

THE ALLIANCE FOR MIDDLE EAST PEACE, INC.

(a nonprofit organization)

Financial Statements

For the Years Ended
August 31, 2023 and 2022

With Independent Auditors' Report



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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 The Alliance for Middle East Peace, Inc. (a nonprofit organization), which comprise the statements of financial position as of August 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years 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 The Alliance for Middle East Peace, Inc. as of August 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years 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 The 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.

August 31, 2022 Financials Restated

As discussed in Note 10 to the financial statements, to properly state accrued payroll for the period ending August 31, 2022 the financial statements were restated. Our opinion is not modified with respect to this matter.

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 The Alliance for Middle East Peace, Inc.'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.

Turner, Leins + Gold, LLC

Vienna, Virginia
May 1, 2024

The Alliance for Middle East Peace, Inc.
Statements of Financial Position
August 31, 2023
(August 31, 2022 comparative totals)

Assets	2023	2022 - Restated
Current assets:		
Cash and equivalents	\$ 1,374,629	\$ 1,103,532
Accounts receivable	33	-
Grants receivable	50,000	75,000
Prepaid expense	-	4,069
Total current assets	<u>1,424,662</u>	<u>1,182,601</u>
Investments	-	28,256
Grants receivable, long-term	-	-
Property and equipment, net	<u>5,011</u>	<u>3,553</u>
Total assets	<u><u>\$ 1,429,673</u></u>	<u><u>\$ 1,214,410</u></u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 24,891	11,601
Accrued payroll	<u>69,943</u>	<u>58,990</u>
Total current liabilities	<u>94,834</u>	<u>70,591</u>
Net Assets:		
Without donor restrictions	1,284,839	1,046,120
With donor restriction	<u>50,000</u>	<u>97,700</u>
Total net assets	<u>1,334,839</u>	<u>1,143,820</u>
Total liabilities and net assets	<u><u>\$ 1,429,673</u></u>	<u><u>\$ 1,214,411</u></u>

See Independent Auditors' Report and Accompanying Notes

The Alliance for Middle East Peace, Inc.
Statements of Activities
For the Year Ended August 31, 2023
(August 31, 2022 comparative totals)

	Without Donor Restriction	With Donor Restriction	Totals	
			2023	2022 - Restated
Revenues and Support:				
Members dues	\$ 54,759	\$ -	\$ 54,759	\$ 22,822
Individual donations	318,408	75,000	393,408	651,829
Foundation grants	530,000	211,357	741,357	667,462
Gala Income	340,575	-	340,575	-
Donated services	620	-	620	28,630
Investment (loss)	11,172	-	11,172	(13,735)
Miscellaneous income	1,282	-	1,282	3,293
Net assets released from restrictions	334,057	(334,057)	-	-
Total Revenues and Support	1,590,873	(47,700)	1,543,173	1,360,301
Expenses:				
Program services	940,123	-	940,123	828,595
Management and general	270,160	-	270,160	215,290
Fundraising	141,871	-	141,871	268,020
Total Expenses	1,352,154	-	1,352,154	1,311,905
Change in net assets	238,719	(47,700)	191,019	48,396
Net Assets, Beginning of Year	1,046,120	97,700	1,143,820	1,095,424
Net Assets, End of Year	\$ 1,284,839	\$ 50,000	\$ 1,334,839	\$ 1,143,820

See Independent Auditors' Report and Accompanying Notes

The Alliance for Middle East Peace, Inc.
Statements of Cash Flows
For the Year Ended August 31, 2023
(August 31, 2022 comparative totals)

	2023	2022 - Restated
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 191,019	\$ 48,396
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation and amortization	1,348	1,017
Change in assets and liabilities		
Accounts receivable	(33)	-
Grants receivable	25,000	75,000
Prepaid expenses	4,069	(4,069)
Tax refund receivable	-	-
Disposal of fixed assets	(2,806)	(3,557)
Accounts payable	13,291	2,870
Accrued payroll	10,953	58,990
Net Cash Provided by Operating Activities	242,841	178,647
Cash Flows from Investing Activities:		
Investment in Equity Securities	28,256	(28,256)
Net Cash (Used in) Investing Activities	28,256	(28,256)
Net Change in Cash & Equivalents	271,097	150,391
Cash & Equivalents, Beginning of Year	1,103,532	953,141
Cash & Equivalents, End of Year	\$ 1,374,629	\$ 1,103,532
Supplemental Information:		
Investment in equity funds received as contributions	\$ -	\$ -

See Independent Auditors' Report and Accompanying Notes

The Alliance for Middle East Peace, Inc.
Statement of Functional Expenses
For the Year Ended August 31, 2023

	AlumHub	Global Policy/Advocacy	Member Services	Scale Hub	Total Program Services	Management and General	Fundraising	2023 Total
Advertising	\$ -	\$ -	\$ 9,250	\$ -	\$ 9,250	\$ -	\$ -	\$ 9,250
Communications	1,250	-	14,592	-	15,842	2,505	-	18,347
Contributions	-	-	-	-	-	-	178	178
Depreciation	-	-	-	-	-	1,348	-	1,348
Information and Technology	-	69	140	-	209	27,519	6,867	34,595
Insurance	-	-	-	-	-	4,415	-	4,415
Legal	-	-	-	-	-	619	-	619
Licenses and Fees	-	-	-	-	-	2,283	11,462	13,745
Meals and entertainment	130	2,197	16,509	1,834	20,670	2,308	1,263	24,241
Meetings	-	-	10,068	537	10,605	-	-	10,605
Miscellaneous	-	-	-	-	-	1,177	320	1,497
Office Expense	-	260	1,379	-	1,639	6,345	6,374	14,358
Payroll Tax	34,978	16,826	23,545	17,554	92,903	14,190	10,197	117,290
Printing and editing	627	212	9,366	-	10,205	360	540	11,105
Professional fees	41,544	34,870	5,675	4,182	86,271	49,285	-	135,556
Salaries	162,211	168,507	175,855	137,952	644,525	142,812	96,146	883,483
Taxes	-	-	-	-	-	75	-	75
Training and conferences	-	1,125	-	-	1,125	9,439	-	10,564
Travel	85	4,563	41,109	1,122	46,879	5,480	8,524	60,883
	<u>\$ 240,825</u>	<u>\$ 228,629</u>	<u>\$ 307,488</u>	<u>\$ 163,181</u>	<u>\$ 940,123</u>	<u>\$ 270,160</u>	<u>\$ 141,871</u>	<u>\$ 1,352,154</u>

See Independent Auditors' Report and Accompanying Notes

The Alliance for Middle East Peace, Inc.
Statement of Functional Expenses
For the Year Ended August 31, 2022 - Restated

	Government Relations	Communication and Advocacy	Alumni Engagement	Member Services	Total Program Services	Management and General	Fundraising	2022 Total
Advertising	\$ -	\$ 2,743	\$ -	\$ -	\$ 2,743	\$ -	\$ -	\$ 2,743
Contributions	60,000	-	-	93,000	153,000	-	-	153,000
Depreciation	-	-	-	-	-	1,017	-	1,017
Information and Technology	-	9,878	-	1,868	11,746	23,220	7,472	42,438
Insurance	-	-	-	-	-	10,202	-	10,202
Legal	-	-	-	-	-	28,630	-	28,630
Licenses and Fees	4	3	1	5	13	4,310	8	4,331
Meals and entertainment	3,102	-	620	2,854	6,576	2,730	3,102	12,408
Meetings	-	-	-	18,203	18,203	-	-	18,203
Miscellaneous	-	-	-	-	-	2,261	-	2,261
Office Expense	238	318	-	367	923	6,998	794	8,715
Payroll Tax	11,353	7,568	3,784	15,137	37,842	13,623	24,219	75,684
Printing and editing	-	2,869	-	-	2,869	-	-	2,869
Professional fees	41,753	623	-	18,847	61,223	35,419	14,021	110,663
Salaries	141,013	76,386	27,177	262,393	506,969	86,880	192,646	786,495
Training and conferences	-	-	-	730	730	-	-	730
Travel	7,727	2,576	-	15,455	25,758	-	25,758	51,516
	<u>\$ 265,190</u>	<u>\$ 102,964</u>	<u>\$ 31,582</u>	<u>\$ 428,859</u>	<u>\$ 828,595</u>	<u>\$ 215,290</u>	<u>\$ 268,020</u>	<u>\$ 1,311,905</u>

See Independent Auditors' Report and Accompanying Notes

The Alliance for Middle East Peace, Inc.
Notes to the Financial Statements
August 31, 2023 and 2022

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, 2023 and 2022

Note 2. Summary of Significant Accounting Policies (continued)

Fair value of financial instruments:

For the years ended August 31, 2023 and 2022, the carrying value of financial instruments potentially subject to value risk (principally consisting of cash, pledges receivable, and accounts payable) approximates fair value.

Investments

Investments, primarily consisting of equity securities, are stated at fair value. Investments in equity securities with readily determinable values are valued based on quoted market prices in active markets in which the securities are traded. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the statements of activities and changed in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

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 uninsured balances as of August 31, 2023 and 2022 totaling \$1,074,110 and \$852,890, respectively.

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, 2023 and 2022.

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.

The Alliance for Middle East Peace, Inc.
Notes to the Financial Statements
August 31, 2023 and 2022

Note 2. Summary of Significant Accounting Policies (Continued)

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.

Donated Services

ALLMEP received donated professional legal services totaling \$620 and \$28,630 for the years ended August 31, 2023 and 2022, respectively. 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.

The Alliance for Middle East Peace, Inc.
Notes to the Financial Statements
August 31, 2023 and 2022

Note 2. Summary of Significant Accounting Policies (Continued)

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 years ended August 31, 2023 and 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.

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Association adopted the standard effective September 1, 2022. The adoption of FASB ASC 842 has no material impact on the balance sheets or on the Association's results of operations or cash flows as of September 1, 2022 or August 31, 2023. Lease disclosures for the year ended August 31, 2022 are made under prior lease guidance in FASB ASC 840.

Note 3 - Availability and Liquidity

Liquid assets for the year ending August 31, 2023 are as follows:

Cash and cash equivalents	\$ 1,374,629
Investments	-
Grants receivable	-
Total financial assets	1,374,629
Less amounts not available to be used within one year:	
Grants receivable, long-term	-
Financial assets available to meet general expenditures over the next twelve months	\$ 1,374,629

The Alliance for Middle East Peace, Inc.
Notes to the Financial Statements
August 31, 2023 and 2022

Note 4 – Property and Equipment, net

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

	2023	2022
Property and equipment	\$9,308	\$6,502
Less: Accumulated depreciation and amortization	(4,297)	(2,949)
Property and equipment, net	\$ 5,011	\$ 3,553

Depreciation expense totaled \$1,348 and \$1,017 for the years ended August 31, 2023 and 2022, respectively.

Note 5 – Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed is determined based on the lowest level input that is significant to the fair value measurement

The Alliance for Middle East Peace, Inc.
Notes to the Financial Statements
August 31, 2023 and 2022

Note 5 – Fair Value Measurements (Continued)

Below is a schedule of the fair market value of the Association’s investment assets.

Fair Value Measurements at August 31, 2023				
	Total	Level 1	Level 2	Level 3
Equities	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -

Fair Value Measurements at August 31, 2022				
	Total	Level 1	Level 2	Level 3
Equities	\$ 28,256	\$ 28,256	\$ -	\$ -
	\$ 28,256	\$ 28,256	\$ -	\$ -

Note 6 - Investments – Available for Sale

Available for sale investments in equity securities consists of the following at August 31:

	Cost	Market Value	Unrealized Depreciation
August 31, 2023	-	-	-
August 31, 2022	\$ 42,600	\$ 28,256	\$ (14,344)

In accordance with *ASU-2016-01*, unrealized investment gains and losses on equity investments with readily determinable fair values are measured at fair value with changes in fair value recognized in net income, as other income. These gains and losses are attributable only to changes in fair values for the period in which they are reported. The Association recorded unrealized losses of \$0 and \$14,344 in other income for the years ending August 31, 2023 and 2022.

Note 7 – Net Assets

A summary of net assets with donor restriction at August 31, 2022 is as follows:

Description	Balance 8/31/2022	Additions	Usage	Balance 8/31/2023
State department grant	\$ 22,700	\$ -	\$ (22,700)	\$ -
Time restricted grants receivable	75,000	50,000	(75,000)	50,000
Total	\$ 97,700	\$ 50,000	\$ (97,700)	\$ 50,000

The Alliance for Middle East Peace, Inc.
Notes to the Financial Statements
August 31, 2023 and 2022

Note 8 - 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. Otherwise, they are separate entities, with separate boards, personnel, financial records and budgets. During the year ended August 31, 2023 and 2022, the Organization contributed \$0 and \$150,000, respectively, to the European division.

For the years ended August 31, 2023 and 2022, the Organization paid a media firm, owned by a member of the Board of Directors, \$2,500 and \$15,560, respectively for video work.

For the years ended August 31, 2023 and 2022, the Organization paid an entity owned by the Executive Director, \$0 and \$25,000, respectively, for strategic planning work.

For the year ended August 31, 2023 and 2022, the Organization paid the President and Founder salaries for services provided both domestically and internationally totaling \$61,833 and \$64,375, respectively.

Note 9 – Retirement Plan

The Organization established a defined contribution 401(k) plan covering all eligible employees on January 1, 2022. For the 401(k) Plan, employees may contribute up to the maximum amount allowable by law. The plan includes an automatic deferral of 4% of eligible compensation, unless the participant makes an affirmative election. The Organization, at the discretion of the board, may make discretionary contributions to the participants. The Organization accrued a discretionary contribution totaling \$21,640 and \$11,428 as of August 31, 2023 and 2022, respectively.

Note 10 – Correction of Errors and Reclassifications

Amounts related to accrued payroll expenses and salaries as of August 31, 2022 were not properly stated. Accrued payroll expenses as of August 31, 2022 were restated from \$1,026 to \$58,990. Salaries were restated from \$728,530 to \$786,495. The net effect of this restatement was to decrease the change in net assets by \$57,964. The restatement decreased total net assets as of August 31, 2022 by \$57,964.

Certain amounts for the year ended August 31, 2022 have been reclassified in the comparative financial statements to be comparable to the presentation for the year ended August 31, 2023. These reclassifications had no effect on change in net assets or net assets for the year then ended.

The Alliance for Middle East Peace, Inc.
Notes to the Financial Statements
August 31, 2023 and 2022

Note 11 – Subsequent Events

In October 2023, the Organization received a letter from legal counsel of a prior employee, making employment-related allegations and demanding additional compensation of as much as NIS 1,184,341 (\$324,031). The Organization has retained its own legal counsel. No litigation has commenced. The parties are currently in settlement discussions and expect to enter mediation in an attempt to resolve the matter without legal action. The Organization's legal counsel advises that the Organization has several strong defenses to the claims and believes that the employee is not legally entitled to recover the amounts claimed.

The Organization has evaluated events and transactions through May 1, 2024 the date that the financial statements were available to be issued. Other than as disclosed above, there are no events or transactions that require recognition or disclosure in the financial statements.