

**ANERA**  
AMERICAN  
NEAR EAST  
REFUGEE AID  
ANNUAL REPORT  
1988



**American Near East Refugee Aid  
(ANERA) and its AMER  
Medical Division**  
1522 K Street, N.W. #202  
Washington, DC 20005  
Tel. (202) 347-2558

Middle East Offices in  
Jerusalem and Gaza

*20 Years of Service  
1968-1988*



## INTRODUCTION

**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. Concerned Americans founded ANERA in 1968 in response to the needs of Palestinian refugees after the 1967 war. Over the years ANERA has evolved into an organization principally concerned with the long-term development needs of Palestinians and Lebanese. ANERA assists grassroots organizations to provide their communities with crucial health and welfare services in addition to increasing employment and educational opportunities. ANERA also provides relief assistance in response to civilian emergencies, usually the result of conflict. Through these efforts and through increasing American understanding of the region, ANERA promotes peace.

**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.

## PRESIDENT'S LETTER



Dear Friends of ANERA,

Intifada. Uprising. These are the words in Arabic and English describing the dramatic events of 1988 in the West Bank and Gaza. The Palestinians in these militarily occupied lands are seeking a political change. And they are acting to attempt to attain this goal.

Within this truly troubled context, ANERA was able to continue to serve. With relief and development projects, we worked with indigenous Palestinian groups and institutions trying to meet local needs and improve people's lives. The uprising made these needs more acute and ANERA was there to respond.

ANERA sustained its program in Lebanon where the violence, and now the economic collapse, threaten both lives and livelihoods. Cooperating with valiant grassroots groups, ANERA assisted the people of Lebanon, irrespective of religion or ethnicity, as they attempted to address this deteriorating situation.

For the coming year, we naturally cannot predict the future. But we very much expect and intend that ANERA will continue to be fully engaged with our programs and projects in the West Bank, Gaza, and Lebanon as well as in Jordan and Israel, again in close association with local grassroots organizations and groups.

Aside from all the important relief and development tasks, ANERA marked its twentieth anniversary this year. Please see the section in this report entitled "ANERA's Twenty Years of Service" for a retrospective view of ANERA and its work.

This year, as in the past twenty years, ANERA's programs focus on working with people. It is they who make the projects function. Equally important are ANERA's friends in the United States and other lands. With your support and help, our work - our service - is possible. We and our friends in the Middle East express our thanks to you.

Peter Gubser  
President

*Throughout the West Bank and Gaza Strip ANERA works to support agriculture . . .*



*health needs . . .*

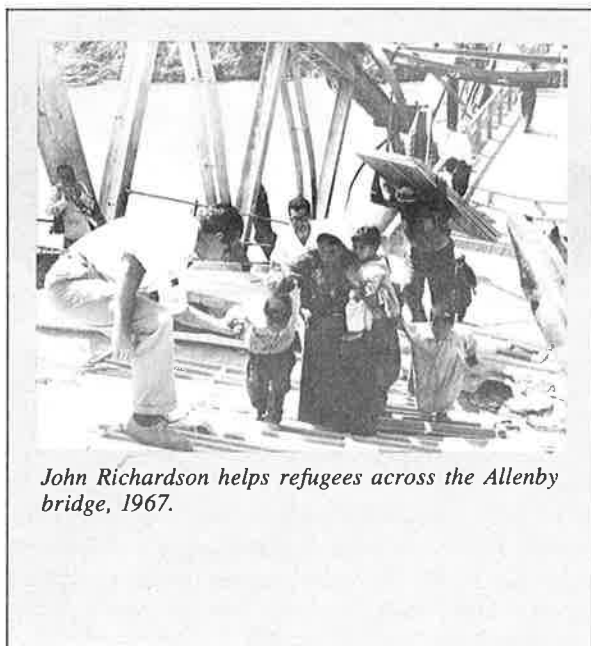


*and income-producing projects.*



## ANERA's Twenty Years of Service

The first phase of ANERA began in the aftermath of the June 1967 Arab-Israeli war, when Arab-American and other grassroots groups sprang up or expanded existing efforts to provide emergency assistance to Palestinian refugees streaming east across the Jordan River. Although many people played key roles in the process of creating ANERA, there is little disagreement that without two men--Orin Parker and Jim Sams--there might be no ANERA today. Mr. Parker made the institutional resources of American Friends of the Middle East (AFME, now AMIDEAST) available as a clearing house and coordination point for many activities going on around the country, and Jim Sams put his law practice virtually "on hold" for the better part of a year while he helped channel the energy--and anger--of that summer into constructive directions.



*John Richardson helps refugees across the Allenby bridge, 1967.*



*Carrying water in a refugee camp, Tripoli, Lebanon, 1952.*

UNRWA

The first major event in ANERA's creation was a meeting in Washington, held at AFME, of leaders of the dozen or so most active Arab-American groups which focused on how to establish a national organization to assist Palestinian refugees. A larger conference in Detroit in October 1967 approved a plan of action that included encouraging grassroots organizations to contribute financially to the fledgling entity. ANERA was officially born as a tax-exempt, charitable corporation in February 1968; its articles of incorporation were signed by Reverend Edward L.R. Elson, Harry N. Howard, and James F. Sams. In sum, ANERA's birth and early growth were strongly influenced by its deep roots in a basic humanitarian issue with wide, popular ramifications.

A key event in ANERA's ability to professionalize was an early 1968 matching grant of \$100,000 from NEED (Near East Emergency Donations), which had raised large sums from the American business community in the summer of 1967 and given most of it to UNRWA, the United Nations Relief and Works Agency for Palestine Refugees. With former Presidents Truman and Eisenhower as Honorary Co-Chairman and James Linen of Time, Inc. directing its activities, NEED's backing of the fledgling ANERA sent a signal that corporate America was prepared to join hands with grassroots groups in bringing the new entity into existence.

Another milestone was agreement by Dr. John H. Davis to become ANERA's first president and chairman. Dr. Davis, who passed away in February 1988, had achieved distinction as an agricultural economist and Eisenhower sub-Cabinet official prior to serving as UNRWA Commissioner-General from 1959-64. Author of a lucid book on the Arab-Israeli conflict, Dr. Davis epitomized the mix of humanitarian concern and practical candor for which ANERA has become known.



UNRWA

*Mealtime in Jebaliya camp, Gaza, 1971.*

John P. Richardson came to ANERA with extensive Middle East experience in Beirut and Washington, DC. As ANERA's first executive director and second president he led the organization's first nine years. There were many memorable events in those years: establishing ANERA's support to indigenous projects in the occupied territories; with the assistance of Drs. Emmett Holt and M. Hadi Salem, the merger of American Middle East Rehabilitation (AMER), then the oldest non-sectarian American voluntary agency providing assistance to Palestinian refugees and other individuals in the Arab World, with ANERA as its gifts-in-kind division; a leadership role in a mass prayer service at the Washington Cathedral for peace in the Holy Land; over \$2 million raised for relief work during the 1973 Arab-Israeli war; creation of the link with the (U.S.) Agency for International Development by which ANERA became a channel for taxpayer funds going into economic development in the

occupied territories; opening the ANERA office in East Jerusalem; and developing support from a broad base in grassroots America.

The transition to ANERA's second decade was marked by both continuity and change. Following Dr. Davis, the organization enjoyed the advice and assistance of a series of capable chairmen: Evan M. Wilson, former Consul General in Jerusalem; Thomas M. Rees, former member of the U.S. House of Representatives from California; Merle Thorpe, Jr., lawyer and founder of the Foundation for Middle East Peace; L. Dean Brown, former ambassador to Jordan.

In 1976, ANERA opened an office in Jerusalem and in 1984 added another in Gaza. The first ANERA Middle East Representative was Henry O. Selz, a seasoned professional who had worked in third world development since the end of World War Two. After ten years in this often difficult job, he retired to be replaced by Lance Matteson, who came with considerable development experience in Africa (Mali) as well as seven years practicing law in Washington state.

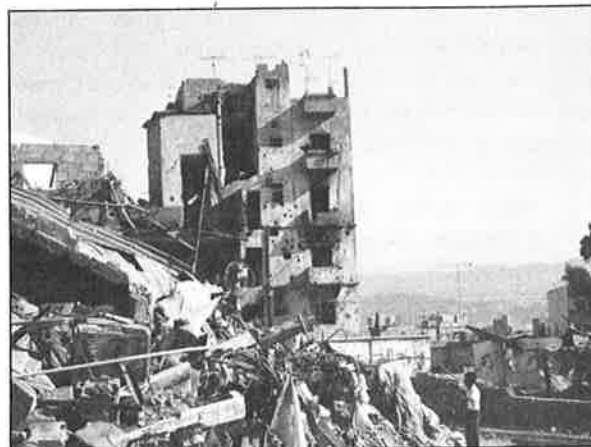
In 1977, John P. Richardson left ANERA to pursue other Middle East interests. He was replaced by Peter Gubser who brought with him a broad academic background in the Middle East as well as years of direct development experience in the region with the Ford Foundation and in conducting field research.

Over the years, ANERA's assistance program has evolved and grown. Always working with local organizations in the region, we originally focused on projects that emphasized the great needs of the time: relief, welfare, and technical education. While ANERA has not eschewed these still very real needs, it has added, especially in its second decade, a strong development component to its program. In this new thrust, it has utilized funds from its broad base of American donors as well as grants from the U.S. Agency for International Development.

ANERA's development program operates under a couple of broad objectives in formulating and implementing its projects with indigenous self-help efforts in the West Bank and Gaza Strip. On the one hand, we seek to help the local Palestinian society develop its ability to increase or improve employment and income, educational opportunities, and health care. On the other, we assist the society as it addresses the problems of building and strengthening its institutions which, in turn, allow the people to gain added control over their own lives.

The reasons behind these objectives, we believe, are relatively obvious. The first set of reasons revolves around the basic needs of any society. Accordingly, addressing them should improve the welfare of the people involved: jobs and income enhance a family's ability to provide for itself; education helps individuals to obtain employment or increase income as well as to better participate in the society; health care is an essential human need of all people. The thinking behind the second objective arises from the basic philosophy whereby if people have greater control over their lives, they are better off, and increasingly will be better off, psychologically, economically, and, in a fundamental way, politically. This local empowerment is not only on an individual basis, but also through local institutions which make up the fabric of the society. As the institutions grow and strengthen, they are in an improved position to serve the individuals and groups within the society and give them more opportunity to control their local affairs. Those Palestinian and Lebanese institutions or organizations with which ANERA cooperates include: women's groups, schools, agricultural cooperatives, other grassroots organizations, and municipalities.

Parallel with this change, ANERA has expanded its geographical reach. Due to the ongoing strife in Lebanon associated with the civil war and Israeli invasions, we have expanded our financial and in-kind programs in that unfortunate country. Additionally, in a modest manner,



*Civilian losses were staggering, Saida, Lebanon, 1982.*

we initiated a few projects with Palestinian groups in Israel in the last 3-4 years.

During and after the various Middle East crises, ANERA has attempted to respond to the new and often extensive humanitarian needs in a timely and practical manner. Unfortunately, there have been far too many crises calling for a response during ANERA's two decades. ANERA was born of the 1967 Arab-Israeli war and the new wave of refugees flowing out of Gaza and the West Bank into Jordan. In 1973, after yet another Arab-Israeli war, ANERA provided funds and in-kind materials to assist in the reconstruction. The Lebanese civil war starting in 1975 and Israeli invasions of Lebanon in 1978 and 1982 have caused untold death and injury and created a continuous demand for relief and welfare services from the numerous Lebanese groups with which ANERA works. Finally, the West Bank and Gaza have been without a government of their own since 1967. Most recently this void -- and the peoples' considerable needs -- has been highly dramatized by the Palestinian uprising (*intifada*) starting in December 1987 and continuing as of this writing. Once again, ANERA has been able to assist, providing financial aid and in-kind materials to local grassroots groups serving the people.

In the U.S., ANERA, too, has grown. In its first year, ANERA's budget did not exceed \$300,000; by the end of our first decade, we had reached \$1,300,000; and in 1988 our budget was over \$3,000,000.

Much more important is the response of the American people. Starting from zero in early 1968, our donors now number over 25,000. This shows that Americans do care about the humanitarian needs of the Palestinians and Lebanese. We identify with them as human beings with the same needs and rights, albeit not realized, that we have. It is the people in the U.S. and the people in the West Bank, Gaza, Lebanon, and the Middle East that create the *raison d'être* for ANERA. It is you who make this people-to-people program work.

John P. Richardson  
Peter Gubser



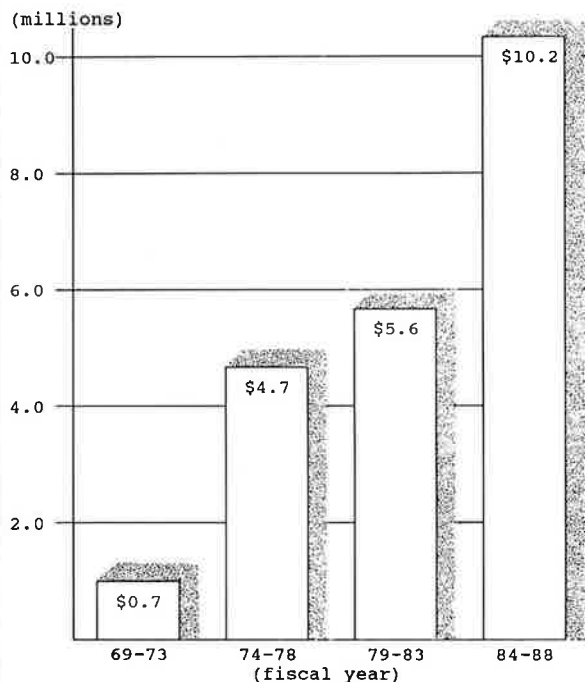
*ANERA has assisted children at Dar-El-Tifl school in East Jerusalem for many years.*

## PROJECT ACTIVITY

In fiscal year 1988, extending from June 1, 1987 through May 31, 1988, ANERA and its AMER Medical Division gave assistance totalling \$2,355,632 to institutions providing economic and community development, education and health services to Palestinians and Lebanese in the West Bank, Gaza Strip, Lebanon and Israel. Of the total, \$2,165,805 was in grants and services, and \$189,827 was in medical supplies and shipping.

### Twenty Years of Progress

ANERA Projects by  
Five Year Increments  
(millions of dollars)



# PROJECT LIST

## COMMUNITY AND ECONOMIC DEVELOPMENT

### Women's Service Organizations

mother/child health care, food for the needy, literacy programs and vocational training for women. Arab Women's Union (Bethlehem, West Bank), Arab Women's Union (Jerusalem, WB), Women's Charitable Society (Hebron, WB), Kalandia Refugee Camp Cooperative (Kalandia, WB), Palestinian Women's Union (Gaza City, Gaza), YWCA (Jerusalem, WB).

\$ 30,000

### Revolving Loan Funds

revolving loan funds to assist Palestinian farmers, artisans and shop keepers to generate employment. Bethlehem Societies for Rehabilitation and Development (Bethlehem, WB), Association for the Development of Palestinian Camps (Beirut, Lebanon), Nablus Agricultural Produce Marketing Cooperative (Nablus, WB).

\$ 53,150

### Irrigation

establish irrigation infrastructures and networks with West Bank village cooperatives in Irtas and Nazlah Sharqiya.

\$ 41,000



*Children playing near exposed sewage in Gaza.*

### Municipal Projects

construction of slaughter houses and a wholesale fruit and vegetable market in conjunction with the training of personnel to serve the needs of the region and generate funds for municipal services. The projects are with the municipalities of El-Bireh, Nablus and Halhul (West Bank), and Khan Younis (Gaza).

\$393,000



*Installing modern sewage system with ANERA's assistance.*



*Clean and safe streets in Gaza.*

### Grassroots Community Organizations

libraries, clinics, literacy programs, vocational and leadership training, handicapped workshop, assistance to orphans. Red Crescent Society (Gaza City, Gaza), YMCA (Gaza City, Gaza), YMCA (Amman, Jordan), YMCA (Jerusalem, WB), Sheltered Workshop for the Blind (Jerusalem, WB), The House of Hope (Shefa-Amr, Galilee, Israel), Maker Community Center (Maker, Galilee, Israel).

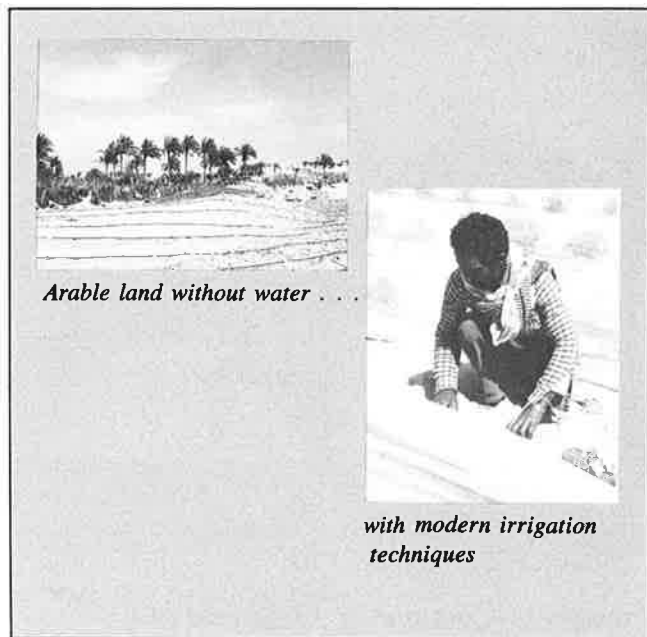
\$ 41,000



## Services to Farmers

provision of consultants in agriculture and co-operatives; introduction of appropriate technology at farm level; initiate seed growing program in Lebanon; and provision of equipment for research on and subsequent introduction of new crops for farmers' use. The cooperative and technology projects are jointly conducted with the Near East Foundation; the Agricultural Engineers Cooperative (Jericho, WB) and ICARDA, the International Center for Agricultural Research in Dry Areas (Syria and Lebanon), implement the technology and research projects.

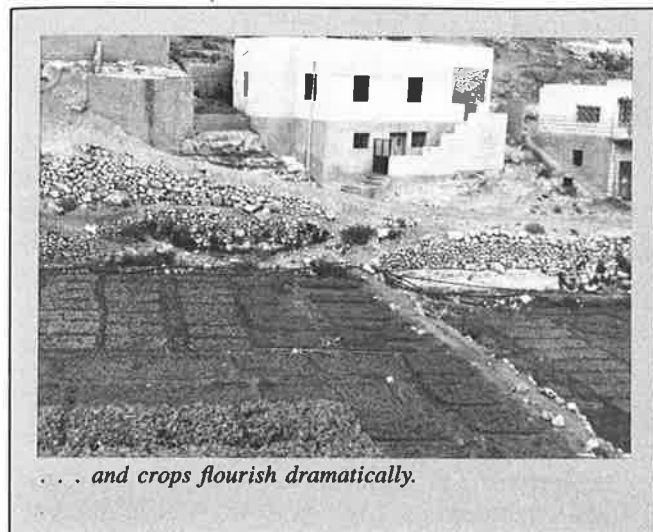
\$152,679



## Agricultural Produce Marketing and Land Improvement

partial funding to establish mechanized units to improve land as well as sort, grade, and box agricultural produce with cooperatives in Khan Younis (Gaza), Jericho, Jenin, Ramallah, and Nablus (WB).

\$191,950



## Dairy and Livestock Cooperatives

partial funding to establish model dairies, feedlots and breeding centers for cattle and sheep to improve hygienic and animal husbandry practices. The projects are with West Bank village dairy and livestock cooperatives in Beit Nuba, Issa, Jenin, Kufr Na'imeh, Nassariya, Sawahreh Sharqiya, and Tulkarem.

\$202,206

## Agriculture Service Cooperatives

establish agricultural mechanized units (tractors, implements) with West Bank cooperatives in Azzoun, Beit Jala, Hebron, Qalqiliya, Tarqumiya, Tulkarem.

\$223,228

## Grapes and Poultry

with the Hebron Agricultural Cooperative, establish a phylloxera (grape vine disease) eradication program; with the Ramallah Poultry Cooperative, expansion of a chicken feedmill to serve West Bank poultry farmers.

\$103,150

*Total Community and  
Economic Development.....\$1,431,363*

## EDUCATION

### Child Sponsorships

elementary scholarships for orphaned, destitute and handicapped children. Rawdat El-Zuhur (Jerusalem, WB), Dar El-Tifl (Jerusalem, WB), Al-Kafaat Rehabilitation Center (Beirut, Lebanon).

\$ 76,580

### Youth Programs and Schools

equipment and expertise to improve programs and scholarships to attend leadership/peace camps. Jeel Al-Amal (Bethany, WB), Hebron Union of University Graduates Polytechnic (Hebron, WB), Legacy International Youth Program, Salesian Vocational Training School (Bethlehem, WB), Institut de Reeducation Audio-Phonetique (Biacourt, Lebanon).

\$182,564

### Aid to the Handicapped

equipment, training, and support for programs assisting the handicapped. Society for the Care of Handicapped Children (Gaza City, Gaza), Rama Local Council (Rama, Galilee, Israel).

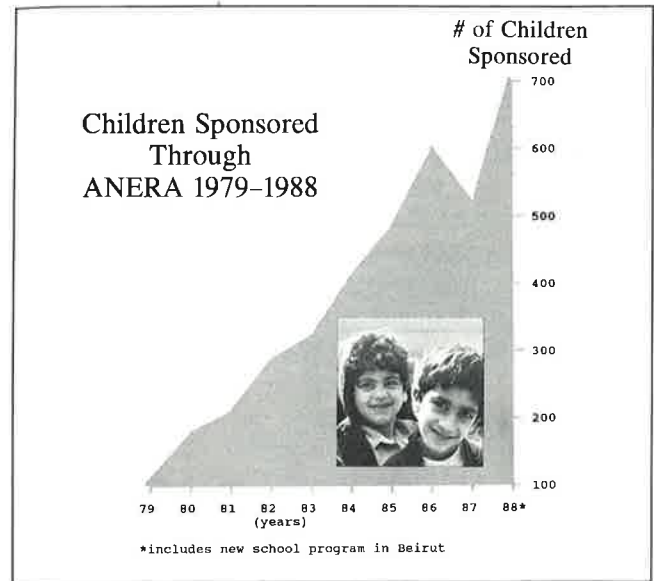
\$ 70,000

### Scholarships at Universities

scholarships for needy Lebanese and Palestinians to attend American University of Beirut (Lebanon), Beirut University College (Lebanon), Bethlehem University (Bethlehem, WB), Birzeit University (Birzeit, WB).

\$116,470

*Total Education.....\$445,614*



## HEALTH SERVICES

### Relief Organizations

providing assistance to the victims of conflict in Lebanon, West Bank, and Gaza: food, shelter, clothing, blankets, clinics. Amel-Lebanese Association for Popular Action (Lebanon), Lebanese Red Cross (Lebanon), Secours Populaire (Lebanon), United Nations Relief and Works Agency for Palestine Refugees (WB and Gaza).

\$ 75,000

### Hospitals and Clinics

hospital and clinic services as well as consulting services. Al-Ahli Arab Hospital (Gaza City, Gaza), Ittihad Hospital (Nablus, WB), Maqassid Hospital (Jerusalem, WB), The Nazareth Hospital (Nazareth, Galilee, Israel), Patients Friends Society (Hebron, WB) clinics in rural areas.

\$213,828

*Total Health Services.....\$288,828*

## IN-KIND MATERIALS

### Pharmaceuticals

medicines for hospitals and clinics which serve the poor and destitute. American University of Beirut Hospital (Lebanon), United Nations Relief and Works Agency for Palestine Refugees, (Middle East, regional), Association of Catholic Charities (Washington, DC), Committee for Creative Non-Violence (Washington, DC).

\$184,366

*Shipping costs*.....\$5,461

*Total In-Kind*.....\$189,827

***TOTAL***.....\$2,355,632



**help Children in  
Jerusalem  
GET AN EDUCATION**

Through ANERA, you can sponsor a poor or orphaned Palestinian child for a year's education at one of two excellent Jerusalem grade schools.

During the year, you will receive a letter from the school and a picture of the child. And you will know you have made a real difference in a child's life

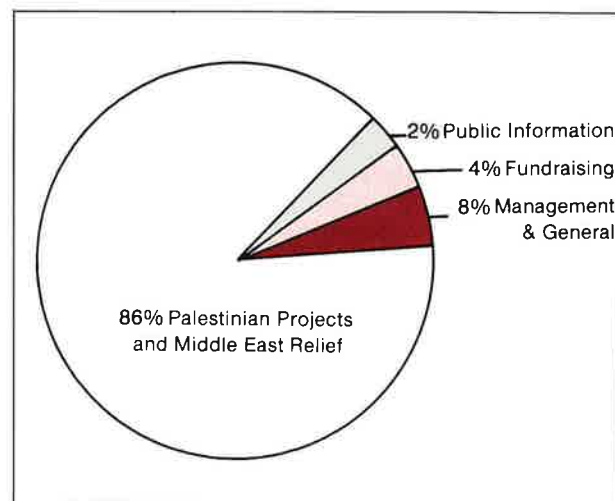
**GIVE CHILDREN A GIFT  
THAT CAN NEVER BE  
TAKEN AWAY**



**ANERA Reaches Out**  
*Our newsletter reaches  
35,000 readers. Ads in  
over 30 publications help  
spread the word.*

## FINANCIAL REVIEW

Contributions to ANERA are tax-deductible and ANERA is audited annually by the firm of Feddeman, 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 InterAction, the American Council for Voluntary International Action.



ANERA receives support from more than 25,000 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. Through its membership in the International Service Agencies, ANERA continued its participation in the Combined Federal Campaign.

# AUDITED FINANCIAL STATEMENTS

FEDDEMAN, LESCHE & TATE  
CERTIFIED PUBLIC ACCOUNTANTS

2021 K STREET NW SUITE 750 WASHINGTON, D.C. 20006 (202) 466-5678

W. KENT FEDDEMAN, CPA  
ROBERT F. LESCHE, CPA  
CHARLES F. TATE, CPA

To the Board of Directors  
American Near East Refugee Aid  
Washington, D.C.

We have examined the balance sheet of American Near East Refugee Aid as of May 31, 1988, and the related statements of support, revenue and expense, of functional expense, and of 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 Refugee Aid as of May 31, 1988, and the results of its operations and the changes in its 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.

*Feddeman, Lesche & Tate*

Washington, D.C.  
August 5, 1988

## BALANCE SHEET

### AMERICAN NEAR EAST REFUGEE AID

May 31, 1988

#### ASSETS

##### CURRENT ASSETS

Cash and short-term investments:	
Petty cash	\$ 128
Demand deposits	4,176
Short-term investments	<u>366,981</u>
	371,285

Receivable from Agency for International Development	85,918
Inventory of drugs and medical supplies	6,866
Advances and prepaid items	<u>25,318</u>
Total Current Assets	489,387

FURNITURE, EQUIPMENT, AND AUTOMOBILE, net  
of allowances for depreciation of \$66,991

39,707  
\$529,094

#### LIABILITIES AND FUND BALANCES

##### CURRENT LIABILITIES

Accounts payable and accrued payroll taxes	\$ 17,439
Accrued leave	<u>27,435</u>
Total Current Liabilities	44,874

##### FUND BALANCES

Unrestricted	\$160,094	
Restricted	<u>324,126</u>	484,220

COMMITMENT - Note D

\$529,094

See notes to financial statements.

## STATEMENT OF SUPPORT, REVENUE AND EXPENSE

### AMERICAN NEAR EAST REFUGEE AID

Year Ended May 31, 1988

	Unrestricted	Restricted	Total
<b>PUBLIC SUPPORT AND REVENUE</b>			
Public Support:			
Donor contributions	\$503,838	\$ 509,218	\$1,013,056
Contributions-in-kind	179,069		179,069
United States Government grants		1,832,918	1,832,918
Total Public Support	682,907	2,342,136	3,025,043
Revenue - interest	36,145		36,145
TOTAL PUBLIC SUPPORT AND REVENUE	719,052	2,342,136	3,061,188
<b>EXPENSE</b>			
Program Services:			
Community and economic development	52,478	1,587,694	1,640,172
Education	103,773	364,717	468,490
Health services	290,929	724,009	1,014,938
Public information	58,798		58,798
Total Program Services	505,978	2,176,420	2,682,398
Supporting Services:			
Fund raising	112,944		112,944
Management and general	82,220	163,941	246,161
Total Supporting Services	195,164	163,941	359,105
TOTAL EXPENSE	701,142	2,340,361	3,041,503
<b>EXCESS OF PUBLIC SUPPORT AND REVENUE OVER EXPENSE</b>	17,910	1,775	19,685
Fund balances, June 1, 1987	142,184	322,351	464,535
<b>FUND BALANCES, MAY 31, 1988</b>	<u>\$160,094</u>	<u>\$ 324,126</u>	<u>\$ 484,220</u>

See notes to financial statements.

## STATEMENT OF CHANGES IN FINANCIAL POSITION

### AMERICAN NEAR EAST REFUGEE AID

Year Ended May 31, 1988

#### SOURCES OF WORKING CAPITAL

From operations:	
Excess of public support and revenue over expense	\$19,685
Add item not affecting working capital:	
Depreciation	<u>12,759</u>
Total Sources of Working Capital from Operations	32,444

#### USES OF WORKING CAPITAL

Acquisitions of furniture, equipment and automobile, net	<u>14,079</u>
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#### INCREASE IN WORKING CAPITAL

\$18,365

#### CHANGES IN COMPONENTS OF WORKING CAPITAL

Increase (decrease) in current assets:	
Cash and short-term investments	\$15,728
Receivable from AID	10,918
Inventory of drugs and medical supplies	( 5,654)
Advances and prepaid items	<u>10,301</u>
	31,293

Decrease (increase) in current liabilities:	
Accounts payable and accrued payroll taxes	\$( 5,493)
Accrued leave	(27,435)
Grant commitments	10,000
Deferred revenue	<u>10,000</u>
	(12,928)

#### INCREASE IN WORKING CAPITAL

\$18,365

See notes to financial statements.



## STATEMENT OF FUNCTIONAL EXPENSE

## AMERICAN NEAR EAST REFUGEE AID

Year Ended May 31, 1988

	Community and Economic Development	Education	Health Services	Public Information	Total Program Services	Fund Raising	Management and General	Total Supporting Services	Total Expense
Salaries	\$ 104,801	\$ 7,697	\$ 17,961	\$21,663	\$ 152,122	\$ 8,838	\$143,765	\$152,603	\$ 304,725
Fringe benefits	14,413	1,100	2,669	3,548	21,730	1,687	25,771	27,458	49,188
Total salaries and fringe benefits	119,214	8,797	20,630	25,211	173,852	10,525	169,536	180,061	353,913
Professional and contract services	6,156	6,319	849		13,324	18,783	19,042	37,825	51,149
Occupancy	28,349	1,843	8,069	3,468	41,729	1,449	23,667	25,116	66,845
Office supplies and equipment	14,339	803	2,075	603	17,820	247	6,806	7,053	24,873
Telephone and telegraph	6,441	445	1,038	333	8,257	163	2,582	2,745	11,002
Postage, shipping and storage	518	27	3,054	6,964	10,563	35,528	9,030	44,558	55,121
Printing	634	33	87	18,430	19,184	40,875	4,218	45,093	64,277
Lettershop and computer services				729	729	4,611		4,611	5,340
Travel	21,361	1,896	2,982	273	26,512	189	206	395	26,907
Meetings and memberships	2,373	207	322	2,234	5,136		7,355	7,355	12,491
Cooperative, agricultural and engineering services	70,200	7,564	6,150		83,914				83,914
Depreciation	6,881	1,965	2,160	247	11,253	473	1,033	1,506	12,759
Miscellaneous	2,543	541	478	306	3,868	101	2,686	2,787	6,655
Grants	1,361,163	438,050	282,678		2,081,891				2,081,891
Grants-in-kind			184,366		184,366				184,366
TOTAL EXPENSE	\$1,640,172	\$468,490	\$514,938	\$58,798	\$2,682,398	\$112,944	\$246,161	\$359,105	\$3,041,503

See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

## AMERICAN NEAR EAST REFUGEE AID

## NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization:** American Near East Refugee Aid (ANERA) is a nonprofit 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. ANERA is exempt from the payment of income tax under Section 501(c)(3) of the Internal Revenue Code.

**Basis of Accounting:** ANERA's financial statements have been prepared on the accrual basis of accounting. Consequently, revenue is recognized when earned and expense when incurred.

**Receivable from AID:** The receivable from AID represents unreimbursed administrative expenses at May 31, 1988.

**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 doctors. 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, 1988 are shown as inventory.

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

**Restricted Funds:** ANERA receives restricted grant funding from the Agency for International Development (AID) and also receives contributions restricted for specific projects. Revenue from the AID grant is recognized only to the extent of allowable expenditures.

**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.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

## AMERICAN NEAR EAST REFUGEE AID

## NOTE B - AGENCY FOR INTERNATIONAL DEVELOPMENT (AID) GRANTS

As of May 31, 1988, AID has awarded ANERA a total of \$9,539,366 to assist economic development, health, and educational programs in the West Bank and Gaza Strip. At May 31, 1988, \$1,795,110 of this total is not obligated and is not reflected in ANERA's financial statements.

## NOTE C - PENSION PLAN

ANERA has a defined contribution pension plan that covers substantially all of its employees. The plan is fully funded through the purchase of annuity contracts. Contributions under the plan were approximately \$12,000 for the year ended May 31, 1988.

## NOTE D - COMMITMENT

ANERA occupies office space under a noncancelable operating lease which expires August 31, 1989. As of May 31, 1988, the minimum future lease payments under this agreement are as follows:

Year Ended May 31,	Amount
1989	\$32,400
1990	8,100
	<u>\$40,500</u>

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## Corporate & Foundation Support

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 our humanitarian and emergency relief projects possible.

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