American Near East Refugee Aid (ANERA) and its AMER Medical Division
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Washington, D.C. 20005
Tel. (202) 347-2558 Cable: ANERAIM

AMERICAN NEAR EAST REFUGEE AID
ANNUAL REPORT
1985

American Near East Refugee Aid (ANERA) — Middle East Office
29 Nablus Road, P.O. Box 19982
East Jerusalem, via Israel
Tel. 285766
American Near East Refugee Aid (ANERA) is a non-profit, charitable organization working to increase assistance in cash and kind from Americans to Palestinians and Lebanese. Most of ANERA's efforts are currently directed toward social and economic development in the occupied West Bank and Gaza Strip. ANERA also responds to civilian emergencies, usually the result of conflict, and promotes peace by increasing American understanding of the region.

American Middle East Rehabilitation (AMER) is the medical division of ANERA. Before becoming part of ANERA in 1971, AMER was the oldest non-sectarian American voluntary agency providing assistance to Palestinian refugees and other needy individuals in the Arab World. AMER assists medical programs in meeting their annual requirements of drugs and medical supplies and with emergency shipments in times of war.

Dear Friends of ANERA,

During the past year, ANERA continued its programmatic focus on vital and needy regions in the Middle East — the West Bank, Gaza, and Lebanon — but also undertook modest humanitarian projects in the Sudan, Jordan, and Iraq. In the current year, we foresee a similar pattern in this important, but troubled part of the world.

In the West Bank and Gaza, ANERA executes projects that assist Palestinians in the creation of jobs, enhancement of incomes, improvement of the environment, and betterment in their educational and health services. The projects also seek to strengthen Palestinian institutions such as cooperatives, municipalities, and charitable societies so that the fabric of the society will grow and better serve the people of the region. In this context, we believe that a strong and vibrant Palestinian society and the attendant positive social and economic development are not only required for humanitarian reasons, but also they actively contribute to the long search for peace in the troubled region.

As we unfortunately read in the press, Lebanon continues to suffer heavily from all forms of violence. Accordingly, ANERA provides assistance for immediate relief and health care as well as limited scholarship aid for the education of the next generation. We wait for the day when Lebanon is no longer a disaster and reconstruction can truly start in a meaningful way.

Finally, due to the famine in Africa, including the Sudan, we provided limited relief assistance there which we anticipate continuing in the current year.

To ANERA friends and donors, we wish to express our profound thanks. It is because of you that ANERA is able to sustain these needed humanitarian programs and projects with the Palestinians, Lebanese, and other people of the Middle East.

[Signature]
PROJECT ACTIVITY

In fiscal year 1985, extending from June 1, 1984 through May 31, 1985, ANERA and its AMER Medical Division gave assistance totalling $2,208,106 to institutions providing economic and community development, education, and health services to Palestinians and Lebanese in the West Bank, Gaza Strip and Lebanon. Of the total, $1,361,062 was in grants and services and a record amount of $847,044 was in medical supplies, books and shipping.

A summary of our program in the West Bank, Gaza Strip and Lebanon follows.

WEST BANK

The West Bank is an artificial entity on the bank of the Jordan River, militarily occupied by Israel since the 1967 War. Twenty refugee camps are located on the West Bank, housing Palestinians who fled there during the war. The Palestinians in those camps as well as those in the towns and villages must struggle with the problems of their stagnant economy. Per capita income is low and much of the labor force must work outside of the West Bank due to limited employment opportunities. These conditions make it difficult for communities to provide basic social services. Concerned Palestinians work to provide for their larger community through the means available to them, such as cooperatives, women’s charitable agencies, and health care associations.

ANERA projects seek to strengthen and nurture such grassroots endeavors. Examples of organizations ANERA assisted this year include an orphanage in Jerusalem that provides vocational training for boys and a Charitable Society in Hebron that provides mother/child health care. ANERA is also committed to assisting Palestinian communities in their long term development programs. We helped construct a fruit and vegetable market in Halhul, which will enable that municipality to regulate the sale of produce, thus improving the income of both individual farmers and the local government. Workers broke ground for the market in the spring of 1984 and the market is now completed. Another significant project in the Bethlehem suburb of Beit Jala, where a light industry building is also under construction. This facility will house over 30 shops rented to a variety of craftpeople, including stone cutters, carpenters, and mechanics. These shops will enhance the economy of Beit Jala and generate added revenues for the municipality.

These projects demonstrate ANERA’s approach to our work in the West Bank. By supporting the work of community groups in the areas of health care, education and community and economic development, we help to provide long term benefits for the Palestinians of the West Bank.
GAZA STRIP

The problems of occupation, unemployment, a lack of a local economic base, crowded refugee camps, and the need for social services are all intensified in the Gaza Strip. This area of land is about thirty miles long and five miles wide. A half million people are crowded there, the majority of whom lost their homes in 1948 when Israel was established. Ironically, despite the more severe economic hardships, the Palestinians of the Gaza Strip are also affected by a lack of visibility in the world community.

Palestinian agencies in the Gaza Strip attempt to address the area's problems in all sectors: education, health care, and the economy. This fiscal year ANERA continued its support of the Society for the Care of Handicapped Children, a local agency that has educated Gaza's mentally handicapped since 1976. Another example of our efforts took place this year through AMER, ANERA's medical division. A special donation of maternity care supplies is being put to good use through the nine Gaza-wide out-patient clinics operated by UNRWA (United Nations Relief and Works Agency).

ANERA is also participating in the Gaza Rainwater Conservation Project, a major undertaking that will improve the environment for the 200,000 people living in Gaza City. The project will address the problem of rainwater which now collects in the center of town, standing for weeks, blocking roads, damaging buildings and interfering with commerce. ANERA's funds will help channel this water, not out to sea, but to an artificial lake where it will percolate into the earth and raise the water level. This will increase the supply of water for both irrigation and domestic use. The project was begun in 1984 and ANERA's involvement will be ongoing until it is completed.

These projects typify ANERA's work. We strive to meet the needs of the larger community by working with the appropriate indigenous Palestinian institutions. Their strength will insure the betterment of the larger Palestinian society.
LEBANON

As the cycle of violence in Lebanon remains unbroken, the daily lives of Lebanese and Palestinians become more strained. News reports cite the occurrence of car bombings, random sniper fire, and the shelling of neighborhoods. But in the flurry of headlines, many Americans find it difficult to fathom the lives of those who must live with the seemingly endless conflict, unable to change or escape it.

Families that once collected snapshots of weddings and family gatherings now collect shrapnel and bomb fragments to show visitors, along with x-rays of their children's injuries. Due to the fighting, some families have moved many times and continue to live with the knowledge that they may have to flee again.

In this context of suffering, ANERA has continued its assistance to organizations that serve all groups in Lebanon. They perform outstanding work with specially affected populations:

- A revolving loan fund in Beirut helps artisans and shopkeepers reopen war damaged businesses, an important function in the devastated economy of Lebanon.
- In the southern city of Tyre, ANERA assists a vocational training center for women who are now the sole support of their families.
- In Beirut, ANERA helps an extensive rehabilitation and training program for the mentally and physically handicapped.
- In southern Lebanon and Beirut, ANERA supports medical clinics that serve the displaced and needy victims of fighting.

The warfare in Lebanon has penetrated the American consciousness. But these agencies bear witness to the everyday occurrence of acts of kindness and sharing: acts that are all the more impressive in the atmosphere of chaos that prevails.
## PROJECT LIST

### COMMUNITY & ECONOMIC DEVELOPMENT GRANTS

*These projects are pending Israeli Military Government approval. U.S. A.I.D.-funded projects not yet approved are not listed here.

<table>
<thead>
<tr>
<th>Institution/Service</th>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arab Women's Society Jerusalem, West Bank</td>
<td>mother/child health care, food for the needy, vocational training for Palestinian women</td>
<td>$5,000</td>
</tr>
<tr>
<td>Arab Women's Union Bethlehem, West Bank</td>
<td>mother/child health care, food for the needy, vocational training for Palestinian women</td>
<td>$5,000</td>
</tr>
<tr>
<td>Arab Women's Union Jerusalem, West Bank</td>
<td>mother/child health care, home for the elderly, food for the needy, vocational training for Palestinian women</td>
<td>$5,000</td>
</tr>
<tr>
<td>Association for the Development of Palestinian Camps Beirut, Lebanon</td>
<td>revolving loan fund to assist Palestinian artisans and shopkeepers to generate employment</td>
<td>$10,000</td>
</tr>
<tr>
<td>Beit Jala Municipality Beit Jala, West Bank</td>
<td>partial assistance in the construction of a municipal industrial building. The municipality will in future rent out industrial shops — Phase II</td>
<td>$185,000</td>
</tr>
<tr>
<td>Bethlehem Societies Committee for Rehabilitation and Development Bethlehem, West Bank</td>
<td>funding for revolving loan fund to assist artisans and shopkeepers to generate employment</td>
<td>$5,000</td>
</tr>
<tr>
<td>Charity Association for the Blind and Handicapped Lebanon</td>
<td>provides training and jobs for the blind and handicapped</td>
<td>$5,000</td>
</tr>
<tr>
<td>Halhul Municipality West Bank</td>
<td>construction of a wholesale fruit and vegetable market to assist farmers and generate funds for municipal services — Phase II</td>
<td>$250,000</td>
</tr>
<tr>
<td>Nahda Dairy Cooperative Nahda, West Bank</td>
<td>constructing and equipping an efficient hygienic milk processing plant for goat and sheep farmers</td>
<td>$200,000</td>
</tr>
<tr>
<td>Nassariya Dairy Cooperative Nassariya, West Bank</td>
<td>constructing and equipping an efficient hygienic milk processing plant for cattle farmers</td>
<td>$200,000</td>
</tr>
<tr>
<td>Palestinian Women's Union Gaza, Gaza Strip</td>
<td>library, training programs, health and dental care community activities in refugee camps</td>
<td>$5,000</td>
</tr>
<tr>
<td>Red Crescent Society Gaza, Gaza Strip</td>
<td>libraries, daycare centers, literacy programs, training of refugee women, and other special projects</td>
<td>$5,000</td>
</tr>
<tr>
<td>Services to Farmers West Bank and Gaza</td>
<td>provision of consultants in cooperatives, agronomy, and environmental engineering, The cooperative program is jointly conducted with the Near East Foundation</td>
<td>$28,087</td>
</tr>
<tr>
<td>West Bank/Gaza Produce Marketing West Bank and Gaza</td>
<td>regional and international marketing of fruits and vegetables in conjunction with agricultural marketing cooperatives and the Mennonite Central Committee</td>
<td>$10,000</td>
</tr>
<tr>
<td>Institution/Service</td>
<td>Purpose</td>
<td>Amount</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Women's Charitable Society, Hebron, West Bank</td>
<td>mother/child health care, food for the needy, literacy courses, vocational training for Palestinian women</td>
<td>$5,000</td>
</tr>
<tr>
<td>Y.M.C.A., Amman, Jordan</td>
<td>summer camp expenses for orphaned refugees</td>
<td>$2,000</td>
</tr>
<tr>
<td>Y.M.C.A., Gaza, Gaza Strip</td>
<td>leadership, community and sports programs for Palestinian youth in refugee camps in Gaza Strip</td>
<td>$5,000</td>
</tr>
<tr>
<td>Y.M.C.A., Jerusalem, West Bank</td>
<td>diversified programs for Palestinians in community activities and vocational training</td>
<td>$5,000</td>
</tr>
<tr>
<td>Y.W.C.A., Jerusalem, West Bank</td>
<td>diversified programs including cultural activities, sports programs and vocational training for Palestinian women</td>
<td>$5,000</td>
</tr>
<tr>
<td><strong>TOTAL, COMMUNITY &amp; ECONOMIC DEVELOPMENT:</strong></td>
<td></td>
<td><strong>$940,087</strong></td>
</tr>
</tbody>
</table>

**EDUCATION GRANTS**

*These projects are pending Israeli Military Government approval. U.S.A.I.D.-funded projects not yet approved are not listed here.*

<table>
<thead>
<tr>
<th>Institution/Service</th>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>American University of Beirut, Beirut, Lebanon</td>
<td>scholarships for needy students in Lebanon</td>
<td>$10,000</td>
</tr>
<tr>
<td>Beirut University College, Beirut, Lebanon</td>
<td>scholarships for needy students in Lebanon</td>
<td>$10,000</td>
</tr>
<tr>
<td>Benevolent Cultural Association of the Supreme Shi'a Council, Beirut, Lebanon</td>
<td>equipment and support for the group's vocational training center in south Beirut</td>
<td>$10,000</td>
</tr>
<tr>
<td>Bethlehem University, Bethlehem, West Bank</td>
<td>scholarships for needy Palestinian students</td>
<td>$5,000</td>
</tr>
<tr>
<td>Bir wa al-Ahsan, Tyre, Lebanon</td>
<td>equipment and support for the group's vocational training center for women in south Lebanon</td>
<td>$5,000</td>
</tr>
<tr>
<td>*Birzeit University, Birzeit, West Bank</td>
<td>scholarships for needy Palestinian students and general support of the University</td>
<td>$20,000</td>
</tr>
<tr>
<td>Dar El-Tiffi, Jerusalem, West Bank</td>
<td>elementary scholarships for orphans and destitute children</td>
<td>$16,125</td>
</tr>
<tr>
<td>Industrial Islamic Orphanage, Jerusalem, West Bank</td>
<td>food, clothing, shelter, general education and vocational training in carpentry, painting, furniture-making, tailoring and shoe making for Palestinian orphans</td>
<td>$5,000</td>
</tr>
<tr>
<td>Hakawati, Jerusalem, West Bank</td>
<td>scholarships and funding for the poor to participate in educational and drama programs</td>
<td>$5,000</td>
</tr>
<tr>
<td>Jeel al-Amal, Bethany, West Bank</td>
<td>education, food, clothing and shelter for orphaned and destitute Palestinian children</td>
<td>$10,000</td>
</tr>
<tr>
<td>Institution/Service</td>
<td>Purpose</td>
<td>Amount</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Kafa‘at Rehabilitation Institute</td>
<td>diversified programs and extensive training for physically and mentally handicapped children</td>
<td>$ 24,900</td>
</tr>
<tr>
<td>Legacy International Youth Program</td>
<td>scholarships for the participation of Palestinian and Lebanese youth in the program</td>
<td>$ 10,000</td>
</tr>
<tr>
<td>Rawdat El-Zuhur</td>
<td>elementary scholarships for orphans and destitute children</td>
<td>$ 16,510</td>
</tr>
<tr>
<td>Salesian Technical School</td>
<td>general support for vocational training</td>
<td>$ 5,000</td>
</tr>
<tr>
<td>Society for the Care of Handicapped Children</td>
<td>educational assistance for retarded children in the Gaza Strip</td>
<td>$ 10,000</td>
</tr>
<tr>
<td>United Nations Relief &amp; Works Agency (UNRWA)</td>
<td>scholarships for refugees in teaching, carpentry, mechanics, welding and business education</td>
<td>$ 2,200</td>
</tr>
<tr>
<td><strong>TOTAL, EDUCATION:</strong></td>
<td></td>
<td><strong>$164,935</strong></td>
</tr>
</tbody>
</table>

**HEALTH SERVICES GRANTS**

<table>
<thead>
<tr>
<th>Institution/Service</th>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amel — Lebanese Association for Popular Action</td>
<td>clinic serving the town and region of south Lebanon</td>
<td>$ 9,000</td>
</tr>
<tr>
<td>Druze Foundation for Social Welfare</td>
<td>clinics, food, shelter for displaced people</td>
<td>$ 10,000</td>
</tr>
<tr>
<td>Gaza Municipality Rainwater Conservation Project</td>
<td>storm water sewers and lagoon to conserve rainwater heretofore drained into sea, now to be used for irrigation and drinking and improve hygiene — Phase II</td>
<td><strong>$200,000</strong></td>
</tr>
<tr>
<td>Engineering Services</td>
<td>provision of a consultant to improve Gaza Municipal storm water collection project</td>
<td>$ 3,040</td>
</tr>
<tr>
<td>Grassroots International</td>
<td>medicine and food for Ethiopian refugees</td>
<td>$ 5,000</td>
</tr>
<tr>
<td>Lebanese Red Cross</td>
<td>aid for victims of the Lebanese conflict</td>
<td>$ 9,000</td>
</tr>
<tr>
<td>Middle East Council of Churches (Regional)</td>
<td>services to Palestinian refugees in the Middle East</td>
<td>$ 10,000</td>
</tr>
<tr>
<td>Secours Populaire</td>
<td>clinics and relief activities in Lebanon to</td>
<td>$ 10,000</td>
</tr>
<tr>
<td><strong>TOTAL, HEALTH SERVICES:</strong></td>
<td></td>
<td><strong>$256,040</strong></td>
</tr>
</tbody>
</table>
IN-KIND GRANTS
Institution/Service
Bethlehem University
West Bank

Iraqi Ministry of Health
Iraq

RAP, Inc.
Washington, D.C.

United Nations Relief & Works Agency (UNRWA)
West Bank and Gaza

World Health Organization
Lebanon

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>books for the university's library</td>
<td>$ 124</td>
</tr>
<tr>
<td>pharmaceuticals to assist civilian victims of war</td>
<td>$107,391</td>
</tr>
<tr>
<td>Washington, D.C. community service agency</td>
<td>$ 3,051</td>
</tr>
<tr>
<td>pharmaceuticals and medical supplies for refugee relief</td>
<td>$498,065</td>
</tr>
<tr>
<td>pharmaceuticals to assist civilian victims of war in Lebanon</td>
<td>$184,123</td>
</tr>
<tr>
<td>shipping costs</td>
<td>$ 54,290</td>
</tr>
<tr>
<td><strong>TOTAL, IN-KIND:</strong></td>
<td><strong>$947,044</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$2,208,106</strong></td>
</tr>
</tbody>
</table>

FINANCIAL REVIEW

Contributions to ANERA are tax deductible and ANERA is audited annually by the firm of Federman, Lesche and Tate. ANERA is registered with and adheres to the standards of the Advisory Committee on Voluntary Foreign Aid of the U.S. Agency for International Development, the National Charities Information Bureau, and the New York State Office of Charities Registration. ANERA is also a member of Independent Sector and Interaction, the American Council for Voluntary International Action.

ANERA receives support from more than 27,000 individual Americans, small businesses and churches, and from over 60 private foundations and corporations. As in previous years, ANERA received a grant from the U.S. Agency for International Development and continued participation in the Combined Federal Campaign through its membership in the International Service Agencies.
AUDITED FINANCIAL STATEMENT

FEDDEMAN, LESCHE & TATE
CERTIFIED PUBLIC ACCOUNTANTS

We have examined the balance sheet of American Near East Refugees Aid as of May 31, 1985, and the related statements of support, revenue and expenses and changes in fund balances and of functional expenses, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of American Near East Refugees Aid as of May 31, 1985, and the results of its operations and changes in fund balances and changes in financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Washington, D.C.
July 31, 1985

BALANCE SHEET

AMERICAN NEAR EAST REFUGEES AID
May 31, 1985

ASSETS

Cash and short-term investments:
Demand deposits
Savings deposits
Short-term investments
 Petty cash
$ 26,629
  689
  2,378
  132
  27,530

1,024,000
10,000
97,307
5,361

33,958

$1,160,556

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable
Payroll taxes payable
Deferred public support revenue
Grant commitments—Note A

935,000
942,450

FUND BALANCE

Unrestricted
Restricted

210,392
218,105

COMMITMENTS—Note B

$1,160,556

See notes to financial statements.

STATEMENT OF SUPPORT, REVENUE AND EXPENSES

AMERICAN NEAR EAST REFUGEES AID

Year ended May 31, 1985

PUBLIC SUPPORT AND REVENUE

Donor contributions
Contributions-in-kind
United States Government grants
Total Public Support
Revenue—interest and dividends
Total Revenue

446,788
856,976
697,767
2,100,552
24,295
2,124,847

1,548,559

EX pwd UES

Program Services:
Community and economic development
Education
Health services
Public information
Total Public Services
Supporting Services:
Fund raising
Management and general
Total Supporting Services
Total Expenses

48,931
96,766
907,557
26,158
42,975
107,537
19,176
190,859
1,303,259

1,447,551

1,460,404

1,444,396

26,158

1,328,131

1,335,516

2,125,038

EXCESS (DEFICIT) OF PUBLIC SUPPORT AND REVENUES OVER EXPENSES

26,800
(1,228)
25,572

FUND BALANCE, May 31, 1984
186,192
8,342
194,534

FUND BALANCE, MAY 31, 1985
$210,992
$7,114
$218,106

See notes to financial statements.

STATEMENT OF CHANGES IN FINANCIAL POSITION

AMERICAN NEAR EAST REFUGEES AID

Year ended May 31, 1985

SOURCES OF FUNDS

From operations:
Excess of public support and revenue over expenses
Add expenses (deduct revenue) not requiring funds in the current period:
Depreciation expense
Contribution of drugs, medical supplies and services to AREMA
Homeless of drugs, medical supplies and services to Middle East Projects
Increase in accounts receivable
Increase in prepaid items
Increase in accounts payable
Increase in payroll taxes payable
Increase in grant commitments
Income in deferred revenue
Total from Operations and Total Sources of Funds

$ 23,522
5,298
855,976
110,344
(322,552)
(1,957)
8,256
971
463,671
1,335,516

APPLICATIONS OF FUNDS

Purchases of fixed assets, net
Total Application of Funds

14,781

DECREASE IN CASH

124,730

CASH AND SHORT-TERM INVESTMENTS, MAY 31, 1985
$27,650

See notes to financial statements.
STATEMENT OF FUNCTIONAL EXPENSES
AMERICAN NEAR EAST REFUGEE AID
Year ended May 31, 1985

PROGRAM SERVICES

<table>
<thead>
<tr>
<th>Economic &amp;</th>
<th>Health</th>
<th>Public</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>Services</td>
<td>Information</td>
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<tr>
<td>Salaries</td>
<td>$ 86,629</td>
<td>$ 900</td>
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<tr>
<td>Payroll taxes</td>
<td>6,244</td>
<td>35</td>
</tr>
<tr>
<td>Medical insurance and retirement plan</td>
<td>9,336</td>
<td>94</td>
</tr>
<tr>
<td>Total salary and related expense</td>
<td>102,009</td>
<td>1,049</td>
</tr>
<tr>
<td>Professional and contract services</td>
<td>4,050</td>
<td>-</td>
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<tr>
<td>Occupancy</td>
<td>5,862</td>
<td>182</td>
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<tr>
<td>Office supplies and equipment</td>
<td>1,379</td>
<td>64</td>
</tr>
<tr>
<td>Telephone and telegraph</td>
<td>2,171</td>
<td>23</td>
</tr>
<tr>
<td>Postage, shipping and storage</td>
<td>51</td>
<td>57</td>
</tr>
<tr>
<td>Printing</td>
<td>520</td>
<td>-</td>
</tr>
<tr>
<td>Letters and computer services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Travel</td>
<td>10,058</td>
<td>-</td>
</tr>
<tr>
<td>Conferences and meetings</td>
<td>62</td>
<td>-</td>
</tr>
<tr>
<td>Cooperative and engineering services</td>
<td>28,087</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,086</td>
<td>265</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>753</td>
<td>-</td>
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<tr>
<td>Grants</td>
<td>912,000</td>
<td>164,935</td>
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<tr>
<td>Grants-in-kind</td>
<td>-</td>
<td>0</td>
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<tr>
<td>TOTAL EXPENSES</td>
<td>$1,069,068</td>
<td>$166,699</td>
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SUPPORT SERVICES

<table>
<thead>
<tr>
<th></th>
<th>Fund</th>
<th>Management and</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>Raising</td>
<td>General</td>
<td>Services</td>
<td>Expenses</td>
</tr>
<tr>
<td>Program</td>
<td>$ 129,291</td>
<td>$ 8,134</td>
<td>$109,603</td>
<td>$117,737</td>
</tr>
<tr>
<td>Support</td>
<td>9,115</td>
<td>481</td>
<td>6,169</td>
<td>6,650</td>
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<tr>
<td>Services</td>
<td>13,841</td>
<td>814</td>
<td>11,366</td>
<td>12,187</td>
</tr>
<tr>
<td>TOTAL</td>
<td>152,248</td>
<td>9,429</td>
<td>127,136</td>
<td>136,565</td>
</tr>
</tbody>
</table>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
AMERICAN NEAR EAST REFUGEE AID

NOTE A—SIGNIFICANT ACCOUNTING PRINCIPLES

Organizational Data: American Near East Refugee Aid (ANERA), is a non-profit corporation organized for the purpose of extending direct financial assistance and/or gifts in kind to Palestinian Arab refugees and other needy individuals in the Arab world. Consistent with this purpose is the support of developmental, educational, and vocational training programs in that area.

Method of Accounting: ANERA maintains its records on the accrual basis. Accordingly, revenues are recorded as earned and expenses as incurred.

Functional Allocations of Expenses: ANERA allocates salaries to various program and supporting services based on time worked on those services. Other expenses are allocated to the services on the basis of salary allocations.

Restricted Revenue and Expense: ANERA receives restricted grant funding from the Agency for International Development (AID) and also receives contributions restricted for specific projects. Income from the AID grant is recognized only to the extent of allowable expenditures. The receivable from AID represents unexpendable grant commitments plus unexpendable administrative expenses.

Grants-in-kind represent the liability for grants contracts open at May 31, 1985.

Furniture, Equipment and automobiles: Furniture, equipment and automobiles are carried on the balance sheet at cost. Depreciation on furniture, equipment and automobiles is computed on a straight-line basis over the useful lives of the assets (3-10 years).

Drugs and Medical Supplies: Drugs and medical supplies are received by the American Middle East Rehabilitation (AMER) division of ANERA as a result of appeals made to manufacturers and donors. These items are in turn donated to hospitals and relief agencies in the Middle East. Receipts and contributions of drugs and medical supplies are recorded at the value as established by the donors. Drugs and medical supplies that have not been donated at May 31, 1985 are shown as inventory.

NOTE B—COMMITMENTS

AMERICAN NEAR EAST REFUGEE AID

NOTE C—PENSION PLAN

AMERICAN NEAR EAST REFUGEE AID

NOTE D—AGENCY FOR INTERNATIONAL DEVELOPMENT (AID) GRANTS

At May 31, 1985, ANERA has awards from AID totaling $4,883,284 to assist economic development, health and educational programs in the West Bank and Gaza Strip. At May 31, 1985, 64% of this total is not obligated and is not recorded in ANERA's financial statements.

NOTE E—PLEDGES RECEIVABLE

Pledges receivable at May 31, 1985 include $10,000 which represents expense advances under The International Service Agencies Contribution Warranty Program. ANERA participates in the combined Federal Campaign through its membership in The International Service Agencies.
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ANERA wishes to recognize and express its gratitude to the following corporations and foundations. They, among others, have contributed generously to ANERA and helped make many humanitarian projects and emergency relief possible.

ALIA — The Royal Jordanian Airline
Arab Petroleum Investments Corporation
Arabian American Oil Company
Bechtel Power Corporation
Black & Veatch International Engineers — Architects
CH2M Hill International
The Chase Manhattan International Foundation
The Chevron Fund
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