 326	—	—
Oman	US dollars	25 000	—	—
Pakistan	US dollars	20 832	20 909	—
Philippines	US dollars	3 000	—	3 000
Qatar	US dollars	60 000	—	60 000
Republic of Korea	US dollars	5 000	—	—
Saudi Arabia	US dollars	1 200 000	—	—
	£ 1 163 636 (additional contribution)	2 141 091	—	—
Sierra Leone	US dollars (1975 pledge)	—	9 680	—
Singapore	US dollars	1 500	—	1 500
Spain	Flour (c.i.f. UNRWA ports) 3 100 tons estimated	1 000 000	—	1 000 000
Sri Lanka	Tea (c.i.f. UNRWA ports) 363 kgs	967	—	—
Sudan	US dollars	6 027	—	6 027
Sweden	US dollars (SKr. 35 million pledge)	8 092 486	—	—
Switzerland	SwF 900 000 (regular contribution)	357 922	—	—
	SwF 250 000 (special contribution)	100 806	—	—
	Flour (c.i.f. UNRWA ports) 3 000 tons	690 000	—	2 083
	Flour (c.i.f. UNRWA ports) 1 000 tons (special contribution)	230 000	—	—
	Whole milk, 188 tons allocated to 1977 out of: 93.5 tons—1975 pledge 94.5 tons—1976 pledge	193 241	—	—
Syrian Arab Republic	Reimbursement of transport costs	20 309	—	18 042
	Reimbursement of portage costs	10 378	—	9 417
	Rents	61 844	—	—
	Water	7 027	—	—
Thailand	Rice (c.i.f. UNRWA ports) 100 tons	27 265	—	—
Trinidad	US dollars	2 487	—	—
Tunisia	US dollars	8 000	—	8 000
Turkey	US dollars	35 000	—	35 000
United Arab Emirates	US dollars	270 000	—	270 000
United Kingdom of Great Britain and Northern Ireland	£ 3.5 million	6 020 000	—	—
	£ 1 144 250 (additional contribution)	2 185 195	—	1 067 520
	£ 13 515 (additional contribution for 1976 received in 1977)	25 679	—	—
United States of America	US dollars (regular contribution)	26 700 000	—	—
	US dollars (additional contribution)	22 000 000	—	—
	US dollars (additional contribution for 1976 received in 1977)	6 000 000	—	—
Upper Volta	CFA 400 000 (1975 pledge)	—	1 887	—
Yugoslavia	US dollars	25 000	—	—

Contributions by Governments for the year ended 31 December 1977 (continued)

(in United States dollars)

Name of contributor	Description or purpose	Contributions pledged for 1977	Unpaid balances	
			from prior years	for 1977
Zaire	US dollars	1 500	—	1 500
		<u>120 109 995</u>	<u>352 009</u>	<u>13 837 840</u>
	<i>Deduct:</i>			
	Provision for doubtful pledges		138 000	
	Differences between donor and Agency val- uation of undelivered pledges in kind ...			782 758
			<u>214 009</u>	<u>13 055 082</u>

* All food supplies are delivered c.i.f. UNRWA ports by EEC.

GENERAL FUND

Status of current pledges of the European Economic Community for the year ended 31 December 1977
(in United States dollars)

Donor's programme year	Descriptions	Amount pledged	before 1977	Applicable to operations		Unpaid balances	
				in 1977	after 1977	from prior years	for 1977
1975/76	<i>Supplementary feeding programme</i>						
	Skim milk 2 392 tons (188.8 tons allocated to 1976) (832.7 tons allocated to 1977) (1 370.5 tons allocated after 1977)	2 152 780	169 871	749 444	1 233 465	—	—
1977	<i>Basic ration programme</i>						
	Flour 23 534 tons	5 412 820	—	5 412 820	—	—	368 547
	Sugar 6 000 tons	3 024 000	—	3 024 000	—	—	14 273
	Butter oil 3 200 tons	2 560 000	—	2 560 000	—	—	4 854
	Cash for internal transport and distribution of flour (517 748 units of currency)	697 574	—	697 574	—	—	402 362
	Cash for internal transport and distribution of butter oil (70 400 units of currency)	95 135	—	95 135	—	—	95 135
	Cash for internal transport and distribution of sugar (132 000 units of currency)	178 379	—	178 379	—	—	178 379
1977	<i>Supplementary feeding programme</i>						
	Flour 2 450 tons	563 500	—	563 500	—	—	563 500
	Sugar 102 tons	51 408	—	51 408	—	—	—
	Rice 171 tons	47 196	—	47 196	—	—	47 196
	Cash	3 000 000	—	3 000 000	—	—	3 000 000
				<u>16 379 456</u>	<u>1 233 465</u>		<u>4 674 246</u>

^a All food supplies are delivered c.i.f. UNRWA ports by EEC.

GENERAL FUND

Contributions by United Nations agencies for the year ended 31 December 1977
(in United States dollars)

Name of contributor	Description	Contributions pledged for 1977	Unpaid balances	
			From prior years	For 1977
United Nations	UNRWA international staff costs:			
	Salaries and normal allowances	3 336 702	—	164 713
	Temporary relocation of Agency headquarters	474 968	—	—
United Nations Educational, Scientific and Cultural Organization (UNESCO)	Cash for UNRWA/UNESCO Institute of Education ^a	388 800	—	88 800
	Regular programme staff costs	509 115	—	—
	Associate specialists staff costs	121 182	—	—
	Reimbursement of internal travel costs to associate specialists .	6 623	—	—
United Nations Truce Supervision Organization in Palestine (UNTISO)	Electric generator	200	—	—
World Health Organization (WHO)	Services of staff	188 650	—	—
	Medical supplies	1 672	—	—
World Food Programme (WFP)	Flour (c.i.f. UNRWA ports) 1 702.5 tons ^b	391 576	—	26 527
		<u>5 419 488</u>	<u>—</u>	<u>280 040</u>

^a United Nations Development Programme (UNDP) project with UNESCO for assistance to UNRWA/UNESCO Institute of Education.

^b Special contribution to the Government of the Syrian Arab Republic for the benefit of Palestine refugees for which UNRWA acted as executing agent. As this contribution was used for purposes budgeted for by UNRWA, it has been included in the Agency's income and expenditure accounts for 1977.

GENERAL FUND

Contributions from non-governmental sources for the year ended 31 December 1977
(in United States dollars)

Name of contributor	Description	Contributions for education			Other contributions	
		General education costs	Vocational training costs	Other recurrent education costs	For recurrent costs	For non-recurrent costs
<i>Australia</i>						
Australians Care for Refugees (AUSTCARE)	Cash for operating costs of the Deir el Balah health centre, Gaza	—	—	—	11 151	—
United Nations Association of Australia (Victorian Division)	Cash	—	700	—	—	—
<i>Austria</i>						
Austrian Junior Red Cross	Cash for women's activities, Jabalia, Gaza .	—	—	941	—	—
Caritas	Cash	—	1 060	—	—	—
El Sohatti, Mr. J.	Cash	124	—	—	—	—
Sundry donors	Cash	4	—	—	—	—
<i>Belgium</i>						
Comité Belge d'Aide aux Réfugiés	Cash for operating costs of clinical laboratory in Jabalia, Gaza	—	—	—	5 078	—
Spernel, Dr. Alfred	Cash for assistance to hardship cases	—	—	—	300	—
<i>Canada</i>						
Beechy United Church	Cash	191	—	—	—	—
Canadian Save the Children Fund	Cash for health programme	—	—	—	1 268	—
	Cash for operating costs of Khan Younis rehydration/nutrition unit, Gaza	—	—	—	—	14 376
	Cash for operating costs of Amman new camp elementary girls' school, Jordan ..	4 493	—	—	—	—
Eatonia United Church	Cash	203	—	—	—	—
Fred Victor's Mission	Cash	118	—	—	—	—
Trinity United Church	Cash	1 598	—	—	—	—
Unitarian Service Committee of Canada	Quilts	—	—	—	—	244
Wiggins, Mrs. K. R.	Cash	207	—	—	—	—
Sundry donors	Cash	515	—	—	—	—

SCHEDULE E (continued)

Contributions from non-governmental sources for the year ended 31 December 1977 (continued)
(in United States dollars)

Name of contributor	Description	Contributions for education			Other contributions	
		General education costs	Vocational training costs	Other recurrent education costs	For recurrent costs	For non-recurrent costs
<i>Denmark</i>						
Statens Seruminstitut	Medical supplies	—	—	—	2 316	—
Sundry donors	Medical supplies	—	—	—	50	—
<i>Finland</i>						
Sjplta, Mrs. Helvi	Cash	—	2 000	—	—	—
<i>France</i>						
Chapireau, Mr. François	Gift coupons for women's activities	—	—	325	—	—
GEFAR	Flour (c.i.f. UNRWA ports) 10 tons	—	—	—	1 982	—
UNESCO Club	Gift coupons	204	—	—	—	—
<i>Gaza</i>						
Abu Middain family	Rent	—	—	789	77	—
Abu Salim family	Rent	—	—	62	150	—
Abu Sha'b family	Rent	—	—	191	—	—
Awada family	Rent	—	—	182	497	—
Awada and Abu Middain families	Rent	—	—	123	16	—
Beit Hanoun Village Community	Cash for construction of additional classroom	—	—	—	—	4 838
El Musaddar family	Rent	—	—	16	106	—
Musaddar and Qur'an families	Rent	—	—	162	—	—
Waqf Department	Rent	—	—	2 858	—	—
Sundry donors	Rent	—	—	92	245	—
Sundry donors	Bed covers	—	—	—	25	—
Sundry donors	Baby blankets	—	—	—	748	—
<i>Germany, Federal Republic of</i>						
Deutsche Bank	Cash	—	769	—	—	—
German-Tunisian Association	Cash	2 345	—	—	—	—
Hirsch, Mr. Helmut	Cash	266	—	—	—	—
Sundry donors	Cash	205	—	—	—	—

Contributions from non-governmental sources for the year ended 31 December 1977 (continued)
(in United States dollars)

Name of contributor	Description	Contributions for education				Other contributions	
		General education costs	Vocational training costs	Other recurrent education costs	For recurrent costs	For non-recurrent costs	
<i>Italy</i>							
Industria Farmaceutica	Medical supplies	—	—	—	1 818	—	—
<i>Japan</i>							
National Federation of UNESCO Associations	Gift coupons	—	—	324	—	—	—
Nishinomiya Rotary Club	Cash	200	—	—	—	—	—
Shipbuilding Industry Foundation	Cash	—	130 000	—	—	—	—
Chamber of Commerce		—	—	—	—	—	—
Committee for Economic Development		—	—	—	30 000	—	—
Federation of Economic Organizations		—	—	—	—	—	—
Federation of Employers' Associations		—	—	—	—	—	—
Industry Club		—	—	—	—	—	—
Sundry donors	Medical supplies	—	—	—	97	—	—
<i>Jordan</i>							
American Women's Club, Amman	Cash for women's activities	—	—	1 051	—	—	—
Municipal Council, Qalqilia	Rent	—	—	—	664	—	—
O'Donoghue, Mrs. J., Dental Fund, Jerusalem	Cash for dental unit, Bethlehem health centre, West Bank	—	—	—	—	—	5 400
Anonymous	Services	—	—	—	1 556	—	—
Sundry donors	Cash	—	—	—	101	—	—
<i>Lebanon</i>							
American Mission	Rent	—	—	600	505	—	—
Greek Orthodox community	Rent	—	—	—	789	—	—
Heirs of Saadeddin Shatila	Rent	—	—	—	1 577	—	—
Mneimneh and Bohsaly	Rent	—	—	—	1 774	—	—
Syrian Lebanese Mission	Rent	—	—	—	2 366	—	—
<i>Netherlands</i>							
UNESCO Centrum	Gift coupons	—	—	3 000	—	—	—

Contributions from non-governmental sources for the year ended 31 December 1977 (continued)
(in United States dollars)

Name of contributor	Description	Contributions for education			Other contributions	
		General education costs	Vocational training costs	Other recurrent education costs	For recurrent costs	For non-recurrent costs
<i>New Zealand</i>						
Council of Organizations for Relief Rehabilitation and Development (CORSO) Inc.	Cash	—	—	47 511	—	—
<i>Norway</i>						
Norwegian Refugee Council	Cash for the operating costs of Rafah health centre and Wenche Myhre rehydration/nutrition unit, Gaza	—	—	—	82 750	—
	Cash for Baqa'a health centre, Jordan	—	—	—	20 688	—
	Cash for emergency aid to Lebanon	—	—	—	186 557	—
	Soap for layettes	—	—	—	2 560	—
	Medical supplies	—	—	—	660	—
	Cash	839	—	—	—	—
	Cash	20 411	—	—	92	—
<i>Norwegian Refugee Council Mrs. Reinholdsen</i>						
Redd Barna	Cash	—	9 800	—	—	—
<i>Portugal</i>						
Gulbenkian Foundation	Cash	—	—	—	—	—
<i>Saudi Arabia</i>						
Arabian American Oil Co. (ARAMCO)	Cash	60 000	70 000	50 000	—	—
<i>Sweden</i>						
Lindstrom, Mrs. Ingrid	Cash	428	—	—	—	—
Swedish Save the Children Federation (Rädda Barnen)	Cash for operating costs of Joufeh girls' school, Jordan	203 000	—	—	—	—
	Cash	—	14 000	—	—	—
	Cash for operating costs of Rashidieh rehydration/nutrition unit, Lebanon	—	—	—	19 275	—
	Cash for operating costs of UNRWA/Swedish health centre, Gaza	—	—	—	335 000	—
	Cash for health education programme for boys preparatory classes, Gaza, 1977/78	33 000	—	—	—	—
	Cash for layettes	—	—	—	10 000	—
	Washing machine	—	—	—	—	2 100
	Cash for nursing training	—	—	144	—	—
	Medical supplies	—	—	—	—	113
	Baby blankets	—	—	—	—	355
	Cash	—	—	—	—	47
<i>Sundry donors</i>						

Contributions from non-governmental sources for the year ended 31 December 1977 (continued)

(in United States dollars)

Name of contributor	Description	Contributions for education			Other contributions	
		General education costs	Vocational training costs	Other recurrent education costs	For recurrent costs	For non-recurrent costs
<i>Switzerland</i>						
Caritas	Cash for operating costs of maternal and child health function, Amari health centre, West Bank	—	—	—	18 599	—
Kappeler, Dr. F.	Cash for nursing and midwifery training	—	—	8 000	—	—
Kappeler, Mr. Jürg	Cash	368	1 000	—	—	—
Krbeo, Miss Eva Marie	Cash	702	2 840	—	—	—
Reichert, Dr. Rolf	Cash	—	1 111	—	—	—
Van Berchem, Mrs. M. Gautier	Cash	123	—	—	—	—
Sundry donors	Cash	124	700	—	—	—
<i>Syrian Arab Republic</i>						
Syrian local authorities	Sanitary services	—	—	—	1 434	—
<i>United Kingdom of Great Britain and Northern Ireland</i>						
Brune Park County High School, Gosport OXFAM	Gift coupons	92	—	—	—	—
	Cash for repair of schools in Lebanon	—	—	59 850	—	—
	Cash	—	180 642	—	—	—
	Cash for operating costs of Khan Younis health centre, Gaza	—	—	—	—	—
	Cash for operating costs of Husson health installation, Jordan	—	—	—	14 231	—
	Cash for health education in Lebanon	—	—	28 106	3 628	—
Rennie, Sir John S., and others	Cash	—	—	975	—	—
Save the Children Fund	Used medical equipment for Jordan	—	—	—	—	1 511
	Medical supplies	—	—	—	306	—
Standing Conference of British Organizations for Aid to Refugees UNIPAL	Cash	28	393	—	—	—
	Gift coupons for furniture to school in Lebanon	—	—	—	—	769
Sundry donors	Cash	—	—	—	76	—

Contributions from non-governmental sources for the year ended 31 December 1977 (continued)
(in United States dollars)

Name of contributor	Description	Contributions for education			Other contributions	
		General education costs	Vocational training costs	Other recurrent education costs	For recurrent costs	For non-recurrent costs
<i>United States of America</i>						
American Near East Refugee Aid Inc. (ANERA)	Cash	12 880	12 655	—	—	—
American Middle East Rehabilitation (AMER Division of ANERA)	Medical supplies	—	11 373	—	—	—
American Friends Service Committee	Baby blankets and quilts	—	—	—	717	—
	Cash for cost of vehicle (in Gaza)	—	—	—	—	2 881
Ibrahim, Mrs. Sania	Cash	110	—	—	—	—
NAJDA (American Women for the Middle East)	Cash	—	700	—	—	—
Noble, Miss Alberta	Cash	—	—	—	100	—
Proctor Junior High School	Cash	120	—	—	—	—
Sparks, Miss Laura	Cash	120	—	—	—	—
Stevens, Mrs. H. C.	Cash	—	1 000	—	—	—
Sundry donors	Cash	127	—	—	—	—
<i>International Organizations</i>						
Federation of Business and Professional Women's Clubs:						
Canada	Cash	—	5 674	—	—	—
New Zealand	Cash	—	700	—	—	—
Switzerland	Cash	—	700	—	—	—
United Kingdom	Cash	—	596	—	—	—
United States of America	Cash	—	190	—	—	—
International Federation	Cash	—	53	—	—	—
Christian Reformed World Relief Committee	Cash for the operating costs of an ambulance	—	—	—	4 460	—
	Blankets, bed covers, and other supplies	—	—	—	8 319	—
Church World Services	Cash for operating costs of Jarash health centre, Jordan	—	—	—	8 000	—
Lutheran World Federation	Medical supplies	—	—	—	5 282	—
	Equipment	—	—	—	—	294
	Baby blankets	—	—	—	810	—

SCHEDULE E (continued)
Contributions from non-governmental sources for the year ended 31 December 1977 (continued)
(in United States dollars)

Name of contributor	Description	Contributions for education				Other contributions	
		General education costs	Vocational training costs	Other recurrent education costs	For recurrent costs	For non-recurrent costs	
<i>United States of America (continued)</i>							
Near East Council of Churches	Cash for sorting of clothing	—	—	—	4 720	—	
Pontifical Mission for Palestine	Cash for operating costs of the centre for the blind, Gaza	—	—	89 517 ^a	—	—	
Sundry donors	Cash	127	—	—	—	—	
<i>International Organizations</i>							
Federation of Business and Professional Women's Clubs:							
Canada	Cash	—	5 674	—	—	—	
New Zealand	Cash	—	700	—	—	—	
Switzerland	Cash	—	700	—	—	—	
United Kingdom	Cash	—	596	—	—	—	
United States of America	Cash	—	190	—	—	—	
International Federation	Cash	—	53	—	—	—	
Christian Reformed World Relief Committee	Cash for the operating costs of an ambulance	—	—	—	4 460	—	
Church World Services	Blankets, bed covers, and other supplies .	—	—	—	8 319	—	
Lutheran World Federation	Cash for operating costs of Jarash health centre, Jordan	—	—	—	8 000	—	
	Medical supplies	—	—	—	5 282	—	
	Equipment	—	—	—	—	294	
	Baby blankets	—	—	—	—	810	
Near East Council of Churches	Cash for sorting of clothing	—	—	—	4 720	—	
Pontifical Mission for Palestine	Cash for operating costs of the centre for the blind, Gaza	—	—	89 517 ^a	—	—	
	Special fund for the centre for the blind, Gaza	—	—	2 809	—	3 807	
World Alliance of YMCA	Medical supplies	—	—	—	—	268	
Zonta Club of Kansas City	Cash	—	—	8 000	—	—	
	Cash	—	100	—	—	—	
		<u>343 145</u>	<u>448 756</u>	<u>305 628</u>	<u>808 921</u>	<u>21 600</u>	
	TOTAL, ALL CONTRIBUTIONS		<u>1 928 050^a</u>				

^a Including \$88,511 pledged for 1977 subject to settlement in 1978.

GENERAL FUND

Miscellaneous income for the year ended 31 December 1977

(in United States dollars)

<i>Description</i>	<i>Amount</i>
Bank interest	1 042 480
Sale of empty containers	403 975
Disputed and reserved claims refunded	115 004
Sale of shares in The Development Bank of Jordan, Limited	85 085
Share of profit on insurance policies	28 724
Sale of unserviceable equipment and scrap	23 008
Overhead costs recovered on procurement for other parties	13 115
Profit on income-producing activities	10 115
Miscellaneous	42 267
TOTAL, MISCELLANEOUS INCOME	1 763 773

GENERAL FUND

Liquidation of prior years' commitments during the year ended 31 December 1977

(in United States dollars)

<i>Relief services</i>	<i>Commitments brought forward from 1976</i>	<i>Commitments liquidated by expenditure</i>	<i>Commitments carried forward to 1978</i>	<i>Saving on liquidation of prior years' commitments</i>
<i>Basic rations</i>				
Distribution	14 460	15 393	886	(1 819)
Basic ration costs	518 289	493 946	—	24 343
<i>Total, basic rations</i>	532 749	509 339	886	22 524
<i>Shelter</i>				
Shelter construction and maintenance	198 090	149 218	48 814	58
Roads and camp improvements	22 495	5 989	15 563	943
<i>Total, shelter</i>	220 585	155 207	64 377	1 001
<i>Special hardship assistance</i>	148 841	119 443	—	29 398
TOTAL, RELIEF SERVICES	902 175	783 989	65 263	52 923

Liquidation of prior years' commitments during the year ended 31 December 1977 (continued)
(in United States dollars)

<i>Health services</i>	<i>Commitments brought forward from 1976</i>	<i>Commitments liquidated by expenditure</i>	<i>Commitments carried forward to 1978</i>	<i>Saving on liquidation of prior years' commitments</i>
Medical services				
Pharmacy services	1 682	1 012	670	—
Laboratory services	4 693	2 186	2 450	57
General clinics	49 355	14 609	1 450	33 296
Maternal and child health clinics	2 618	663	660	295
General hospitals	591	432	—	159
Mental health	184	—	184	—
Dental care	1 206	—	—	1 206
Other medical services	11 479	7 334	442	3 703
Administration	1 262	716	—	546
Total, medical services	73 070	26 952	6 856	39 262
Environmental sanitation				
Surface-water drainage	78 367	47 971	28 619	1 777
Refuse and sewage disposal	87 726	71 005	11 154	5 567
Water supply	56 285	17 917	17 178	21 190
Insect and rodent control	227	219	—	8
Total, environmental sanitation	222 605	137 112	56 951	28 542
Supplementary feeding				
Hot meal programme	27 336	7 189	13 239	6 908
Milk programme	701	—	—	701
Other supplementary rations	18 516	22 194	—	(3 678)
Total, supplementary feeding	46 553	29 383	13 239	3 931
TOTAL, HEALTH SERVICES	342 228	193 447	77 046	71 735

Liquidation of prior years' commitments during the year ended 31 December 1977 (continued)
(in United States dollars)

<i>Education services</i>	<i>Commitments brought forward from 1976</i>	<i>Commitments liquidated by expenditure</i>	<i>Commitments carried forward to 1978</i>	<i>Saving on liquidation of prior years' commitments</i>
<i>General education</i>				
Elementary education	1 121 379	829 304	144 360	147 715
Preparatory education	304 007	176 877	32 503	94 627
Other in-service staff training	1 316	990	—	326
Youth activities	3 905	2 846	1 250	(191)
Education development centres	3 496	1 244	—	2 252
<i>Total, general education</i>	<u>1 434 103</u>	<u>1 011 261</u>	<u>178 113</u>	<u>244 729</u>
<i>Vocational training</i>				
<i>Training conducted in UNRWA centres</i>				
Wadi Seer training centre	77 882	41 824	22 216	13 842
Amman training centre	23 365	15 015	4 281	4 069
Kalandia vocational training centre	23 089	19 342	1 170	2 577
Ramallah men's teacher training centre	4 654	2 215	—	2 439
Ramallah women's training centre	18 369	14 761	—	3 608
Gaza vocational training centre	49 633	37 306	9 712	2 615
Siblin training centre	177 979	120 934	44 510	12 535
Damascus vocational training centre	29 020	21 074	6 285	1 661
<i>Total, training conducted in UNRWA centres</i>	<u>403 991</u>	<u>272 471</u>	<u>88 174</u>	<u>43 346</u>
<i>Training subsidized outside UNRWA centres</i>				
Arab Orphan Society technical school, Jerusalem	2 724	921	1 803	—
Basic nursing training	3 375	820	374	2 181
Training of handicapped youth	17 932	15 013	—	2 919
Secretarial training	3 423	3 351	—	72
Basic midwifery training	3 581	1 860	855	866
<i>Total, training conducted outside UNRWA centres</i>	<u>31 035</u>	<u>21 965</u>	<u>3 032</u>	<u>6 038</u>
<i>University education</i>				
University scholarships in Jordan	10 500	7 942	—	2 558
University scholarships in Egypt	10 432	2 810	—	7 622
University scholarships in Syrian Arab Republic	5 500	455	—	5 045
University scholarships in Lebanon	5 500	3 347	—	2 153
University scholarships in Iraq	—	300	—	(300)
Special university scholarships	85 800	16 194	50 000	19 606
<i>Total, university education</i>	<u>117 732</u>	<u>31 048</u>	<u>50 000</u>	<u>36 684</u>
<i>Total, vocational and professional training</i>	<u>552 758</u>	<u>325 484</u>	<u>141 206</u>	<u>86 068</u>
TOTAL, EDUCATION SERVICES	<u><u>1 986 861</u></u>	<u><u>1 336 745</u></u>	<u><u>319 319</u></u>	<u><u>330 797</u></u>

Liquidation of prior years' commitments during the year ended 31 December 1977 (continued)
(in United States dollars)

<i>Common costs</i>	<i>Commitments brought forward from 1976</i>	<i>Commitments liquidated by expenditure</i>	<i>Commitments carried forward to 1978</i>	<i>Saving on liquidation of prior years' commitments</i>
<i>Supply and transport services</i>				
Supply warehousing	116	63	—	53
Vehicle maintenance	6 064	4 419	600	1 045
Passenger transport	43 400	36 728	—	6 672
Freight transport	71 745	68 464	—	3 281
<i>Total, supply and transport services</i>	<u>121 325</u>	<u>109 674</u>	<u>600</u>	<u>11 051</u>
<i>Other internal services</i>				
Administrative services	1 421	1 374	—	47
Legal services	1 692	1 089	—	603
Data processing services	2 982	—	2 982	—
Internal and external audit services	19 000	19 000	—	—
Technical services	346	275	—	71
<i>Total, other internal services</i>	<u>25 441</u>	<u>21 738</u>	<u>2 982</u>	<u>721</u>
<i>General administration</i>				
Area administration	400	—	—	400
Public information services	8 281	2 998	6 339	(1 056)
Camp services administration	3 569	1 298	2 122	149
<i>Total, general administration</i>	<u>12 250</u>	<u>4 296</u>	<u>8 461</u>	<u>(507)</u>
TOTAL, COMMON COSTS	<u><u>159 016</u></u>	<u><u>135 708</u></u>	<u><u>12 043</u></u>	<u><u>11 265</u></u>
<i>Costs due to local disturbances</i>				
Repair or replacement of Agency shelters	348 123	73 377	274 747	(1)
Repairs to damaged buildings	102 430	21 565	67 150	13 715
Replacement of non-expendable supplies	74 053	76 702	—	(2 649)
TOTAL, COSTS DUE TO LOCAL DISTURBANCES	<u><u>524 606</u></u>	<u><u>171 644</u></u>	<u><u>341 897</u></u>	<u><u>11 065</u></u>
TOTAL, ALL SERVICES	<u><u><u>3 914 886</u></u></u>	<u><u><u>2 621 533</u></u></u>	<u><u><u>815 568</u></u></u>	<u><u><u>477 785</u></u></u>

Notes to the financial statements for the General Fund for the year ended 31 December 1977

Statement of budget and expenditure and commitments

Note 1

The budget figures reflect the Agency's budget for 1977 submitted to the General Assembly at its thirty-first session,¹ as adjusted and submitted to the Assembly at its thirty-second session.²

Statement of income and expenditure and commitments

Note 2

Only contributions to UNRWA are included in income. A contribution to UNRWA is one that comes under its direct control and is usable in its programme. All other contributions, even if handled by UNRWA, are considered as being made direct to the refugees and are excluded from income.

Note 3

Contributions in kind are recorded at the contributor's valuations, if known and reasonable, otherwise at valuations determined by the Agency with due consideration given to prevailing market valuations. To avoid inconsistency between the income and expenditure accounts where contributions in kind have been recorded in income at valuations different from Agency standard prices, these differences have been reflected in the expenditure accounts (see also note 7 below).

Note 4

Under contributions received from Governments is included a sum of \$6,000,000 which was a special contribution by the United States for 1976 but pledged and paid in 1977 after closure of the 1976 accounts. Strictly speaking therefore, expenditure and commitments for 1977 exceeded income by \$3,793,423. Conversely, on the same basis, income in 1976 exceeded expenditure and commitments by \$5,943,832 instead of leaving a deficit of \$56,168 as reported in the Agency's published accounts for 1976.³

Statement of assets and liabilities

Note 5

As from 1 January 1977, the Agency's Area Staff Provident Fund has been dealt with as a special fund under the Agency's financial regulation 13.1, and the accounts therefor are presented separately.

Note 6

(a) The fixed assets not reported in the accounts (see (e) under "Summary of significant accounting practices") are summarized below, at original cost values:

	<i>US dollars</i>
Vehicles	2 631 904
Other equipment	4 120 412
Land owned by UNRWA	51 248
Buildings on land owned by UNRWA	422 031
TOTAL	7 225 595

¹ Official Records of the General Assembly, Thirty-first Session, Supplement No. 13 (A/31/13 and Corr.1), chap. II.

² Ibid., Thirty-second Session, Supplement No. 13 (A/32/13 and Corr.1 and 2), chap. II.

³ Ibid., Supplement No. 7C (A/32/7/Add.3), chap. II, statement II.

(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 land-owners. Total cost of construction of such buildings (including 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 1977 is \$20,555,297.

(c) The Agency has also constructed refugee shelters at a total cost of \$10,657,755 on land owned by Governments or by individuals. The legal status of these shelters is uncertain.

Note 7

Contributions receivable in the form of food supplies are shown at the Agency's standard prices for such supplies (see also note 3 above) less a provision for certain old pledges now doubtful of collection. Provision has also been made for certain doubtful pledges in cash.

Note 8

Inventories are continuously valued at weighted average cost prices c.i.f. or equivalent less a provision for possible losses on unusable supplies.

Note 9

The provision for separation costs of staff would be greater by approximately \$14 million if provision were made for payment of certain separation benefits in full to all staff members. The Agency estimates, however, that 50 per cent of its locally recruited General and Teaching Service staff members and 40 per cent of its locally recruited Manual Service staff members will not qualify for payment of these separation benefits under the Agency's staff rules, either by reason of leaving the Agency's service voluntarily or by reason of being offered jobs with other employers immediately following separation from the Agency.

Note 10

At 31 December 1977, the Agency had contingent liabilities of \$2,567,145 comprising purchase orders issued for goods not yet received. In addition, a contingent liability of a material but undeterminable amount, may be considered to exist in respect of certain claims for subsidies by Governments.

Note 11

"Cash held for special project" in the assets is offset by "Provision for special project" in the liabilities (see statement IV). These funds were provided by the Government of Lebanon and are earmarked for the construction of a refugee camp near Bayssarieh, Lebanon. The funds, originally amounting to LL 5,000,000 (the equivalent of \$1,645,000 as at 31 December 1977), are for the time being banked in a United States dollar deposit account on which interest earned up to 31 December 1977 amounted to \$32,308. It is contemplated that, as from 1 January 1978, all transactions related to this project will be the subject of a special fund under financial regulation 13.1.

**III. FINANCIAL STATEMENTS FOR THE AREA STAFF PROVIDENT FUND
FOR THE YEAR ENDED 31 DECEMBER 1977**

STATEMENT I

AREA STAFF PROVIDENT FUND

Assets and liabilities
(in United States dollars)

	<i>For the year ended</i>	
	<u>31 December 1977</u>	<u>31 December 1976</u>
<i>Assets</i>		
Investments (schedule A):		
Bank of America, London	35 713 461	32 166 906
Bankers Trust, London	20 569 699	13 037 093
First National Bank of Chicago, Geneva	14 748 344	14 060 994
	<u>71 031 504</u>	<u>59 264 993</u>
Due from UNRWA general fund	1 113 402	—
	<u>72 144 906</u>	<u>59 264 993</u>
<i>Liabilities</i>		
Continuing participants' credits: US dollar credits	13 828 045	11 206 870
Lebanese pound credits		
LL 40,363,925 at 0.329 to \$US1 ...	13 279 731	12 083 148
Syrian pound credits		
LS 29,460,957 at 0.256 to \$US1 ...	7 542 005	6 167 224
Jordan dinar credits		
JD 9,526,825 at 3.142 to \$US1 ...	29 933 284	23 450 515
	<u>64 583 065</u>	<u>52 907 757</u>
Ex-participants' credits	420 124	459 062
Due to UNRWA general fund	—	113 745
Reserve against losses on liability exchange rates	474 652	1 156 264
<i>Surplus:</i>		
Income available for distribution (statement II)	5 678 815	4 160 505
Unallocated surplus (statement III) ..	988 250	467 660
	<u>72 144 906</u>	<u>59 264 993</u>

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

Certified correct
(Signed) Lloyd CALLOW
Comptroller

Approved
(Signed) Thomas W. McELHINEY
Commissioner-General

AREA STAFF PROVIDENT FUND

Income distribution account

(in United States dollars)

	For the year ended	
	31 December 1977	31 December 1976
Balance at 1 January	4 160 505	3 507 081
<i>Deduct:</i>		
Interest credited to participants' accounts in respect of prior year	3 089 451	2 117 294
	<u>1 071 054</u>	<u>1 389 787</u>
<i>Add (deduct):</i>		
Net investment income (schedule A)	5 236 511	3 154 774
Net gain/loss from changes in liability exchange rates	(681 612)	1 156 264
	<u>5 625 953</u>	<u>5 700 825</u>
<i>Deduct:</i>		
General administration expenses	30 612	22 380
	<u>5 595 341</u>	<u>5 678 445</u>
<i>Deduct (add):</i>		
Transfer to reserve against losses on liability exchange rates	(681 612)	1 156 264
	<u>6 276 953</u>	<u>4 522 181</u>
<i>Deduct:</i>		
Transfer to unallocated surplus (statement III)	520 590	313 239
	<u>5 756 363</u>	<u>4 208 942</u>
<i>Deduct:</i>		
Interest paid on credits withdrawn during year	77 548	48 437
Balance at 31 December	<u><u>5 678 815</u></u>	<u><u>4 160 505</u></u>

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

Certified correct
(Signed) Lloyd CALLOW
Comptroller

Approved
(Signed) Thomas W. McELHINEY
Commissioner-General

AREA STAFF PROVIDENT FUND

Unallocated surplus
(in United States dollars)

	<i>For the year ended</i>	
	<i>31 December 1977</i>	<i>31 December 1976</i>
Balance at 1 January	467 660	154 421
<i>Add:</i>		
Transfer from income for current year	520 590	313 239
Balance at 31 December	<u>988 250</u>	<u>467 660</u>

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

Certified correct
(Signed) Lloyd CALLOW
Comptroller

Approved
(Signed) Thomas W. McELHINEY
Commissioner-General

AREA STAFF PROVIDENT FUND

Investments and investment income for the year ended 31 December 1977

(in United States dollars)

	<i>Bank of America, London</i>	<i>Bankers Trust, London</i>	<i>First National Bank of Chicago, Geneva</i>	<i>Total</i>
<i>Investments as at 1 January</i>	32 166 906	13 037 093	14 060 994	59 264 993
<i>Add:</i>				
Funding during year	—	6 530 000	—	6 530 000
	<u>32 166 906</u>	<u>19 567 093</u>	<u>14 060 994</u>	<u>65 794 993</u>
<i>Gross investment income</i>	3 573 193	1 002 606	705 640	5 281 439
<i>Deduct:</i>				
Investment managers' fees	26 638	—	18 290	44 928
<i>Net investment income</i>	<u>3 546 555</u>	<u>1 002 606</u>	<u>687 350</u>	<u>5 236 511</u>
<i>Investments as at 31 December</i>	<u>35 713 461</u>	<u>20 569 699</u>	<u>14 748 344</u>	<u>71 031 504</u>
<i>Investment yield</i>	<u>11.0%</u>	<u>6.2%</u>	<u>4.8%</u>	<u>Average 8.4%</u>
<i>Allocation of investments by currency</i>		<i>Percentage</i>		
United States dollars	62.9	100.0	65.6	
Canadian dollars	4.0	—	18.6	
German marks	6.3	—	4.7	
Swiss francs	—	—	0.9	
Dutch guilders	0.6	—	—	
Danish krønner	3.1	—	—	
Japanese yen	13.2	—	—	
Lebanese pounds	—	—	10.2	
Kuwaiti dinars	3.2	—	—	
Venezuelan bolivars	6.7	—	—	
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
<i>Allocation of investments by type</i>		<i>Percentage</i>		
Bonds, notes and treasury bills	65.1	—	33.3	
Bank deposits	34.9	100.0	66.7	
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	

Notes to the financial statements for the Area Staff Provident Fund for the year ended 31 December 1977

General

Note 1

Following a recommendation of the Provident Fund Advisory Committee a special fund was established for the Area Staff Provident Fund under the Agency's financial regulation 13.1, effective 1 January 1977.

Statement of assets and liabilities

Note 2

United States dollar credits under the heading "Continuing participants' credits" represent participants' accounts in the Gaza field and Cairo liaison offices (see statement I). Prior to 1977, these participants' credits were in Egyptian pounds, and the figures shown for 1976 reflect the dollar equivalent of such credits at the rate of LE 1 to \$US 2.56.

Statement of income distribution account

Note 3

The amount transferred to unallocated surplus equals 10 per cent of net investment income less general administration expenses, i.e., 10 per cent of \$5,236,511 less \$30,612.

Schedule to the statements: Investments and investment income

Note 4

Investment managers' fees with regard to Bankers Trust, London, are included in net interest rate allowed on deposits.

Note 5

Investment yield is arrived at by dividing net investment income by the average amount of investments earning income during the year.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are some of the more significant accounting policies of the Agency. These policies apply principally to the General Fund, but they also apply to 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 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 assets and liabilities and income (other than contributions from Governments and United Nations organizations) and expenditure are recognized on the accrual basis of accounting. Cash contributions from Governments and United Nations organizations are credited to income account in the financial period for which they are unconditionally pledged. Contributions in kind from Governments are credited to income account only for that part of the quantity pledged that is usable in that period; the remainder is allocated to income of later financial periods (see note 2 to the financial statements of the General Fund for exclusions from income).

(d) 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 transactions 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.

(e) 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 IV of the General Fund. Costs of these assets were fully charged to expenditure in the period of purchase, construction or budget commitment therefor. Memorandum records are maintained for such assets (see note 6(a) to the financial statements of the General Fund for a summary report). Also not included in statement IV of the General Fund 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 also maintained for these buildings and refugee shelters, ownership of which will presumably revert to the land-owners concerned, although this is less certain in the case of refugee shelters (see notes 6 (b) and (c) to the financial statements of the General Fund for a summary report).

(f) Miscellaneous income:

(i) The net income realized from revenue-producing activities is reported as miscellaneous income;

(ii) Recoveries of expenditures which have been charged in the same financial period are credited against the same expenditure accounts, but recoveries of expenditures relating to earlier financial periods are credited to miscellaneous income.

(g) Gain or loss on exchange is reported as an addition to or deduction from income.

Part Two

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1978

I. AUDIT OPINION

We have examined the following appended financial statements, properly identified, and relevant schedules of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the year ended 31 December 1978. 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 properly reflect the recorded financial transactions for the year, which transactions were in accordance with the Financial Regulations and legislative authority and present fairly the financial position as at 31 December 1978.

(Signed) Ahenkora Osei
Auditor General of Ghana

(Signed) J. J. MACDONELL
Auditor General of Canada

(Signed) Osman Ghani KHAN
Comptroller and Auditor General of Bangladesh

15 June 1979

II. FINANCIAL STATEMENTS FOR THE GENERAL FUND FOR THE YEAR ENDED 31 DECEMBER 1978

STATEMENT I

GENERAL FUND

Budget and expenditure and commitments for the year ended 31 December 1978
(in United States dollars)

Activity	Recurrent costs		Non-recurrent costs		Total costs	
	Budget	Expenditure and commitments	Budget	Expenditure and commitments	Budget	Expenditure and commitments
Part I. Education services						
General education	57 778 000	57 822 682	2 405 000	3 242 922	60 183 000	61 065 604
Vocational and professional training	8 961 000	8 311 204	165 000	162 239	9 126 000	8 473 443
Share of common costs from part IV	7 073 000	7 029 887	382 000	145 388	7 455 000	7 175 275
Total, part I	73 812 000	73 163 773	2 952 000	3 550 549	76 764 000	76 714 322
Part II. Health services						
Medical services	9 148 000	9 462 577	191 000	175 730	9 339 000	9 638 307
Supplementary feeding	4 975 000	4 889 675	128 000	55 570	5 103 000	4 945 245
Environmental sanitation	3 328 000	3 288 161	430 000	450 056	3 758 000	3 738 217
Share of common costs from part IV	4 162 000	4 098 124	222 000	107 447	4 384 000	4 205 571
Total, part II	21 613 000	21 738 537	971 000	788 803	22 584 000	22 527 340
Part III. Relief services						
Basic rations	25 003 000	20 260 438	26 000	12 653	25 029 000	20 273 091
Shelter	345 000	350 483	149 000	49 732	494 000	400 215
Special hardship assistance	1 097 000	1 024 321	9 000	147	1 106 000	1 024 468
Share of common costs from part IV	6 858 000	6 839 145	376 000	245 758	7 234 000	7 084 903
Total, part III	33 303 000	28 474 387	560 000	308 290	33 863 000	28 782 677

GENERAL FUND

Budget and expenditure and commitments for the year ended 31 December 1978 (continued)
(in United States dollars)

Activity	Recurrent costs		Non-recurrent costs		Total costs	
	Budget	Expenditure and commitments	Budget	Expenditure and commitments	Budget	Expenditure and commitments
Part IV. Common costs						
Supply and transport services	7 191 000	7 133 100	431 000	407 168	7 622 000	7 540 268
Other internal services	7 387 000	7 425 737	535 000	49 090	7 922 000	7 474 827
General administration	3 515 000	3 408 319	14 000	42 335	3 529 000	3 450 654
<i>Total, part IV</i>	18 093 000	17 967 156	980 000	498 593	19 073 000	18 465 749
Costs allocated to programmes	(18 093 000)	(17 967 156)	(980 000)	(498 593)	(19 073 000)	(18 465 749)
<i>Net, part IV</i>	—	—	—	—	—	—
Part V. Extraordinary costs not allocable to programmes						
Relocation of Agency headquarters	—	—	2 470 000	1 949 298	2 470 000	1 949 298
Emergency relief programme in south Lebanon	—	—	1 986 000	658 470	1 986 000	658 470
Other costs due to local disturbances	—	—	62 000	807 409	62 000	807 409
Increase in provision for staff separation costs	—	—	1 981 000	592 922	1 981 000	592 922
Relocation of Gaza field headquarters	—	—	90 000	79 006	90 000	79 006
<i>Total, part V</i>	—	—	6 589 000	4 087 105	6 589 000	4 087 105
TOTAL, ALL PARTS	128 728 000	123 376 697	11 072 000	8 734 747	139 800 000	132 111 444

The notes to the financial statements are an integral part of these statements and should be read in conjunction therewith. Detailed figures of expenditures and commitments are given in schedules A and B, and details of liquidation of prior year's commitments are given in schedule G.

Certified correct
(Signed) Lloyd CALLOW
Comptroller

Approved
(Signed) A. J. BROWN
Acting Commissioner-General

GENERAL FUND

Income and expenditure and commitments
(in United States dollars)

	<i>For the year ended</i>	
	<i>31 December 1978</i>	<i>31 December 1977</i>
Income		
Contributions by Governments (schedule C)	122 338 708	120 109 995
Contributions by United Nations agencies (schedule D)	5 365 586	5 419 488
Contributions from non-governmental sources (schedule E)	1 443 153	1 928 050
Miscellaneous income (schedule F) ..	2 275 611	1 763 773
Exchange adjustments	(918 357)	(242 840)
	<u>130 504 701</u>	<u>128 978 466</u>
Expenditure and commitments (statement I)	132 111 444	126 771 889
	<u>132 111 444</u>	<u>126 771 889</u>
Excess of expenditure and commitments over income	(1 606 743)	2 206 577
	<u>(1 606 743)</u>	<u>2 206 577</u>

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

Certified correct
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Comptroller

Approved
(Signed) A. J. BROWN
Acting Commissioner-General

GENERAL FUND

Working capital (operating reserve)

(in United States dollars)

	For the year ended	
	31 December 1978	31 December 1977
<i>Balance at 1 January</i>	15 759 199	11 781 586
<i>Add</i>		
Collection of pledges that had been written off	—	198 801
Savings on liquidation of prior years' commitments (schedule G)	422 127	477 785
Overstated prior years' estimated liabilities	159 933	1 069 060
Unallocated current year's variations between standard and actual supply costs	—	38 771
Other adjustments of prior years' accounts increasing working capital	122 328	36 952
Excess of income over expenditure and commitments	—	2 206 577
	<u>704 388</u>	<u>4 027 946</u>
<i>Deduct</i>		
Unallocated current year's variations between standard and actual supply costs .	43 251	—
Write-off of short-delivered contributions in kind and of unpaid pledges, and provision of reserve for doubtful pledges .	170 260	24 573
Other adjustments of prior years' accounts reducing working capital	41 704	25 760
Excess of expenditure and commitments over income (statement II)	1 606 743	—
	<u>1 861 958</u>	<u>50 333</u>
BALANCE AT 31 DECEMBER	<u><u>14 601 629</u></u>	<u><u>15 759 199</u></u>

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

Certified correct
(Signed) Lloyd CALLOW
Comptroller

Approved
(Signed) A. J. BROWN
Acting Commissioner-General

GENERAL FUND

Assets and liabilities
(in United States dollars)

	As at	
	31 December 1978	31 December 1977
Assets		
Cash on hand and in banks	23 569 803	19 383 975
Contributions receivable (schedules C, D and E)		
In cash	10 652 636	7 541 236
In kind	4 425 217	6 096 407
Accounts receivable less provision for uncollectible amounts	1 188 142	1 503 032
Prepaid expenses and advances to suppliers	1 110 836	2 627 131
Inventories of supplies	10 989 078	10 893 051
Due from Bayssarieh Camp Fund	68 041	—
Due from Area Staff Provident Fund	108 734	—
Cash held for special project	—	1 677 308
	<u>52 112 487</u>	<u>49 722 140</u>
Liabilities		
Accounts payable	9 583 566	4 995 358
Due to Area Staff Provident Fund	—	1 113 402
Food commodities borrowed	1 436 693	3 391 434
Provision for separation costs of staff ..	17 287 867	15 770 406
Reserve of unliquidated budget commitments	7 198 601	5 114 878
Income received in advance		
In cash	1 125 213	291 695
In kind	878 918	1 608 460
Provision for special project	—	1 677 308
Working capital (operating reserve) (statement III)	14 601 629	15 759 199
	<u>52 112 487</u>	<u>49 722 140</u>

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

Certified correct
(Signed) Lloyd CALLOW
Comptroller

Approved
(Signed) A. J. BROWN
Acting Commissioner-General

SCHEDULES TO THE ACCOUNTS

SCHEDULE A

GENERAL FUND

Expenditure and commitments for the year ended 31 December 1978

(in United States dollars)

<i>Education services</i>	<i>Recurrent costs</i>	<i>Non-recurrent costs</i>	<i>Total costs</i>
<i>General education</i>			
Elementary education	34 392 341	2 855 830	37 248 171
Preparatory education	20 404 255	344 528	20 748 783
Secondary education	280 301	—	280 301
UNRWA/UNESCO Institute of Education	693 009	13 165	706 174
Other in-service staff training	200 610	7 186	207 796
Youth activities	55 380	18 297	73 677
Women's activities	12 295	1 627	13 922
Pre-school play centres	5 315	—	5 315
Education development centres	157 842	2 289	160 131
Administration	1 621 334	—	1 621 334
<i>Total, general education</i>	<u>57 822 682</u>	<u>3 242 922</u>	<u>61 065 604</u>
<i>Vocational and professional training</i>			
<i>Training conducted in UNRWA centres</i>			
Wadi Seer training centre	1 372 265	23 671	1 395 936
Amman training centre	1 224 838	15 781	1 240 619
Kalandia vocational training centre	550 621	9 482	560 103
Ramallah men's teacher-training centre	355 277	1 897	357 174
Ramallah women's training centre	876 077	15 349	891 426
Gaza vocational training centre ..	553 650	26 068	579 718
Gaza centre for the blind	81 552	1 867	83 419
Siblin training centre	1 125 538	43 554	1 169 092
Damascus vocational training centre	657 138	14 558	671 696
Adult craft training centres	228 876	3 286	232 162
Supply price variation	7 494	—	7 494
<i>Total, training conducted in UNRWA centres</i>	<u>7 033 326</u>	<u>155 513</u>	<u>7 188 839</u>
<i>Training subsidized outside UNRWA centres</i>			
Trades training	5 156	—	5 156
Basic nursing training	14 159	—	14 159
Vocational training for girls	354	—	354
Secretarial training	11 169	—	11 169
Adult craft training	5 072	—	5 072
Training of handicapped youth ..	64 848	—	64 848
<i>Total, training subsidized outside UNRWA centres</i>	<u>100 758</u>	<u>—</u>	<u>100 758</u>

Expenditure and commitments for the year ended 31 December 1978
(continued)

(in United States dollars)

<i>Education services (continued)</i>	<i>Recurrent costs</i>	<i>Non-recurrent costs</i>	<i>Total costs</i>
Common training costs			
Vocational training common costs	453 335	217	453 552
Vocational instructor training:			
In UNRWA centres	—	744	744
Outside UNRWA centres	—	5 373	5 373
Teacher instructor training outside UNRWA centres	—	132	132
Teacher training common costs	158 236	260	158 496
Total, common training costs	611 571	6 726	618 297
Placement services	67 607	—	67 607
University education			
University scholarships in Jordan	81 377	—	81 377
University scholarships in Egypt	53 208	—	53 208
University scholarships in Lebanon	27 225	—	27 225
University scholarships in the Syrian Arab Republic	38 260	—	38 260
University scholarships in Iraq	5 056	—	5 056
University scholarships in Saudi Arabia	5 132	—	5 132
Total, university education	210 258	—	210 258
Vocational and professional training administration	287 684	—	287 684
Total, vocational and professional training	8 311 204	162 239	8 473 443
Share of common costs			
Supply and transport services			
25 per cent	1 783 275	101 792	1 885 067
Other internal services 50 per cent	3 712 868	24 545	3 737 413
General administration 45 per cent	1 533 744	19 051	1 552 795
Total, share of common costs	7 029 887	145 388	7 175 275
TOTAL, EDUCATION SERVICES	73 163 773	3 550 549	76 714 322

Expenditure and commitments for the year ended 31 December 1978

(continued)

(in United States dollars)

<i>Health services</i>	<i>Recurrent costs</i>	<i>Non-recurrent costs</i>	<i>Total costs</i>
<i>Medical services</i>			
Pharmacy services	193 482	937	194 419
Laboratory services	185 994	12 158	198 152
General clinics	3 484 574	88 055	3 572 629
Maternal and child health clinics	1 301 398	30 636	1 332 034
General hospitals	2 361 020	37 143	2 398 163
Tuberculosis control	322 974	1 399	324 373
Mental health care	132 412	—	132 412
Dental care	147 913	55	147 968
School health services	157 369	—	157 369
Health education	157 754	—	157 754
Other medical services	101 221	5 312	106 533
Administration	916 466	35	916 501
<i>Total, medical services</i>	<u>9 462 577</u>	<u>175 730</u>	<u>9 638 307</u>
<i>Supplementary feeding</i>			
Hot meal programme	2 633 422	55 570	2 688 992
Milk programme	1 486 604	—	1 486 604
Other supplementary rations	518 239	—	518 239
Administration	251 410	—	251 410
<i>Total, supplementary feeding</i>	<u>4 889 675</u>	<u>55 570</u>	<u>4 945 245</u>
<i>Environmental sanitation</i>			
Surface-water drainage	12 452	242 773	255 225
Refuse and sewage disposal	2 577 047	80 501	2 657 548
Water supply	450 342	119 628	569 970
Insect and rodent control	22 268	452	22 720
Ancillary sanitation facilities	2 152	—	2 152
Administration	223 900	6 702	230 602
<i>Total, environmental sanitation</i>	<u>3 288 161</u>	<u>450 056</u>	<u>3 738 217</u>
<i>Share of common costs</i>			
Supply and transport services 21 per cent	1 497 951	85 505	1 583 456
Other internal services 24 per cent	1 782 177	11 782	1 793 959
General administration 24 per cent	817 996	10 160	828 156
<i>Total, share of common costs</i>	<u>4 098 124</u>	<u>107 447</u>	<u>4 205 571</u>
TOTAL, HEALTH SERVICES	<u><u>21 738 537</u></u>	<u><u>788 803</u></u>	<u><u>22 527 340</u></u>

Expenditure and commitments for the year ended 31 December 1978

(continued)

(in United States dollars)

<i>Relief services</i>	<i>Recurrent costs</i>	<i>Non-recurrent costs</i>	<i>Total costs</i>
<i>Basic rations</i>			
Ration costs	18 874 804	—	18 874 804
Quality control	60 204	—	60 204
Distribution	1 168 787	12 653	1 181 440
Administration	156 643	—	156 643
<i>Total, basic rations</i>	<u>20 260 438</u>	<u>12 653</u>	<u>20 273 091</u>
<i>Shelter</i>			
Shelter construction and maintenance .	148	22 614	22 762
Roads and camp improvements	76 737	27 118	103 855
Camp rentals	267 806	—	267 806
Administration	5 792	—	5 792
<i>Total, shelter</i>	<u>350 483</u>	<u>49 732</u>	<u>400 215</u>
<i>Special hardship assistance</i>	<u>1 024 321</u>	<u>147</u>	<u>1 024 468</u>
<i>Share of common costs</i>			
Supply and transport services 54 per cent	3 851 874	219 871	4 071 745
Other internal services 26 per cent	1 930 692	12 763	1 943 455
General administration 31 per cent	1 056 579	13 124	1 069 703
<i>Total, share of common costs</i>	<u>6 839 145</u>	<u>245 758</u>	<u>7 084 903</u>
TOTAL, RELIEF SERVICES	<u><u>28 474 387</u></u>	<u><u>308 290</u></u>	<u><u>28 782 677</u></u>

Expenditure and commitments for the year ended 31 December 1978
(continued)
(in United States dollars)

<i>Common costs</i>	<i>Recurrent costs</i>	<i>Non-recurrent costs</i>	<i>Total costs</i>
<i>Supply and transport services</i>			
Supply procurement and control . .	694 670	1 199	695 869
Supply warehousing	769 997	52 835	822 832
Supply and transport insurance administration	63 888	—	63 888
Vehicle maintenance	669 934	17 693	687 627
Passenger transport	985 942	218 000	1 203 942
Freight transport	2 483 000	115 500	2 598 500
Port operations	746 993	—	746 993
Administration	718 676	1 941	720 617
<i>Total, supply and transport services</i>	7 133 100	407 168	7 540 268
<i>Allocation of supply and transport services</i>			
Education services 25 per cent	(1 783 275)	(101 792)	(1 885 067)
Health services 21 per cent	(1 497 951)	(85 505)	(1 583 456)
Relief services 54 per cent	(3 851 874)	(219 871)	(4 071 745)
<i>Total, allocation of supply and transport services</i>	(7 133 100)	(407 168)	(7 540 268)
<i>Other internal services</i>			
Eligibility and registration	663 442	—	663 442
Personnel services	862 090	3 445	865 535
Administrative services	1 550 598	41 879	1 592 477
Translation services	173 309	—	173 309
Legal services	311 086	113	311 199
Finance services	1 759 277	453	1 759 730
Data processing services	682 824	1 674	684 498
Internal and external audit services	386 400	159	386 559
Protective services	656 499	510	657 009
Technical services	380 212	857	381 069
<i>Total, other internal services</i>	7 425 737	49 090	7 474 827
<i>Allocation of other internal services</i>			
Education services 50 per cent	(3 712 868)	(24 545)	(3 737 413)
Health services 24 per cent	(1 782 177)	(11 782)	(1 793 959)
Relief services 26 per cent	(1 930 692)	(12 763)	(1 943 455)
<i>Total, allocation of other internal services</i>	(7 425 737)	(49 090)	(7 474 827)
<i>General administration</i>			
Agency administration	439 665	6 353	446 018
Field office administration	868 787	7 624	876 411

Expenditure and commitments for the year ended 31 December 1978

(continued)

(in United States dollars)

<i>Common costs (continued)</i>	<i>Recurrent costs</i>	<i>Non-recurrent costs</i>	<i>Total costs</i>
Area administration	756 876	5 871	762 747
Camp services administration	412 202	14 078	426 280
Public information services	698 384	5 164	703 548
New York liaison office	87 646	—	87 646
Cairo office	24 235	96	24 331
European liaison office (Geneva) .	120 524	—	120 524
Production units — capital costs (Schedule B)	—	3 149	3 149
<i>Total, general administration</i>	<u>3 408 319</u>	<u>42 335</u>	<u>3 450 654</u>
<i>Allocation of general administration</i>			
Education services 45 per cent	(1 533 744)	(19 051)	(1 552 795)
Health services 24 per cent	(817 996)	(10 160)	(828 156)
Relief services 31 per cent	(1 056 579)	(13 124)	(1 069 703)
<i>Total, allocation of general administration</i>	<u>(3 408 319)</u>	<u>(42 335)</u>	<u>(3 450 654)</u>
TOTAL, COMMON COSTS	<u>17 967 156</u>	<u>498 593</u>	<u>18 465 749</u>
TOTAL, COMMON COST ALLOCATED	<u>(17 967 156)</u>	<u>(498 593)</u>	<u>(18 465 749)</u>
NET, COMMON COSTS	<u>—</u>	<u>—</u>	<u>—</u>

Expenditure and commitments for the year ended 31 December 1978

(continued)

(in United States dollars)

<i>Extraordinary costs not allocable to programmes</i>	<i>Non-recurrent costs</i>	<i>Total costs</i>
<i>Relocation of Agency headquarters</i>		
<i>International staff costs</i>		
Travel costs of staff and dependants	76 557	76 557
Removal costs, unaccompanied shipment and transport of cars	128 364	128 364
Installation grants	146 970	146 970
Termination of lease grants	13 217	13 217
<i>Local staff costs</i>		
Travel costs of staff and dependants	332 834	332 834
Removal costs, unaccompanied shipment and transport of cars	194 415	194 415
Installation grants	454 444	454 444
Termination of lease grants	1 221	1 221
Customs duty reimbursed	13 556	13 556
<i>Other costs</i>		
Costs of advance and rear parties (temporary staff and other costs)	74 267	74 267
Office equipment (including costs of transportation)	419 494	419 494
Costs of packing and removal of office furniture, office supplies and office files	37 666	37 666
Installation costs of telephone exchange and other telecommunication costs	38 779	38 779
Rehabilitation costs of rented office premises	17 514	17 514
	<u>1 949 298</u>	<u>1 949 298</u>
<i>Emergency relief programme in south of Lebanon</i>		
Reconstruction of Agency shelters and installations	195 000	195 000
Repairs to damaged shelters and installations	184 877	184 877
Replacement of damaged furniture, equipment, textbooks, etc.	127 941	127 941
Flour, sugar, rice, oil, etc., for emergency relief	150 652	150 652
	<u>658 470</u>	<u>658 470</u>
<i>Other costs due to local disturbances</i>		
Loss due to idle time of printing shop	40 000	40 000
Replacement of damaged equipment and non-consumable supplies and repairs to damaged installations (other than in south Lebanon)	9 294	9 294
Increased transport, etc., on re-routing of supplies	231 922	231 922

Expenditure and commitments for the year ended 31 December 1978

(continued)

(in United States dollars)

<i>Extraordinary costs not allocable to programmes (continued)</i>	<i>Non-recurrent costs</i>	<i>Total costs</i>
Temporary staff and other staff costs connected with re-routing of supplies	302 782	302 782
Compensation for loss of household effects of international staff (including injury) ..	155 193	155 193
Compensation for loss of household effects of area staff (including injury)	33 934	33 934
Termination of office lease	22 035	22 035
Miscellaneous	12 249	12 249
	<u>807 409</u>	<u>807 409</u>
<i>Increase in provision of local staff separation costs</i>	592 922	592 922
<i>Relocation of Gaza field headquarters</i>	79 006	79 006
TOTAL, EXTRAORDINARY COSTS	<u><u>4 087 105</u></u>	<u><u>4 087 105</u></u>

GENERAL FUND

Production and sales units for the year ended 31 December 1978
(in United States dollars)

Accounts	Embroidery centre	Carpentry shop	Printing shop	Sanitation supplies factory	Bread baking	Building maintenance services	Total
<i>Production and capital costs</i>	60 335	125 594	201 186	12 289	48 918	104 768	553 090
<i>Costs allocated</i>							
Transfer to other activities	—	(125 523)	(158 609)	(12 289)	(48 918)	(104 768)	(450 107)
Transfer to sales unit	(59 798)	(36)	—	—	—	—	(59 834)
Idle time due to disturbances (allocated to extraordinary costs)	—	—	(40 000)	—	—	—	(40 000)
	(59 798)	(125 559)	(198 609)	(12 289)	(48 918)	(104 768)	(549 941)
<i>Costs not allocated</i>							
Construction and equipment	537	35	2 577	—	—	—	3 149
<i>Sales units</i>							
Sales	(61 918)	(40)	—	—	—	—	(61 958)
Costs of goods sold	59 135	36	—	—	—	—	59 171
Net profit on sales	(2 783)	(4)	—	—	—	—	(2 787)
Net price variation between standard and actual cost of supplies	5	3	—	8	3	—	19
	(2 778)	(1)	—	8	3	—	(2 768)
	2 778	1	—	(8)	(3)	—	2 768
Transfer to income	—	—	—	—	—	—	—

GENERAL FUND

Contributions by Governments for the year ended 31 December 1978

(in United States dollars)

Name of contributor	Description or purpose	Contributions pledged for 1978	Unpaid balances	
			from prior years	for 1978
Argentina	US dollars	4 800	—	—
Australia	\$A 420 000	490 467	—	—
Austria	US dollars	107 000	—	—
Bahrain	US dollars	15 000	—	—
Belgium	BF 20 000 000	616 643	—	—
	Flour (c.i.f. UNRWA ports) 2 206 tons	419 140	—	11 113
	BF 12 250 000 (additional pledge (1977))	—	422 414 ^a	—
	Flour (c.i.f. UNRWA ports) 2 206 tons (1977 pledge)	—	5 833	—
Brazil	US dollars	10 000	—	10 000
Canada	\$Can 1 650 000	1 476 694	—	—
	Flour (c.i.f. UNRWA ports) 10 796.652 tons	3 043 098	—	—
Chile	US dollars	2 000	—	—
Cyprus	US dollars	1 299	—	—
Denmark	DKr 1 500 000 (one half of regular contribution 1977/78)	134 195	—	—
	US dollars (special contribution)	188 306	—	—
	US dollars (one third of contribution for vocational and teacher-training and general education 1978/79)	500 000	—	—
	US dollars (two thirds of contribution for vocational and teacher-training and general education 1977/78)	903 333	—	—
Egypt	LE 3 000	4 290	—	4 290
	LE 3 000 (1976 pledged and received in 1978)	4 290	—	—
European Economic Community (EEC)	Cash (see annex to schedule C for details)	4 620 836	3 193 211	4 620 836
	Food supplies (see annex to schedule C for details)	10 548 881	—	1 133 681
	Cash (for emergency programme in south Lebanon)	33 900	—	33 900
	Food supplies (see annex to schedule C for details)	249 370	—	17 500
Finland	US dollars (pledge Fmk 1 050 000)	249 703	—	—
France	US dollars (regular contribution)	936 000	—	—
	US dollars and F for teaching of French:			
	1978/79	37 924	—	—
	1977/78	49 342	—	—
	1976/77 ^b	27 092	—	—
	Flour (f.o.b. France) 1 654 tons net	251 924	—	—
	Rents	82 890	—	—
Gaza authorities	Rents	40 744	—	—
Germany, Federal Republic of	DM 2 000 000 (regular contribution)	985 222	—	—
	DM 7 177 500 special contribution for:			
	(1) Operating costs of Wadi Seer training centre, Jordan	1 248 262	—	—

Contributions by Governments for the year ended 31 December 1978 (continued)

(in United States dollars)

Name of contributor	Description or purpose	Contributions pledged for 1978	Unpaid balances	
			from prior years	for 1978
Germany, Federal Republic of (continued)	(2) Elementary education in UNRWA schools:			
	(a) Jordan	750 000	—	—
	(b) Lebanon	750 000	—	—
	(c) Syria	750 000	—	—
	Flour (c.i.f. UNRWA ports) 1 985 tons ...	377 211	—	1 021
	Lebanese pounds 578 000 for emergency programme in south Lebanon	196 520	—	—
Ghana	US dollars	5 220	—	—
Greece	US dollars	17 000	—	—
	Sugar (c.i.f. UNRWA ports) 50 tons est. ..	13 000	—	13 000
Holy See	US dollars	2 500	—	—
Iceland	US dollars	15 000	—	—
India	Supplies (c.i.f. UNRWA ports)	12 195	17 772	12 195
Indonesia	US dollars	6 000	—	—
Iran	US dollars	30 000	—	30 000
Iraq	Iraqi dinars	121 600	—	—
Ireland	£ 70 000	139 300	—	—
Israel	Transport services	495 265	—	—
	Port services	333 464	—	—
	Water	68 900	—	—
	Medical supplies	504	—	—
Italy	Lit 200 000 000 (regular contribution) ...	240 964	—	240 964
Jamaica	US dollars	3 000	—	—
Japan	US dollars	3 500 000	—	—
	Flour 1 836.850 tons (f.a.s. French ports) .	316 400	—	316 400
	Rice 5 300 tons (f.o.b. Egyptian ports)	2 183 600	—	2 183 600
	Cash for transport and insurance of rice and flour to UNRWA ports	500 000	—	500 000
Jordan	Rent	139 433	—	—
	Water	119 075	—	—
	Medical supplies	500	—	—
Kuwait	US dollars	600 000	—	—
Lebanon	Rent, laboratory and X-ray services	75 368	—	—
	Water	1 132	—	—
Liberia	US dollars	5 000	—	—
Libyan Arab Jamahiriya	US dollars	1 000 000	—	1 000 000
Luxembourg	F 370 000	11 655	—	—
Malaysia	US dollars	1 500	—	—
Monaco	F 3 000	630	—	—
Netherlands	US dollars (regular contribution)	2 194 000	—	—
	Florins 500 000 (special contribution)	229 913	—	—
	Lebanese pounds 200 000 for emergency programme in south Lebanon	68 000	—	—
New Zealand	\$NZ 120 000	127 276	53 789	42 553
	US dollars for emergency programme in south Lebanon	5 033	—	—

Contributions by Governments for the year ended 31 December 1978 (continued)

(in United States dollars)

Name of contributor	Description or purpose	Contributions pledged for 1978	Unpaid balances	
			from prior years	for 1978
Nigeria	US dollars (contribution for 1977 received in 1978)	20 880	—	—
Norway	NKr 15 000 000	2 804 632	—	—
	NKr 1 000 000 for emergency programme in south Lebanon	185 322	—	—
Oman	US dollars	25 000	—	—
Pakistan	US dollars	20 843	—	—
Philippines	US dollars	3 000	—	1 313
Qatar	US dollars	60 000	—	—
Republic of Korea ..	US dollars	5 000	—	—
Saudi Arabia	US dollars	1 200 000	—	—
	US dollars (special contribution)	5 000 000	—	—
	US dollars for emergency programme in south Lebanon	100 000	—	—
Sierra Leone	US dollars	1 000	—	1 000
Singapore	US dollars	1 500	—	—
Spain	US dollars	50 000	—	—
	Flour (c.i.f. UNRWA ports) 3 100 tons estimated (1977 pledge)	—	1 000 000	—
Sri Lanka	Tea (c.i.f. UNRWA ports) 567 kgs	1 000	—	—
Sudan	US dollars (1977 pledge)	—	6 027	—
Sweden	SKr 38 000 000 (regular contribution)	8 377 979	—	—
	SKr 2 000 000 for emergency programme in south Lebanon	430 802	—	—
Switzerland	SwF 1 150 000 (regular contribution)	611 702	—	—
	Flour (c.i.f.) UNRWA ports) 4 000 tons ..	760 000	—	102
	Whole milk (f.o.b. factory Switzerland) 321.5 tons allocated to 1978 out of:			
	180.5 tons—1976 pledge			
	141 tons—1977 pledge	337 132	—	—
Syrian Arab Republic	Reimbursement of transport costs	20 285	—	9 228
	Reimbursement of portorage costs	14 087	—	6 478
	Rent	61 549	—	—
	Water	13 862	—	—
Thailand	US dollars	17 628	—	—
Trinidad and Tobago	US dollars	2 488	—	—
Turkey	US dollars (1977 pledge)	—	10 500	—
United Arab Emirates	US dollars	270 000	—	270 000
United Kingdom of Great Britain and Northern Ireland ..	£ 3 650 000	6 916 750	—	—
	US dollars (special contribution)	812 464	—	—
United States of America	US dollars	42 500 000	—	—
	US dollars (additional contribution)	9 000 000	—	—
Yugoslavia	US dollars	25 000	—	—
Zaire	US dollars (1977 pledge)	—	1 500	—
		<u>122 338 708</u>	<u>4 711 046</u>	<u>10 459 174</u>

Contributions by Governments for the year ended 31 December 1978 (continued)
(in United States dollars)

<i>Name of contributor</i>	<i>Description or purpose</i>	<i>Contributions pledged for 1978</i>	<i>Unpaid balances</i>	
			<i>from prior years</i>	<i>for 1978</i>
	<i>Deduct:</i>			
	Difference between donor and Agency valuation of undelivered pledges in kind		287 000	
			<u>4 424 046</u>	<u>10 459 174</u>

^a At current market exchange rate.

^b This amount represents a late pledge for the school year 1976/77.

GENERAL FUND

ANNEX I TO SCHEDULE C

Status of current pledges of the European Economic Community for the year ended 31 December 1978
(in United States dollars)

Donor's programme year	Descriptions ^a	Amount pledged	Applicable to operations		Unpaid balances	
			before 1978	in 1978	after 1978	from prior years
1975/76	Supplementary feeding programme					
	Skim milk 2 391.978 tons:					
	188.746 tons allocated to 1976					
	832.716 tons allocated to 1977					
	879.516 tons allocated to 1978	2 152 780	919 315	791 565	441 900	—
	491.000 tons for allocation to 1979					
1977	Basic ration programme					
	Cash for internal transport and distribution of flour (517 748 units of currency)	697 574	697 574	—	—	14 832
	Cash for internal transport and distribution of sugar (132 000 units of currency)	178 379	178 379	—	—	178 379
1977	Supplementary feeding programme					
	Cash	3 000 000	3 000 000	—	—	3 000 000
1978	Basic ration programme					
	Flour 27 097 tons	5 148 468	—	5 148 468	—	—
	Sugar 5 992 tons	1 497 998	—	1 497 998	—	—
	Butter oil 3 200 tons	2 560 000	—	2 560 000	—	608 331
	Cash for internal transport and distribution of flour (690 979 units of currency)	933 755	—	933 755	—	933 755
	Cash for internal transport and distribution of sugar (152 796 units of currency)	206 481	—	206 481	—	206 481
	Cash for internal transport and distribution of butter oil	96 000	—	96 000	—	96 000
1978	Supplementary feeding programme					
	Flour 2 450 tons	465 500	—	465 500	—	465 500
	Sugar 102 tons	25 500	—	25 500	—	—
	Rice 171 tons	59 850	—	59 850	—	59 850
	Cash	3 384 600	—	3 384 600	—	3 384 600
			15 169 717	441 900	3 193 211	5 754 517

^a All food supplies are delivered c.i.f. UNRWA ports by EEC.

**Contributions by the European Economic Community for emergency programme in south Lebanon
for the year ended 31 December 1978**
(in United States dollars)

	Description ^a	Amount pledged	Applicable to operations in			Unpaid balances	
			1977 and before	1978	1979 and after	from prior years	for 1978
<i>Food supplies</i>							
	Flour 1 000 tons	190 000	—	190 000	—	—	—
	Sugar 39.8 tons	9 950	—	9 950	—	—	—
	Butter oil 39.9 tons	31 920	—	31 920	—	—	—
	Rice 50 tons	17 500	—	17 500	—	—	17 500
	Cash for internal transport and distribution of flour	30 000	—	30 000	—	—	30 000
	Cash for internal transport and distribution of sugar	1 200	—	1 200	—	—	1 200
	Cash for internal transport and distribution of butter oil	1 200	—	1 200	—	—	1 200
	Cash for internal transport and distribution of rice	1 500	—	1 500	—	—	1 500
				283 270			51 400

^a All food supplies are delivered c.i.f. UNRWA ports by EEC.

GENERAL FUND

Contributions by United Nations agencies for the year ended 31 December 1978

(in United States dollars)

Name of contributor	Description	Contributions pledged for 1978	Unpaid balances	
			from prior years	for 1978
United Nations	UNRWA international staff costs:			121 905
	Salaries and normal allowances	3 756 429	—	—
	Relocation costs of Agency headquarters and other extraordinary costs due to emergency conditions in Beirut	370 857	—	—
	Cash for UNRWA/UNESCO Institute of Education ^a	388 800	—	—
United Nations Educational, Scientific and Cultural Organization (UNESCO)	Regular programme staff costs	497 716	—	—
	Associate specialists staff costs	102 481	—	—
	Reimbursement of internal travel costs to associate specialists	4 417	—	—
World Health Organization (WHO)	Services of staff	243 686	—	—
	Vaccine	1 200	—	—
		<u>5 365 586</u>	<u>—</u>	<u>121 905</u>

^a United Nations Development Programme (UNDP) project with UNESCO for assistance to UNRWA/UNESCO Institute of Education.

GENERAL FUND

Contributions from non-governmental sources for the year ended 31 December 1978

(in United States dollars)

Name of contributor	Description	Contributions for education			Other contributions	
		General education costs	Vocational training costs	Other recurrent education costs	for recurrent costs	for non-recurrent costs
<i>Australia</i>						
Australians Care for Refugees (AUSTCARE)	Cash for operating costs of the Deir el Balah health centre, Gaza	—	—	—	3 852	—
<i>Austria</i>						
Austrian Junior Red Cross	Cash for Jabalia women's activities, Gaza .	—	—	—	1 160	—
<i>Belgium</i>						
Agfa, Gevaert	X-ray films	—	—	—	1 000	—
Comité Belge d'Aide aux Réfugiés	Cash for operating costs of Belgian health centre in Jabalia, Gaza	—	—	—	3 724	—
Spinel, Dr. Alfred	Cash for assistance to hardship cases	—	—	—	600	—
<i>Canada</i>						
Canadian Red Cross Society	Baby blankets	—	—	—	1 639	—
Canacian Save the Children Fund	Cash	5 720	—	—	—	—
	Cash for operating costs of Khan Younis health rehydration/nutrition unit, Gaza centre	—	—	—	5 085	—
	Cash for midwifery training	—	—	1 695	—	—
	Cash for basic nursing training, Lebanon .	—	—	3 051	—	—
Trinity United Church	Cash	927	—	—	—	—
Irwin, Mrs. F. C.	Cash	100	—	—	—	—
Sundry donors	Cash	42	—	—	—	—
<i>Denmark</i>						
Danida	Cash for post-basic nursing education	—	—	3 400	—	—
State Seruminstitute	Medical supplies	—	—	—	3 189	—
<i>Finland</i>						
Sipila, Mrs. Helvi	Cash	—	2 200	—	—	—

Contributions from non-governmental sources for the year ended 31 December 1978 (continued)
(in United States dollars)

Name of contributor	Description	Contributions for education			Other contributions	
		General education costs	Vocational training costs	Other recurrent education costs	for recurrent costs	for non-recurrent costs
France						
Le Monde	Cash	—	99	—	—	—
	Gift coupons	—	—	106	—	—
Gaza						
Abu Middain family	Rent	—	—	490	51	—
Abu Salim family	Rent	—	—	37	96	—
Abu Sha'b family	Rent	—	—	120	—	—
Awada family	Rent	—	—	112	313	—
Awada and Abu Middain families	Rent	—	—	77	10	—
Beit Hanoun Village Community	Cash for construction of additional classroom at Beit Hanoun elementary girls' school, Gaza	—	—	—	—	2 462
	Medical equipment	—	—	—	—	912
Gaza citizens	Rent	—	—	101	—	—
Musaddar and Qur'an families	Rent	—	—	1 786	—	—
Waqf Department	Rent	—	—	68	—	—
Sundry donors	Cash for construction of classroom at Beach Elementary School, Gaza	—	—	—	218	—
Sundry donors		—	—	—	—	1 563
Germany, Federal Republic of						
Deutsche Bank	Cash	71	1 281	—	—	—
German-Tunisian Association	Cash	945	—	—	—	—
Hirsch, Dr. H.	Cash	71	—	—	—	—
Knoll, A. G.	Medical supplies	—	—	—	445	—
Greece						
Sundry donors	Gift coupons	—	—	19	—	—
Italy						
Farmitalia	Medical supplies	—	—	—	—	3 000
Industria Farmaceutica	Medical supplies	—	—	—	—	360
Sundry donors	Medical supplies	—	—	—	—	16

<i>Japan</i>							
Chamber of Commerce							
Committee for Economic Development							
Federation of Economic Organization							35 000
Federation of Employers' Association							
Industry Club							
National Federation of UNESCO Associations						940	
<i>Jordan</i>							
International Traders							178
Jordanian Television							924
Municipality of Amman							1 719
Municipal Council, Qalqilia							715
Royal Hashemite Palace							4 777
Anonymous							788
Sundry donors							
<i>Lebanon</i>							504
American Mission						618	520
Greek Orthodox community							813
Heirs of Saadeddin Shatila							1 625
Mneimneh and Bohsaly							1 828
Syrian Lebanese Mission							2 438
<i>New Zealand</i>							
Council of Organizations for Relief, Rehabilitation and Development (CORSO) Inc.					14 306	14 438	
Heenan, Mr. M.					100		
<i>Norway</i>							
Norwegian Refugee Council							278 402
							50 465
Redd Barna				270			
<i>Saudi Arabia</i>							
Arabian American Oil Co. (ARAMCO)				60 000	70 000	50 000	

Contributions from non-governmental sources for the year ended 31 December 1978 (continued)
(in United States dollars)

Name of contributor	Description	Contributions for education			Other contributions for recurrent non-recurrent costs
		General education costs	Vocational training costs	Other recurrent education costs	
<i>Sweden</i>					
Swedish Save the Children Federation (Rädda Barnen)	Cash	—	14 000	—	—
	Cash for operating costs of Joufeh girls' school, Jordan	140 000	—	—	—
	Cash for nursing and midwifery training	—	—	6 122	—
	Cash for operating costs of UNRWA/Swedish health centre, Gaza	—	—	—	157 780
	Cash for layettes	—	—	11 500	—
	Cash for Rashidieh rehydration/nutrition unit, Lebanon	—	—	—	24 150
	Baby blankets	—	—	—	2 028
Sundry donors	Cash	—	13	—	—
Sundry donors	Used gas-heater	—	—	—	—
<i>Switzerland</i>					58
Association Suisse-Arabe	Cash	100	—	—	—
Caritas	Cash for operating costs of maternal and child health function, Amari health centre, West Bank	—	—	—	—
	Medical supplies	—	—	—	12 903
Ciba-Geigy	Foodstuffs	—	—	—	318
Comité Internationale de la Croix Rouge	Medical supplies	—	—	—	1 603
Houtermans, Mr. A.	Cash	240	—	—	997
Kappeler, Dr. F.	Cash	—	1 689	—	—
Kappeler, Mr. J.	Cash	—	—	—	—
Krbec, Miss Eva Marie	Cash	—	—	1 840	—
Regli, Mr.	Cash	—	1 109	—	—
Sundry donors	Cash	79	—	—	1 570

SCHEDULE E (continued)

Contributions from non-governmental sources for the year ended 31 December 1978 (continued)
(in United States dollars)

Name of contributor	Description	Contributions for education				Other contributions	
		General education costs	Vocational training costs	Other recurrent education costs	for recurrent costs	for non-recurrent costs	
<i>International organizations (continued)</i>							
Lutheran World Federation	Whole milk 4.710 tons	—	—	—	5 652	—	
	Skim milk 0.4 tons	—	—	—	360	—	
	Medical supplies	—	—	—	2 964	—	
	Used equipment	—	—	—	—	30	
	Beef chunks	—	—	—	6 348	—	
Mennonite Central Committee	Cash for Dbayeh School, Lebanon	35 000	—	—	—	—	
Pontifical Mission for Palestine	Cash for operating cost of the centre for the blind, Gaza	—	—	81 551	—	—	
	Special fund for the centre for the blind, Gaza	—	—	1 868	—	—	
	Cash for cooking training courses, Jordan	—	—	1 048	—	—	
	Cash for women's activities	—	—	8 970	—	—	
	Cash	850	—	—	—	—	
		<u>322 566</u>	<u>239 109</u>	<u>189 957</u>	<u>678 572</u>	<u>12 949</u>	
				<u>1 443 153^a</u>			
<i>Women's Auxiliary of UNRWA</i>							
Zonta Club of Kansas City							

^a Including \$72,729 pledged for 1978, subject to settlement in 1979.

GENERAL FUND

Miscellaneous income for the year ended 31 December 1978

(in United States dollars)

<i>Description</i>	<i>Amount</i>
Bank interest	1 570 429
Sale of empty containers	297 696
Proceeds of staff accident insurance policies	151 954
Sale of shares in The Development Bank of Jordan, Limited	91 375
Disputed and reserved claims refunded	50 352
Reimbursement of Area Staff Provident Fund administration costs	44 395
Sale of unserviceable equipment and scrap	32 628
Overhead costs recovered on procurement for other parties	11 160
Profit on income-producing activities	2 768
Miscellaneous	22 854
TOTAL, MISCELLANEOUS INCOME	2 275 611

GENERAL FUND

Liquidation of prior years' commitments during the year ended 31 December 1978

(in United States dollars)

<i>Education services</i>	<i>Commitments brought forward from 1977</i>	<i>Commitments liquidated by expenditure</i>	<i>Commitments carried forward to 1979</i>	<i>Saving on liquidation of prior years' commitments</i>
General education				
Elementary education	2 561 095	1 211 266	1 312 155	37 674
Preparatory education	150 168	113 875	14 190	22 103
Youth activities	7 666	5 409	1 629	628
Women's activities	731	231	—	500
Education development centres	6 496	5 573	—	923
Total, general education	2 726 156	1 336 354	1 327 974	61 828
Vocational and professional training				
<i>Training conducted in UNRWA centres</i>				
Wadi Seer training centre	55 366	42 526	6 100	6 740
Amman training centre	20 828	13 574	5 466	1 788
Kalandia vocational training centre	3 614	4 002	1 170	(1 558)
Ramallah men's teacher training centre	1 603	1 268	—	335
Ramallah women's training centre	3 691	6 652	—	(2 961)
Gaza vocational training centre	15 539	7 703	7 750	86
Siblin training centre	124 787	42 209	80 122	2 456
Damascus vocational training centre	32 993	26 870	4 865	1 258
Adult craft training	96	96	—	—
Total, training conducted in UNRWA centres	258 517	144 900	105 473	8 144
<i>Training subsidized outside UNRWA centres</i>				
Arab Orphan Society technical school, Jerusalem	1 803	565	1 238	—
Basic nursing training (local)	374	130	77	167
Training of handicapped youth	16 916	12 543	—	4 373
Basic midwifery training	855	694	—	161
Total, training conducted outside UNRWA centres	19 948	13 932	1 315	4 701
University education				
University scholarships in Jordan	10 000	6 443	—	3 557
University scholarships in Egypt	11 000	2 509	—	8 491
University scholarships in the Syrian Arab Republic	5 000	3 500	—	1 500
University scholarships in Lebanon	5 000	8 701	—	(3 701)
University scholarships in Iraq	1 826	345	—	1 481
University scholarships in Saudi Arabia	1 000	—	—	1 000
Special university scholarships	50 000	15 643	34 357	—
Total, university education	83 826	37 141	34 357	12 328

Liquidation of prior years' commitments during the year ended 31 December 1978 (continued)

(in United States dollars)

<i>Education services (continued)</i>	<i>Commitments brought forward from 1977</i>	<i>Commitments liquidated by expenditure</i>	<i>Commitments carried forward to 1979</i>	<i>Saving on liquidation of prior years' commitments</i>
<i>Common training costs</i>				
Teacher instructor training outside UNRWA centres	497	389	—	108
<i>Total, vocational and professional training</i>	362 788	196 362	141 145	25 281
TOTAL, EDUCATION SERVICES	<u>3 088 944</u>	<u>1 532 716</u>	<u>1 469 119</u>	<u>87 109</u>

Liquidation of prior years' commitments during the year ended 31 December 1978 (continued)

(in United States dollars)

<i>Health services</i>	<i>Commitments brought forward from 1977</i>	<i>Commitments liquidated by expenditure</i>	<i>Commitments carried forward to 1979</i>	<i>Saving on liquidation of prior years' commitments</i>
Medical services				
Pharmacy services	1 020	978	195	(153)
Laboratory services	10 397	8 063	1 488	846
General clinics	219 176	46 456	167 053	5 667
Maternal and child health clinics	3 942	988	1 072	1 882
General hospitals	3 644	3 333	—	311
Mental health	184	38	146	—
Dental care	17 740	15 418	340	1 982
Other medical services	16 760	11 390	—	5 370
School health services	41	33	—	8
Total, medical services	272 904	86 697	170 294	15 913
Supplementary feeding				
Hot meal programme	67 160	8 678	56 824	1 658
Milk programme	259	104	—	155
Other supplementary rations	5 059	5 059	—	—
Total, supplementary feeding	72 478	13 841	56 824	1 813
Environmental sanitation				
Surface-water drainage	111 454	82 034	27 159	2 261
Refuse and sewage disposal	47 161	26 153	15 959	5 049
Water supply	47 870	30 017	17 736	117
Total, environmental sanitation	206 485	138 204	60 854	7 427
TOTAL, HEALTH SERVICES	551 867	238 742	287 972	25 153

Liquidation of prior years' commitments during the year ended 31 December 1978 (continued)
(in United States dollars)

<i>Relief services</i>	<i>Commitments brought forward from 1977</i>	<i>Commitments liquidated by expenditure</i>	<i>Commitments carried forward to 1979</i>	<i>Saving on liquidation of prior years' commitments</i>
<i>Basic rations</i>				
Distribution	22 087	21 647	—	440
Basic ration costs	96 324	96 045	—	279
Quality control	390	—	—	390
<i>Total, basic rations</i>	<u>118 801</u>	<u>117 692</u>	<u>—</u>	<u>1 109</u>
<i>Shelter</i>				
Shelter construction and maintenance	56 994	24 410	31 286	1 298
Roads and camp improvements	47 646	24 345	15 563	7 738
<i>Total, shelter</i>	<u>104 640</u>	<u>48 755</u>	<u>46 849</u>	<u>9 036</u>
<i>Special hardship assistance</i>	121 371	52 830	—	68 541
TOTAL, RELIEF SERVICES	<u><u>344 812</u></u>	<u><u>219 277</u></u>	<u><u>46 849</u></u>	<u><u>78 686</u></u>

Liquidation of prior years' commitments during the year ended 31 December 1978 (continued)
(in United States dollars)

<i>Common costs</i>	<i>Commitments brought forward from 1977</i>	<i>Commitments liquidated by expenditure</i>	<i>Commitments carried forward to 1979</i>	<i>Saving on liquidation of prior years' commitments</i>
<i>Supply and transport services</i>				
Procurement and control	6 464	6 110	—	354
Supply warehousing	5 827	3 863	—	1 964
Vehicle maintenance	3 637	3 847	68	(278)
Passenger transport	82 274	53 548	28 726	—
Freight transport	20 718	19 070	—	1 648
Administration	2 824	2 824	—	—
<i>Total, supply and transport services</i>	<u>121 744</u>	<u>89 262</u>	<u>28 794</u>	<u>3 688</u>
<i>Other internal services</i>				
Eligibility and registration	2 670	2 253	—	417
Administrative services	29 823	29 226	—	597
Finance services	220	226	—	(6)
Data processing services	3 232	2 277	—	955
Protective services	947	798	—	149
<i>Total, other internal services</i>	<u>36 892</u>	<u>34 780</u>	<u>—</u>	<u>2 112</u>
<i>General administration</i>				
Area administration	3 643	3 256	—	387
Camp services administration	2 122	—	—	2 122
Public information services	22 429	8 339	6 105	7 985
Production units (Embroidery centre, Gaza)	5 500	—	5 500	—
<i>Total, general administration</i>	<u>33 694</u>	<u>11 595</u>	<u>11 605</u>	<u>10 494</u>
TOTAL, COMMON COSTS	<u><u>192 330</u></u>	<u><u>135 637</u></u>	<u><u>40 399</u></u>	<u><u>16 294</u></u>

Liquidation of prior years' commitments during the year ended 31 December 1978 (continued)
(in United States dollars)

<i>Extraordinary costs not allocable to programmes</i>	<i>Commitments brought forward from 1977</i>	<i>Commitments liquidated by expenditure</i>	<i>Commitments carried forward to 1979</i>	<i>Saving on liquidation of prior years' commitments</i>
<i>Other costs due to local disturbances</i>				
Repair or replacement of Agency shelters	458 206	22 819	274 747	160 640
Repairs to damaged buildings	172 746	53 042	71 218	48 486
Replacement of non-expendable supplies	179 166	173 217	3 993	1 956
<i>Total, other costs due to local disturbances</i>	<u>810 118</u>	<u>249 078</u>	<u>349 958</u>	<u>211 082</u>
<i>Relocation of Gaza field headquarters</i>	<u>126 807</u>	<u>46 105</u>	<u>76 899</u>	<u>3 803</u>
Total, extraordinary costs not allocable to programmes	<u>936 925</u>	<u>295 183</u>	<u>426 857</u>	<u>214 885</u>
TOTAL, ALL PARTS	<u><u>5 114 878</u></u>	<u><u>2 421 555</u></u>	<u><u>2 271 196</u></u>	<u><u>422 127</u></u>

Statement of budget and expenditure and commitments
Note 1

The budget figures reflect the Agency's budget for 1978 as submitted to the General Assembly at its thirty-second session,¹ and as adjusted and submitted to the Assembly at its thirty-third session.²

Statement of income and expenditure and commitments
Note 2

Only contributions to UNRWA are included in income. A contribution to UNRWA is one that comes under its direct control and is usable in its programme. All other contributions, even if handled by UNRWA, are considered as being made direct to the refugees and are excluded from income.

Note 3

Contributions in kind are recorded at the contributor's valuations, if known and reasonable, otherwise at valuations determined by the Agency with due consideration given to prevailing market valuations. To avoid inconsistency between the income and expenditure accounts where contributions in kind have been recorded in income at valuations different from Agency standard prices, these differences have been reflected in the expenditure accounts (see also note 7 below).

Note 4

Under contributions received from Governments for 1977 is included the sum of \$6,000,000 which was a special contribution by the United States for 1976 but pledged and paid in 1977 after closure of the 1976 accounts. Strictly speaking, therefore, expenditure and commitments for 1977 exceeded income by \$3,793,423. Conversely, on the same basis, income in 1976 exceeded expenditure and commitments by \$5,943,832 instead of leaving a deficit of \$56,168 as reported in the Agency's published accounts for 1976.³

Statement of assets and liabilities

Note 5

As from 1 January 1978, the special project referred to in this statement in 1977 has been dealt with as a special fund under the Agency's financial regulation 13.1, and the accounts therefor are presented separately.

Note 6

A sum of \$4,543,086 included in "Cash on hand and in banks" represents cash in the hands of paymasters and unpaid cheques at 31 December 1978. The same amount is included in "Accounts payable". Prior to 1978, cash issued to paymasters before 31 December and cheques issued to creditors before that date were excluded from assets and liabilities at year-end because the amounts involved were not considered to be material.

Note 7

Contributions receivable in the form of food supplies are shown at the Agency's standard prices for such supplies (see also note 3 above).

¹ See *Official Records of the General Assembly, Thirty-second Session, Supplement No. 13 (A/32/13 and Corr.1 and 2), chap. II.*

² *Ibid.*, *Thirty-third Session, Supplement No. 13 (A/33/13), chap. II.*

³ *Ibid.*, *Thirty-second Session, Supplement No. 7C (A/32/7/Add.3), chap. II, statement II.*

Note 8

Prepaid expenses and advances to suppliers include unpaid balances of letters of credit whether or not the equivalent amounts have been formally blocked by the banks concerned.

Note 9

Inventories are continuously valued at weighted average cost prices c.i.f. or equivalent less a provision for possible losses on unusable supplies. A further reserve has been established for estimated losses due to local disturbances which have not yet been fully surveyed.

Note 10

The provision for separation costs of staff would be greater by approximately \$15 million if provision were made for payment of certain separation benefits in full to all staff members. The Agency estimates, however, that 50 per cent of its locally recruited General and Teaching Service staff members and 40 per cent of its locally recruited Manual Service staff members will not qualify for payment of these separation benefits under the Agency's staff rules, either by reason of leaving the Agency's service voluntarily or by reason of being offered jobs with other employers immediately following separation from the Agency.

Note 11

At 31 December 1978, the Agency had contingent liabilities of \$1,099,171 comprising purchase orders issued for goods not yet received. In addition, a contingent liability of a material but undeterminable amount may be considered to exist in respect of certain claims for subsidies by Governments.

Note 12

(a) The fixed assets not reported in the accounts (see (e) under "Summary of significant accounting policies") are summarized below at original cost values:

	<i>US dollars</i>
Vehicles	2 909 065
Other equipment	4 671 673
Land owned by UNRWA	51 248
Buildings on land owned by UNRWA	422 031
	TOTAL 8 054 017

(b) The figures for vehicles and other equipment in sub-paragraph (a) above are subject to adjustment when local disturbances losses in Lebanon have been fully surveyed. The amounts involved are not expected to be significant.

(c) 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 land owners. Total cost of construction of such buildings (including 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 1978 is \$21,632,089.

(d) The Agency has also constructed refugee shelters at a total cost of \$10,685,066 on land owned by Governments or by individuals. The legal status of these shelters is uncertain.

**III. FINANCIAL STATEMENTS FOR THE AREA STAFF PROVIDENT FUND
FOR THE YEAR ENDED 31 DECEMBER 1978**

STATEMENT I

AREA STAFF PROVIDENT FUND

Assets and liabilities
(in United States dollars)

	<i>For the year ended</i>	
	<i>31 December 1978</i>	<i>31 December 1977</i>
Assets		
Investments (schedule A):		
Bank of America, London	39 387 074	35 713 461
Bankers Trust, London	33 570 991	20 569 699
First National Bank of Chicago, Geneva	15 778 169	14 748 344
	<u>88 736 234</u>	<u>71 031 504</u>
Due from UNRWA general fund	—	1 113 402
	<u>88 736 234</u>	<u>72 144 906</u>
Liabilities		
Continuing participants' credits:		
US dollar credits	16 912 220	13 828 045
Lebanese pound credits		
LL 40,234,080 at 0.333 to \$US1 ..	13 397 949	13 279 731
Syrian pound credits		
LS 36,003,282 at 0.256 to \$US1 ..	9 216 840	7 542 005
Jordan dinar credits		
JD 11,798,913 at 3.400 to \$US1 ..	40 116 305	29 933 284
Austrian schilling credits		
S 30,462,005 at 0.0741 to \$US1 ..	2 257 235	—
	<u>81 900 549</u>	<u>64 583 065</u>
Ex-participants' credits	517 079	420 124
Due to UNRWA general fund	108 734	—
Reserve against losses on liability exchange rates	474 652	474 652
Surplus:		
Income available for distribution (statement II)	4 372 374	5 678 815
Unallocated surplus (statement III) ..	1 362 846	988 250
	<u>88 736 234</u>	<u>72 144 906</u>

Certified correct
(Signed) Lloyd CALLOW
Comptroller

Approved
(Signed) A. J. BROWN
Acting Commissioner-General

AREA STAFF PROVIDENT FUND

Income distribution account
(in United States dollars)

	For the year ended	
	31 December 1978	31 December 1977
Balance at 1 January	5 678 815	4 160 505
Deduct:		
Interest credited to participants' accounts in respect of prior year	4 561 214	3 089 451
	<u>1 117 601</u>	<u>1 071 054</u>
Add net income:		
Net investment income (schedule A)	6 910 328	5 236 511
Less:		
Net loss from changes in liability exchange rates	3 118 735	681 612
	<u>3 791 593</u>	<u>4 554 899</u>
Less:		
Administration expenses	45 634	30 612
	<u>3 745 959</u>	<u>4 524 287</u>
	Net income	4 524 287
	<u>4 863 560</u>	<u>5 595 341</u>
Deduct:		
Transfer 10% of net income to unallocated surplus (statement III)	374 596	520 590
	<u>4 488 964</u>	<u>5 074 751</u>
Deduct:		
Interest paid on credits withdrawn during year	116 590	77 548
	<u>4 372 374</u>	<u>4 997 203</u>
Add:		
Transfer from reserve against losses on liability exchange rates	—	681 612
	<u>4 372 374</u>	<u>5 678 815</u>
Balance at 31 December	<u>4 372 374</u>	<u>5 678 815</u>
Certified correct (Signed) Lloyd CALLOW Comptroller		Approved (Signed) A. J. BROWN Acting Commissioner-General

AREA STAFF PROVIDENT FUND

Unallocated surplus
(in United States dollars)

	<i>For the year ended</i>	
	<i>31 December 1978</i>	<i>31 December 1977</i>
Balance at 1 January	988 250	467 660
<i>Add:</i>		
Transfer from income for current year	374 596	520 590
Balance at 31 December	<u>1 362 846</u>	<u>988 250</u>

Certified correct
(Signed) Lloyd CALLOW
Comptroller

Approved
(Signed) A. J. BROWN
Acting Commissioner-General

AREA STAFF PROVIDENT FUND

Investments and investment income for the year ended 31 December 1978

(in United States dollars)

	Bank of America, London	Bankers Trust, London	First National Bank of Chicago, Geneva	Total
<i>Investments as at 1 January</i>	35 713 461	20 569 699	14 748 344	71 031 504
<i>Add:</i>				
Funding during year	—	10 794 402	—	10 794 402
	<u>35 713 461</u>	<u>31 364 101</u>	<u>14 748 344</u>	<u>81 825 906</u>
<i>Gross investment income</i>	3 720 885	2 206 890	1 049 345	6 977 120
<i>Deduct:</i>				
Investment managers' fees	47 272	a	19 520	66 792
<i>Net investments income</i>	<u>3 673 613</u>	<u>2 206 890</u>	<u>1 029 825</u>	<u>6 910 328</u>
<i>Investments as at 31 December</i>	<u>39 387 074</u>	<u>33 570 991</u>	<u>15 778 169</u>	<u>88 736 234</u>
<i>Investment yield</i> ^b	<u>10.3%</u>	<u>8.5%</u>	<u>7.0%</u>	<u>9.0%</u>
		<i>Percentage</i>		
<i>Allocation of investments by currency</i>				
United States dollars	70.5	100.0	76.1	82.7
Canadian dollars	3.4		17.5	4.6
German marks	15.1		5.3	7.6
Swiss francs	—		1.1	0.2
Japanese yen	11.0		—	4.9
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
		<i>Percentage</i>		
<i>Allocation of investments by type</i>				
Bonds, notes and treasury bills	95.8	—	32.0	48.2
Bank deposits	4.2	100.0	68.0	51.8
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

^a Included in net interest rate allowed on deposits.^b Net investment income divided by average amount of investments earning income during the year.

**IV. FINANCIAL STATEMENTS FOR THE BAYSSARIEH CAMP FUND
FOR THE PERIOD ENDED 31 DECEMBER 1978**

STATEMENT I

BAYSSARIEH CAMP FUND

Operations account for the period ended 31 December 1978

(in United States dollars)

<i>Contributions received from:</i>	
Government of Lebanon (LL 5 million)	1 600 000
Government of Netherlands (Stg. 24,150 and f. 50,000)	69 783
	<hr/>
	1 669 783
 <i>Add:</i>	
Bank interest earned	172 098
	<hr/>
	1 841 881
 <i>Deduct:</i>	
Expenditure incurred	68 041
	<hr/>
Unobligated balance at 31 December	1 773 840
	<hr/> <hr/>

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

Certified correct
(Signed) Lloyd CALLOW
Comptroller

Approved
(Signed) A. J. BROWN
Acting Commissioner-General

BAYSSARIEH CAMP FUND**Assets and liabilities as at 31 December 1978***(in United States dollars)*

Assets	
Cash in bank	1 841 881
	<u>1 841 881</u>
Liabilities	
Due to UNRWA general fund	68 041
Unobligated balance of the operational fund	1 773 840
	<u>1 841 881</u>

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

Certified correct
 (Signed) Lloyd CALLOW
 Comptroller

Approved
 (Signed) A. J. BROWN
 Acting Commissioner-General

Notes to the financial statements for the Bayssarieh Camp Fund for the period ended 31 December 1978

Note 1

This special fund was established as from 1 January 1978 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 2

Certain transactions related to this project actually occurred in 1977, namely the receipt of contributions and the earning of interest income on investments, although no expenditure was incurred prior to 1 January 1978. Consequently the initial operations account presented here exceptionally covers the entire period from establishment of the project in 1977 to 31 December 1978.

V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) The Agency's accounts are maintained in accordance with the Financial Regulations of the United Nations Relief and Works Agency 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 assets and liabilities and income (other than contributions from Governments and United Nations organizations) and expenditure are recognized on the accrual basis of accounting. Cash contributions from Governments and United Nations organizations are credited to income account in the financial period for which they are unconditionally pledged. Contributions in kind from Governments are credited to income account only for that part of the quantity pledged that is usable in that period; the remainder is allocated to income of later financial periods (see note 2 to the financial statements of the General Fund for exclusions from income).

(d) 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 transactions 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.

(e) Fixed assets of the Agency (vehicles, other equipment and certain lands and the buildings thereon) are not included in the assets reported in statement IV of the General Fund. Costs of these assets were fully charged to expenditure in the period of purchase, construction or budget commitment therefor. Memorandum records are maintained for such assets (see note 12 (a) to the financial statements of the General Fund for a summary report). Also not included in statement IV of the General Fund 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 also maintained for these buildings and refugee shelters, ownership of which will presumably revert to the land-owners concerned, although this is less certain in the case of refugee shelters (see notes 12 (c) and (d) to the financial statements of the General Fund for a summary report).

(f) Miscellaneous income:

(i) The net income realized from revenue-producing activities is reported as miscellaneous income;

(ii) Recoveries of expenditure which have been charged in the same financial period are credited against the same expenditure accounts, but recoveries of expenditures relating to earlier financial periods are credited to miscellaneous income.

(g) Gain or loss on exchange is reported as an addition to or deduction from income.

Part Three
REPORT OF THE BOARD OF AUDITORS

Report of the Board of Auditors to the General Assembly on the accounts of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the years ended 31 December 1977 and 31 December 1978

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 the Agency for the years ended 31 December 1977 and 31 December 1978.

2. The examination was conducted in accordance with article XII of the Financial Regulations and Rules 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 examinations were conducted at the UNRWA headquarters in Vienna and at the field offices in Lebanon, Jordan and the Syrian Arab Republic.

3. The Board of Auditors' normal practice of reporting the results of specific audits was continued during the years under review, with the result that management letters containing detailed audit observations were issued to the Administration. This practice has helped in developing a dialogue with the Administration and is consistent with the Board's new audit approach of applying systems-based auditing to all the organizations in the United Nations system for which the Board has audit responsibility.

4. The completion of UNRWA's 1977 accounts was delayed because of exceptional circumstances involving the security situation in Beirut and the relocation of the Agency's headquarters. Accordingly, this report contains the observations and recommendations arising from our review of the activities of UNRWA for both 1977 and 1978, and our examination of the accounts upon which we have expressed separate opinions.

INTERNAL AUDIT

5. We have reviewed the mandate of the internal audit function and its method of operation, and are concerned that it is not operating as effectively as it should for an organization of the size and complexity of UNRWA. In particular:

(a) The internal audit function is under the direction of the Comptroller and thus is not independent of the operational management which it evaluates;

(b) Audit reports, particularly on Agency headquarters operations, have not received the close attention they deserve. As a result, weaknesses in internal control and irregularities brought to management's attention have not been rectified, and the same observations and recommendations are repeated year after year;

(c) Internal audit examinations have been restricted to the financial areas of the Agency although contemporary internal audit standards call for audit

coverage to be extended to all the operations of an organization;

(d) The staff of the internal audit function have been called upon frequently to perform work of a non-audit nature, thus limiting the extent of internal audit activity;

(e) Professional development programmes are not made available to the audit staff.

6. In our opinion, a more comprehensive internal audit would provide better assurance to the Administration that the resources for which it is accountable are managed economically, effectively and efficiently. Accordingly, we have recommended that immediate attention be given to reviewing the present scope, size and organizational arrangements of the internal audit function.

7. The Administration has explained that the fairly chronic shortage of manpower in recent years and the difficult conditions under which the Agency's headquarters has operated since 1975 resulted in the use of internal audit staff in other areas and prevented management from paying close attention to the internal audit reports. A continued period of stability in headquarters operations and the filling of established posts should provide better audit programmes in 1979 and thereafter.

AREA STAFF PROVIDENT FUND

8. UNRWA entrusts the investments of the Provident Fund to commercial money managers while it retains over-all control of its operations. Considerable improvement in the management of the Fund would result if procedures were established to ensure that money managers complied with the investment policies, if investment monitoring procedures were improved, and if a policy for the receipt of contributions were clearly defined and established.

Investment policy

9. The Provident Fund's investment policy was revised during 1977 to allow the Fund's money managers to invest in relatively longer term investments which are readily realizable, but no formal procedures have been established to ensure that the new investment policy is fully complied with by the money managers. Since UNRWA is a temporary United Nations organization subject to termination of operations at comparatively short notice, non-compliance with the new policy could result in capital losses in investments to the Agency. Accordingly, we recommended that procedures should be established to ensure that all investments purchased by the money managers are in fact readily realizable.

10. The Administration has acknowledged our concerns and we urge that a study of the matter be undertaken at an early date.

11. Our examination of financial reports submitted by one of the three money managers of the Provident Fund, as well as internal audit reports thereon, disclosed unsatisfactory financial practices, unnecessary delays in the investment of funds resulting in losses of interest income, and a forward sale of investments without the knowledge and consent of the Agency. This latter activity resulted in an exchange loss of about \$100,000. We are concerned about both the standard of financial reporting and the manner in which the Agency's funds are handled.

12. We have recommended that in order to prevent similar occurrences, an early review of the arrangement with the money manager concerned should be undertaken in the interest of the Provident Fund.

Funding policy

13. At the present time, contributions by the Agency to the Provident Fund are made on an irregular basis. For instance, the first funding of contributions for 1978 was made in March 1978 and related to contributions for January and February 1978. In another instance, the December 1977 contribution was not made until mid-1978. Thus, it does not appear that the Agency's funding policy has been fully defined and accordingly we have suggested that appropriate action be taken to develop such a policy, including the disposition of any interest which should accrue to the fund as a result of delays in transfer of funds.

ACCOUNTING POLICY

Letters of credit

14. It is the practice of the Agency to deduct at the end of the financial year, the total value of letters of credit relating to unfulfilled purchase orders from its bank balances and add the same amount to prepaid expenses and advances to suppliers' accounts. On the first day of the following year, the Agency reverses the entries to restore the bank balances to their true position. The Agency also reports this amount as a contingent liability in the notes to the financial statements. At 31 December 1977 and 1978, outstanding letters of credit amounted to \$2.5 and \$1.1 million respectively.

15. While we agree that these amounts are correctly disclosed as contingent liabilities, the practice of reducing cash balances and increasing prepaid expenses for financial statements is not in accordance with generally accepted accounting principles and distorts the presentation of financial information. Accordingly, we have recommended that this practice be discontinued in future years.

16. During the course of our audit, a number of pertinent issues were discussed with officials of UNRWA and incorporated in our management letters. We are pleased to report that the Administration has taken appropriate action or agreed to give them further consideration. The more significant of these are outlined below:

(a) *Procurement system*

Our examination revealed instances of unusual contract awarding practices, non-conformance with prescribed procedures, and liberal interpretation and use of emergency powers. Accordingly, we have recommended that policies and procedures be reviewed to ensure that they conform to operational and internal control requirements and that all offices be alerted to the importance of complying with established procedures.

(b) *Cash management*

We have drawn to the attention of the Administration that a more effective utilization of funds would be achieved by a closer monitoring of current account balances which would prevent the accumulation of uninvested funds, prompt deposit of cash contributions by field offices, and more timely collection of accounts receivable.

(c) *Payroll procedures*

We recommended a strengthening of internal controls over international staff payroll procedures.

COMMENTS ON MATTERS DEALT WITH IN THE 1976 REPORT

17. The Administration has provided satisfactory explanations or taken appropriate action on the matters raised in the 1976 report, other than the question of internal audit which is referred to again in this report.

ACKNOWLEDGEMENT

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

(Signed) Ahenkora OSEI
Auditor General of Ghana

(Signed) J. J. MACDONELL
Auditor General of Canada

(Signed) Osman Ghani KHAN
Comptroller and Auditor General of Bangladesh

15 June 1979

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