

THE ALLIANCE FOR MIDDLE EAST PEACE, INC.
(a nonprofit organization)

Financial Statements

August 31, 2021

With Independent Auditors' Report
Certified Public Accountants



Turner, Leins & Gold, LLC
Certified Public Accountants

THE ALLIANCE FOR MIDDLE EAST PEACE, INC.

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Independent Auditors' Report

To the Board of Directors and Management of
The Alliance for Middle East Peace, Inc.

Opinion

We have audited the accompanying financial statements of Alliance for Middle East Peace, Inc (a nonprofit organization), which comprise the statement of financial position as of August 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alliance for Middle East Peace, Inc as of August 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Alliance for Middle East Peace, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Alliance for Middle East Peace, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ORR's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Alliance for Middle East Peace, Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matter - Report on Summarized Comparative Information

We have previously audited the Alliance for Middle East Peace, Inc's financial statements, and we have expressed an unmodified opinion on those audited financial statements in our report dated May 26, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Turner, Leino + Gold, LLC

Vienna, Virginia
May 31, 2022

The Alliance for Middle East Peace, Inc.
Statement of Financial Position
August 31, 2021
(August 31, 2020 comparative totals)

Assets	2021	2020
Current assets:		
Cash and equivalents	\$ 953,140	\$ 680,222
Grants receivable	75,000	
Tax refund receivable	-	4,459
Total current assets	<u>1,028,140</u>	<u>684,681</u>
Grants receivable, long-term	75,000	-
Property and equipment, net	<u>1,013</u>	<u>1,602</u>
Total assets	<u><u>\$ 1,104,153</u></u>	<u><u>\$ 686,283</u></u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	<u>\$ 8,729</u>	<u>\$ 4,411</u>
Total current liabilities	<u>8,729</u>	<u>4,411</u>
Net Assets:		
Without donor restrictions	945,424	669,725
With donor restriction	<u>150,000</u>	<u>12,147</u>
Total net assets	<u>1,095,424</u>	<u>681,872</u>
Total liabilities and net assets	<u><u>\$ 1,104,153</u></u>	<u><u>\$ 686,283</u></u>

See Accompanying Notes

The Alliance for Middle East Peace, Inc.
Statement of Activities
For the Year Ended August 31, 2021
(August 31, 2020 comparative totals)

	Without Donor Restriction	With Donor Restriction	Totals	
			2021	2020
Revenues and Support:				
Members dues	\$ -	\$ -	\$ -	\$ 106
Individual donations	826,071	-	826,071	775,623
Foundation grants	265,900	150,000	415,900	299,113
PPP grant income	-	-	-	60,400
Donated services	310,114	-	310,114	307,648
Investment income (loss)	(32)	-	(32)	1,686
Net assets released from restrictions	12,500	(12,500)	-	-
Total Revenues and Support	1,414,553	137,500	1,552,053	1,444,576
Expenses:				
Program services	644,106	-	644,106	613,388
Management and general	303,142	-	303,142	160,267
Fundraising	191,253	-	191,253	142,693
Total Expenses	1,138,501	-	1,138,501	916,348
Change in net assets	276,052	137,500	413,552	528,228
Net Assets, Beginning of Year	669,372	12,500	681,872	153,644
Net Assets, End of Year	\$ 945,424	\$ 150,000	\$ 1,095,424	\$ 681,872

See Accompanying Notes

The Alliance for Middle East Peace, Inc.
Statement of Functional Expenses
For the Year Ended August 31, 2021
(August 31, 2020 comparative totals)

2021									
	Government Relations	Communication and Advocacy	Alumni Engagement	Member Services	Program Services	Management and General	Fundraising	2021 Total	2020 Total
Salaries and benefits	\$ 44,577	\$ 54,532	\$ 7,101	\$ 253,362	\$ 359,572	\$ 70,812	\$ 131,326	561,710	\$ 517,495
Information technology	176	9,241	176	176	9,769	702	22,373	32,844	12102
Depreciation	-	-	-	-	-	589	-	589	523
Events	-	-	-	-	-	-	-	-	5,248
Insurance	-	-	-	-	-	-	-	-	7,118
Legal	147,624	6,084	-	46,193	199,901	79,553	30,659	310,113	307,648
Meals and entertainment	-	-	-	1,006	1,006	-	-	1,006	783
Miscellaneous	10	5	-	31,499	31,514	4,479	415	36,408	322
Office Expense	1,410	1,849	240	2,445	5,944	5,094	4,871	15,909	30,971
Printing and editing	-	-	-	-	-	-	-	-	5,418
Professional fees	10,048	345	25,400	-	35,793	138,427	1,227	175,447	6,879
Training and conferences	-	-	-	-	-	3,486	-	3,486	1,100
Travel	76	76	-	455	607	-	382	989	20,741
	<u>\$ 203,921</u>	<u>\$ 72,132</u>	<u>\$ 32,917</u>	<u>\$ 335,136</u>	<u>\$ 644,106</u>	<u>\$ 303,142</u>	<u>\$ 191,253</u>	<u>\$ 1,138,501</u>	<u>\$ 916,348</u>

See Accompanying Notes

The Alliance for Middle East Peace, Inc.
Statement of Cash Flows
For the Year Ended August 31, 2020
(August 31, 2020 comparative totals)

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 413,552	\$ 528,228
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation and amortization	589	523
Change in assets and liabilities		
Grants receivable	(150,000)	52,935
Prepaid expenses	-	3,365
Tax refund receivable	4,459	(4,459)
Accounts payable	4,318	(2,219)
Accrued payroll	-	(4,280)
Net Cash Provided by Operating Activities	<u>272,918</u>	<u>574,093</u>
Net Change in Cash & Equivalents	272,918	574,093
Cash & Equivalents, Beginning of Year	<u>680,222</u>	<u>106,129</u>
Cash & Equivalents, End of Year	<u><u>\$ 953,140</u></u>	<u><u>\$ 680,222</u></u>

See Accompanying Notes

The Alliance for Middle East Peace, Inc.
Notes to the Financial Statements
August 31, 2021

Note 1. Organization and Nature of Operations

The Alliance for Middle East Peace, Inc. (“ALLMEP”) is a nonprofit organization, incorporated in Delaware. Its primary purpose is to promote people-to-people coexistence in the Middle East.

Note 2. Summary of Significant Accounting Policies

This summary of significant accounting policies of ALLMEP is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the ALLMEP's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Presentation

The financial statements of ALLMEP have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require ALLMEP to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of ALLMEP management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of ALLMEP or by the passage of time. Other donor restrictions could be perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. Restricted donations for which the purpose restriction is satisfied in the same year the donation is received, are reported as unrestricted donations.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to ALLMEP's ongoing services. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Equivalents

The Organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

The Alliance for Middle East Peace, Inc.
Notes to the Financial Statements
August 31, 2021

Note 2. Summary of Significant Accounting Policies (continued)

Concentrations of Credit Risk

Financial instruments that potentially subject ALLMEP to concentrations of credit risk consist principally of cash and investments. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. ALLMEP's cash and cash equivalent accounts have been placed with high credit quality financial institutions. ALLMEP has not experienced, nor does it anticipate, any losses with respect to such accounts. There were no uninsured balances as of August 31, 2021.

Contributions and Grants Receivable

Contributions and grants receivable are unconditional promises to give that are expected to be collected in one year or less are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are also recorded at net realizable value. Generally accepted accounting principles require that unconditional promises to give that are expected to be collected in future years be recorded at the present value of their estimated future cash flows. However, the effect of the use net realizable value is not materially different from the result that would have been obtained had the present value method been used.

Allowances for contributions receivable are determined by management based on an assessment of collectability. Management considers past history, current economic conditions and the overall viability of the donor. Receivables are written off only when management believes amounts will not be collected. Based on this assessment, ALLMEP considers receivables to be fully collectable. Accordingly, no allowance for doubtful accounts has been recorded of August 31, 2021.

Property and Equipment

Property and equipment are stated at cost at the date of purchase less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to 10 years. ALLMEP's policy is to capitalize renewals and betterments acquired for greater than \$500 and expense normal repairs and maintenance as incurred. Management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

Revenue and Support Recognition

Membership dues - Dues are recognized as revenue over the applicable membership period. Dues received prior to the beginning of the year to which they relate are recorded as deferred revenue.

Grants - ALLMEP records grant income as revenues in the period promised. Grants are recorded as with or without donor restriction depending on the existence of any donor restrictions.

Contributions – Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions in the reporting period in which the contribution is recognized. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

The Alliance for Middle East Peace, Inc.
Notes to the Financial Statements
August 31, 2021

Note 2. Summary of Significant Accounting Policies (Continued)

Donated Services

ALLMEP received donated professional legal services totaling \$307,648 for the year ended August 31, 2021. Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution and are reported as donated services on the accompanying statements of activities and as legal services on the statements of functional expenses.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Management allocates all costs directly when possible. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on their natural cost driver. The expense that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries	Time and effort
Occupancy and related costs	Square Footage
Overhead	Time and effort

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is a not for profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. The exemption is on all income except unrelated business income. Internal Revenue Code 513(a) defines an unrelated trade or business of an exempt organization as any trade or business which is not substantially related to the exercise or performance of its exempt purpose.

In June 2006, the Financial Accounting Standards Board (FASB) released *FASB ASC 740-10, Income Taxes*, that provides guidance for reporting uncertainty in income taxes. For the year ended August 31, 2021, the Organization has considered *FASB ASC 740-10* and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements. Tax returns are generally open to examination 3 years after filing.

The Alliance for Middle East Peace, Inc.
Notes to the Financial Statements
August 31, 2021

Note 3. Availability and Liquidity

Liquid assets for the year ending August 31, 2021 are as follows:

Cash and cash equivalents	\$ 953,140
Grants receivable	150,000
Total financial assets	1,103,140
Less amounts not available to be used within one year:	
Grants receivable, long-term	(75,000)
Financial assets available to meet general expenditures over the next twelve months	\$ 1,028,140

Note 4 – Property and Equipment, net

Below is a schedule of fixed assets as of August 31,

Property and equipment	\$ 2,945
Less: Accumulated depreciation and amortization	(1,932)
Property and equipment, net	\$ 1,013

Depreciation expense totaled \$589 for the year ended August 31, 2021.

Note 5 – Net Assets

A summary of net assets with donor restriction at August 31, 2021 is as follows:

Description	Balance 8/31/2020	Additions	Usage	Balance 8/31/2021
European region	\$ 12,500	\$ -	\$ (12,500)	\$ -
Time restricted grants receivable	-	150,000	-	150,000
Total	\$ 12,500	\$ 150,000	\$ (12,500)	\$ 150,000

The Alliance for Middle East Peace, Inc.
Notes to the Financial Statements
August 31, 2021

Note 6: Related Party Transactions

The Alliance for Middle East Peace has two divisions. A United States division and a European division, which is located in France. The two divisions share an Executive Director and a Board of Directors. Otherwise, they are separate entities, with separate personnel, financial records and budgets.

For the year-ended August 31, 2021, ALLMEP paid a media firm, owned by a member of the Board of Directors, \$3,560 for video work.

For the year-ended August 31, 2021, ALLMEP paid an entity owned by the Executive Director, \$14,650 for strategic planning work.

Note 7. Prior Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended August 31, 2021 of the prior year, from which the summarized information was derived.

Note 8 – Subsequent Events

The Organization has evaluated events and transactions subsequent to the balance sheet date through May 31, 2022, the date the financial statements were available to be issued. Management has not identified any events that have occurred subsequent to August 31, 2021 that require recognition or disclosure in the financial statements.