

NEAR EAST FOUNDATION AND SUBSIDIARY

**Consolidated Financial Statements and
Supplementary Information as of
June 30, 2014 and 2013
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

NEAR EAST FOUNDATION AND SUBSIDIARY

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS:	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities and Changes in Net Assets	4 - 5
Consolidated Statements of Functional Expenses	6 - 7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9 - 20
SUPPLEMENTARY INFORMATION:	
Schedule of Direct Program Services by Location	21
Schedule of Expenditures of Federal Awards	22
Notes to Schedule of Expenditures of Federal Awards	23
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	24 - 25
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133	26 - 27
Schedule of Findings and Questioned Costs	28

INDEPENDENT AUDITOR'S REPORT

January 30, 2015

To the Board of Directors of
Near East Foundation and Subsidiary:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Near East Foundation and Subsidiary (a non-profit organization, the "Foundation"), which comprise the consolidated statements of financial position of as of June 30, 2014 and 2013, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of local operations in Jordan or West Bank, which statements reflect total assets of \$310,460, as of June 30, 2014 and total revenue and other support of \$1,385,806, for the year ended. We did not audit the financial statements of local operations in Jordan, Egypt or West Bank, which statements reflect total assets of \$141,414, as of June 30, 2013 and total revenue and other support of \$598,418, for the year ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the local operations in Jordan, Egypt and West Bank, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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INDEPENDENT AUDITOR'S REPORT

(Continued)

Auditor's Responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2014 and 2013, 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.

Other Matters – Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Schedule of Expenditures of Federal Awards, *as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and the Schedule of Direct Program Service by Location are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2015 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

(Continued)

NEAR EAST FOUNDATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and cash equivalents	\$ 721,754	\$ 1,309,411
Accounts and loans receivable	286,532	211,076
Grants and contracts receivable	586,968	150,436
Prepaid expenses	22,190	15,256
Investments, at fair value	3,921,425	3,369,267
Investment in trusts held by others	-	3,540
Property and equipment, net	<u>149,180</u>	<u>101,447</u>
 Total assets	 <u>\$ 5,688,049</u>	 <u>\$ 5,160,433</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES:		
Line of credit	\$ -	\$ 94,127
Accounts payable and accrued expenses	477,054	287,764
Deferred revenue	<u>548,939</u>	<u>650,530</u>
 Total liabilities	 <u>1,025,993</u>	 <u>1,032,421</u>
 NET ASSETS:		
Unrestricted	1,499,650	961,169
Temporarily restricted	50,617	55,054
Permanently restricted	<u>3,111,789</u>	<u>3,111,789</u>
 Total net assets	 <u>4,662,056</u>	 <u>4,128,012</u>
 Total liabilities and net assets	 <u>\$ 5,688,049</u>	 <u>\$ 5,160,433</u>

The accompanying notes are an integral part of these statements.

NEAR EAST FOUNDATION AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT:				
Contributions	\$ 347,046	\$ 78,303	\$ -	\$ 425,349
Government grants and contracts	6,387,552	-	-	6,387,552
Private grants	32,350	-	-	32,350
In-kind contributions	33,731	-	-	33,731
Investment income, net	551,224	-	-	551,224
Program related income	8,495	-	-	8,495
Other income	3,868	-	-	3,868
Net assets released from restrictions	<u>82,740</u>	<u>(82,740)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>7,447,006</u>	<u>(4,437)</u>	<u>-</u>	<u>7,442,569</u>
EXPENSES:				
Direct program services	5,632,263	-	-	5,632,263
Program administration	<u>763,117</u>	<u>-</u>	<u>-</u>	<u>763,117</u>
Total program services	6,395,380	-	-	6,395,380
Management and general	424,577	-	-	424,577
Fund-raising	<u>107,586</u>	<u>-</u>	<u>-</u>	<u>107,586</u>
Total expenses	<u>6,927,543</u>	<u>-</u>	<u>-</u>	<u>6,927,543</u>
CHANGE IN NET ASSETS BEFORE FOREIGN CURRENCY TRANSLATION ADJUSTMENT	519,463	(4,437)	-	515,026
FOREIGN CURRENCY TRANSLATION ADJUSTMENT	<u>19,018</u>	<u>-</u>	<u>-</u>	<u>19,018</u>
CHANGE IN NET ASSETS	538,481	(4,437)	-	534,044
NET ASSETS - beginning of year	<u>961,169</u>	<u>55,054</u>	<u>3,111,789</u>	<u>4,128,012</u>
NET ASSETS - end of year	<u>\$ 1,499,650</u>	<u>\$ 50,617</u>	<u>\$ 3,111,789</u>	<u>4,662,056</u>

The accompanying notes are an integral part of these statements.

NEAR EAST FOUNDATION AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT:				
Contributions	\$ 1,269,695	\$ 47,934	\$ -	\$ 1,317,629
Government grants and contracts	4,120,829	-	-	4,120,829
Private grants	431,450	-	-	431,450
In-kind contributions	264,139	-	-	264,139
Investment income, net	41,018	-	-	41,018
Program related income	7,618	-	-	7,618
Other income	715	-	-	715
Net assets released from restrictions	<u>154,793</u>	<u>(154,793)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>6,290,257</u>	<u>(106,859)</u>	<u>-</u>	<u>6,183,398</u>
EXPENSES:				
Direct program services	4,004,972	-	-	4,004,972
Program administration	<u>791,994</u>	<u>-</u>	<u>-</u>	<u>791,994</u>
Total program services	4,796,966	-	-	4,796,966
Management and general	292,921	-	-	292,921
Fund-raising	<u>98,694</u>	<u>-</u>	<u>-</u>	<u>98,694</u>
Total expenses	<u>5,188,581</u>	<u>-</u>	<u>-</u>	<u>5,188,581</u>
CHANGE IN NET ASSETS BEFORE FOREIGN CURRENCY TRANSLATION ADJUSTMENT	1,101,676	(106,859)	-	994,817
FOREIGN CURRENCY TRANSLATION ADJUSTMENT	<u>61,646</u>	<u>-</u>	<u>-</u>	<u>61,646</u>
CHANGE IN NET ASSETS	1,163,322	(106,859)	-	1,056,463
NET ASSETS - beginning of year, as previously stated	<u>(202,153)</u>	<u>161,913</u>	<u>3,111,789</u>	<u>3,071,549</u>
NET ASSETS - end of year	<u>\$ 961,169</u>	<u>\$ 55,054</u>	<u>\$ 3,111,789</u>	<u>\$ 4,128,012</u>

The accompanying notes are an integral part of these statements.

NEAR EAST FOUNDATION AND SUBSIDIARY

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Direct Program Services</u>	<u>Program Administration</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund-Raising</u>	<u>Total</u>
SALARIES AND RELATED EXPENSES:						
Salaries and wages	\$ 1,189,355	\$ 378,279	\$ 1,567,634	\$ 243,237	\$ 52,756	\$ 1,863,627
Fringe benefits	<u>269,843</u>	<u>73,753</u>	<u>343,596</u>	<u>59,954</u>	<u>11,491</u>	<u>415,041</u>
Total salaries and related expenses	1,459,198	452,032	1,911,230	303,191	64,247	2,278,668
EXPENSES:						
Professional fees / consultants	161,460	123,502	284,962	25,727	26,573	337,262
Occupancy and operating expenses	180,976	56,549	237,525	46,470	5,090	289,085
Travel	434,214	96,305	530,519	30,498	10,764	571,781
Equipment & furniture	44,020	17,256	61,276	4,440	-	65,716
Program activities	3,292,718	2,005	3,294,723	-	-	3,294,723
Miscellaneous expenses	<u>59,677</u>	<u>15,468</u>	<u>75,145</u>	<u>14,251</u>	<u>912</u>	<u>90,308</u>
	<u>\$ 5,632,263</u>	<u>\$ 763,117</u>	<u>\$ 6,395,380</u>	<u>\$ 424,577</u>	<u>\$ 107,586</u>	<u>\$ 6,927,543</u>

The accompanying notes are an integral part of these statements.

NEAR EAST FOUNDATION AND SUBSIDIARY

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013**

	Direct Program <u>Services</u>	Program <u>Administration</u>	Total Program <u>Services</u>	Management <u>and General</u>	<u>Fund-Raising</u>	<u>Total</u>
SALARIES AND RELATED EXPENSES:						
Salaries and wages	\$ 813,982	\$ 277,725	\$ 1,091,707	\$ 115,166	\$ 44,957	\$ 1,251,830
Fringe benefits	<u>180,705</u>	<u>138,698</u>	<u>319,403</u>	<u>29,245</u>	<u>12,155</u>	<u>360,803</u>
Total salaries and related expenses	994,687	416,423	1,411,110	144,411	57,112	1,612,633
EXPENSES:						
Professional fees / consultants	187,052	174,707	361,759	82,687	31,096	475,542
Occupancy and operating expenses	126,531	82,346	208,877	25,551	6,770	241,198
Travel	303,415	67,286	370,701	22,746	652	394,099
Equipment & furniture	104,852	10,645	115,497	3,594	386	119,477
Program activities	2,278,218	432	2,278,650	-	-	2,278,650
Miscellaneous expenses	<u>10,217</u>	<u>40,155</u>	<u>50,372</u>	<u>13,932</u>	<u>2,678</u>	<u>66,982</u>
	<u>\$ 4,004,972</u>	<u>\$ 791,994</u>	<u>\$ 4,796,966</u>	<u>\$ 292,921</u>	<u>\$ 98,694</u>	<u>\$ 5,188,581</u>

The accompanying notes are an integral part of these statements.

NEAR EAST FOUNDATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets before foreign currency translation adjustment	\$ 515,026	994,817
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	80,300	43,367
Realized and unrealized (gains) losses on investments	(432,039)	3,672
Change in value of investments in trusts held by others	3,540	1,439
Changes in:		
Accounts and loans receivable	(75,456)	3,234
Grants and contracts receivable	(436,532)	314,215
Security deposits	-	8,000
Prepaid expenses	(6,934)	(7,511)
Accounts payable and accrued expenses	189,290	(166,116)
Deferred revenue	<u>(101,591)</u>	<u>192,752</u>
Net cash flow from operating activities	<u>(264,396)</u>	<u>1,387,869</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	(128,033)	(119,538)
Proceeds on sales of investments	1,236,580	3,367,065
Purchase of investments	<u>(1,356,699)</u>	<u>(4,036,999)</u>
Net cash flow from investing activities	<u>(248,152)</u>	<u>(789,472)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from line of credit	-	276,875
Repayments on line of credit	<u>(94,127)</u>	<u>(264,970)</u>
Net cash flow from financing activities	<u>(94,127)</u>	<u>11,905</u>
Change in cash and cash equivalents before effect of exchange rate changes	(606,675)	610,302
CASH AND CASH EQUIVALENTS - beginning of year	1,309,411	637,463
Effect of exchange rate changes on cash and cash equivalents	<u>19,018</u>	<u>61,646</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 721,754</u>	<u>\$ 1,309,411</u>

The accompanying notes are an integral part of these statements.

NEAR EAST FOUNDATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

1. NATURE OF ORGANIZATION

Near East Foundation ("NEF" or the "Foundation") is an international non-governmental organization, founded in 1915, that fosters and supports civil society organizations in select African and Middle Eastern communities experiencing inveterate poverty, as well as conflict, migration and/or climate change. NEF designs and manages projects that engage communities in simple but innovative and sustainable practices and technologies to meet their basic needs in agriculture, education, healthcare and income generation, giving them the confidence and competence to seek services from their governments and broader societies.

To implement its projects, the organization maintains offices and staff in Armenia, Egypt, Jordan, Mali, Morocco, Palestine and Sudan, as well as New York. Its presence in these countries is registered with each of the respective national authorities, and NEF also has a license from the U.S. Treasury Department to work in Sudan. With respect to Egypt, NEF had a memorandum of understanding with the Center for Development Services ("CDS") to provide NEF with staff for representation purposes, as well as other memoranda of understanding to provide staff and services for specific NEF projects in Egypt. The memorandum of understanding expired September 2013. CDS is an Egyptian company that belongs to former NEF employees who set up CDS with support from NEF. NEF has engaged legal counsel to reactive NEF's registration in Egypt. NEF has supported other former and current employees to set up similar entities in other countries, but has not used these entities.

NEF has been classified as a 501(c)(3) organization and is exempt from federal income taxes under the provisions of 501(a) of the Internal Revenue Code and a similar provision of the State of New York tax laws. Accordingly, no provision for income taxes has been recorded in the accompanying consolidated financial statements.

NEFdev, a for-profit subsidiary of NEF, was established in March 2006 to take advantage of United States government small business grants that would not be available to the not-for-profit NEF organization. NEFdev has been inactive as of June 30, 2008, but is expected to pursue small business grants in the future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States.

Principles of Consolidation

The financial statements include the accounts of Near East Foundation and its Subsidiary (collectively the "Foundation"). In accordance with generally accepted accounting principles, all significant inter-company transactions and balances have been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of consolidated 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.

Financial Statement Presentation

The Foundation reports its activities based on the existence or absence of donor-imposed restrictions utilizing the following net asset categories:

Unrestricted

Net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operations of the Foundation.

Temporarily Restricted

Net assets that are subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time. As such restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as net assets released from restrictions.

Permanently Restricted

Net assets that are subject to donor-imposed stipulations requiring the corpus of the gift be retained in perpetuity. Generally, such donors allow the income from these resources to be used for general or specific purposes.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid instruments with original maturities at the time of purchase of three months or less, excluding cash held for investment purposes. The Foundation maintains cash in bank deposit accounts which, at times, may exceed federally-insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts and Loans Receivables

Accounts receivable are stated at outstanding balances. The Foundation considers accounts receivable to be fully collectible based on management's review of individual accounts outstanding. If collection becomes doubtful, an allowance for doubtful accounts will be established, or the accounts will be charged to income when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received.

Loans receivable consist of amounts loaned to businesses to support agricultural production and food security. Loans are stated at unpaid principal balances plus interest, less the allowance for loan losses. Loans are due on demand.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Loan Losses

The allowance for loan losses is maintained at a level which, in management's judgment, is adequate to absorb credit losses inherent in the loan portfolio. The amount of the allowance is based on past collection experience and an analysis of outstanding amounts. The allowance is increased by a provision for loan losses, which is charged to expense, and reduced by charge-offs, net of recoveries. Changes in the allowance relating to impaired loans are charged to the provision for loan losses. Management did not consider an allowance for loan losses necessary as of June 30, 2014 and 2013, and no loans were considered impaired.

The determination of the adequacy of the allowance for loan losses is based on estimates that are particularly susceptible to significant changes in the economic environment and market conditions. While management uses available information to recognize losses on loans, further reductions in the carrying amounts of loans may be necessary because of uncertainties associated with local economic conditions and future cash flows on impaired loans.

Grants and Contracts Receivable

Grants and contracts receivable represent revenue earned but not received from the grantors. The Foundation considers all grants and contracts receivable to be fully collectible based on management's review of contributions outstanding. If collection becomes doubtful, an allowance for doubtful accounts will be established, or the accounts will be charged to income when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received.

Investments

Investments are reported at fair value. Gains and losses on investments of temporarily or permanently restricted net assets are to be classified according to explicit donor-imposed stipulations. Absent donor-imposed stipulations, applicable state law is to be followed.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying consolidated financial statements. Realized gains or losses result from the sale of investments and are allocated to the applicable funds. Unrealized gains or losses result from market value fluctuations and are also allocated to the applicable funds. Both are recorded in the statement of activities and changes in net assets in investment income.

Investment in Trusts Held By Others

The Foundation is a beneficiary of a trust. The Foundation's beneficial interest is measured at the discounted value of its expected future cash flows and is reported as temporarily restricted net assets. During the year ending June 30, 2014 the remaining assets became available for the Foundation's use.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Fixed assets are recorded at fair market value at the date of donation or at cost if purchased. The Foundation capitalizes fixed assets in excess of \$5,000 with a useful life greater than one year. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets which range from 5 to 10 years.

Deferred Revenue

Deferred revenue consists of grant revenue, which has been received but not expended.

Endowment Funds

Endowment funds represent funds that are not available for current use because they have been restricted by donors.

Interpretation of Relevant Law

The Foundation's Board of Directors has interpreted the applicable provisions of New York Not-for-Profit Corporation Law to mean that the classification of appreciation on endowment gifts, beyond the original gift amount, follows the donor's restrictions on the use of the related income. The Foundation also observes the Uniform Management of Institutional Funds Act protection of the historic gift value of individual endowment funds.

Donated Services, Supplies and Facilities

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. The Foundation received donated services valued at \$24,596 and \$255,004 for the years ended June 30, 2014 and 2013. The value of the donated services was included as in-kind contributions in the consolidated financial statements and the corresponding program expenses for the years ended June 30, 2014 and 2013, respectively.

The Foundation received donated facilities that are reflected as contributions at their respective estimated fair rental values with a commensurate charge to expense. For the years ended June 30, 2014 and 2013, donated space amounted to \$9,135.

Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis in the statements of activities and functional expenses. The costs are functionalized on a direct basis, where possible. Indirect costs are allocated on the basis of time spent.

Foreign Exchanges Gain or Loss

Monetary assets and liabilities denominated in foreign currencies are translated using rates prevailing at year-end. Revenues and expenses are translated at rates prevailing on the date of the respective transaction. Foreign exchange gains amounted to \$19,018 and \$61,646 for years ended June 30, 2014 and 2013, respectively and are included in the accompanying statement of activities and changes in net assets as components of program and/or management and general expenses, as appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Foundation is exempt from income taxes as an organization qualified under Section 501(c)(3) of the Internal Revenue Code. The Foundation has also been classified by the Internal Revenue Service as an entity which is not a private foundation.

For tax-exempt entities, their tax-exempt status itself is deemed to be an uncertainty, since events could potentially occur to jeopardize their tax-exempt status. As of June 30, 2014 and 2013, the Foundation does not have a liability for unrecognized tax benefits. The Foundation files income tax returns in the U.S. federal jurisdiction and New York State. The Foundation is generally no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2011.

3. FAIR VALUE MEASUREMENTS

Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides a framework for measuring fair value under accounting principles generally accepted in the United States of America, and applies to all financial instruments that are being measured and reported on a fair value basis. (ASC) 820 sets out a fair value hierarchy and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy is defined as follows:

Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2: Valuations based on quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable, and market corroborated inputs which are derived principally from or corroborated by observable market data.

Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value.

Level 1 Fair Value Measurements

The fair value of the cash and cash equivalents, exchange traded funds, common stocks, and mutual funds are based on an open market.

3. FAIR VALUE MEASUREMENTS (Continued)

Level 2 Fair Value Measurements

The fair value of corporate bonds are determined by entering standard inputs into a pricing model. These inputs, listed in order of priority, include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers, reference data and industry and economic events. The custodian of the bonds relies on an independent pricing service to perform the pricing calculation. The fair value of investment in trusts held by others are based on quoted market prices of the underlying investments.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation's management believes the valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain investments could result in a different fair value measurement at the reporting date.

There were no changes in valuation techniques used in 2014.

The following tables set forth by level, within the fair value hierarchy, the Foundation's investments at fair value on a recurring basis as of June 30:

	Assets at Fair Value as of June 30, 2014			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 417,252	\$ -	\$ -	\$ 417,252
Exchange traded funds	1,164,033	-	-	1,164,033
Common stocks:				
Consumer goods	258,768	-	-	258,768
Financial	383,257	-	-	383,257
Healthcare	156,561	-	-	156,561
Industrial goods	148,032	-	-	148,032
Materials	186,255	-	-	186,255
Other	41,185	-	-	41,185
Services	109,199	-	-	109,199
Technology	195,146	-	-	195,146
Total common stocks	1,478,403	-	-	1,478,403
Mutual funds - fixed income	29,274	-	-	29,274

3. FAIR VALUE MEASUREMENTS (Continued)

Assets at Fair Value as of June 30, 2014				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate bonds:				
A1 Rated	-	59,095	-	59,095
A2 Rated	-	49,253	-	49,253
A3 Rated	-	33,494	-	33,494
AA1 Rated	-	27,021	-	27,021
B1 Rated	-	77,024	-	77,024
B2 Rated	-	29,109	-	29,109
B3 Rated	-	30,472	-	30,472
BA1 Rated	-	27,340	-	27,340
BA2 Rated	-	94,459	-	94,459
BA3 Rated	-	100,112	-	100,112
BAA1 Rated	-	160,977	-	160,977
BAA2 Rated	-	120,818	-	120,818
BAA3 Rated	-	23,289	-	23,289
Total corporate bonds	-	832,463	-	832,463
Total	\$ 3,088,962	\$ 832,463	\$ -	\$ 3,921,425

Assets at Fair Value as of June 30, 2013				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 352,603	\$ -	\$ -	\$ 352,603
Exchange traded funds	904,919	-	-	904,919
Common stocks:				
Consumer goods	204,819	-	-	204,819
Financial	281,053	-	-	281,053
Healthcare	144,755	-	-	144,755
Industrial goods	140,176	-	-	140,176
Materials	141,530	-	-	141,530
Other	66,394	-	-	66,394
Services	61,626	-	-	61,626
Technology	156,943	-	-	156,943
Total common stocks	1,197,296	-	-	1,197,296
Mutual funds - fixed income	29,381	-	-	29,381
Investment in trusts held by others	-	3,540	-	3,540

3. FAIR VALUE MEASUREMENTS (Continued)

	Assets at Fair Value as of June 30, 2013			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate bonds:				
A Rated	-	12,971	-	12,971
A1 Rated	-	45,403	-	45,403
A2 Rated	-	30,473	-	30,473
A3 Rated	-	55,753	-	55,753
AA1 Rated	-	17,923	-	17,923
B1 Rated	-	117,255	-	117,255
B2 Rated	-	59,168	-	59,168
B3 Rated	-	57,463	-	57,463
BA1 Rated	-	50,345	-	50,345
BA2 Rated	-	53,017	-	53,017
BA3 Rated	-	88,314	-	88,314
BAA1 Rated	-	80,877	-	80,877
BAA2 Rated	-	104,775	-	104,775
BAA3 Rated	-	111,331	-	111,331
Total corporate bonds	-	885,068	-	885,068
Total	<u>\$ 2,484,199</u>	<u>\$ 888,608</u>	<u>\$ -</u>	<u>\$ 3,372,807</u>

4. INVESTMENTS

Investment income consists of the following at June 30:

	<u>2014</u>	<u>2013</u>
Interest and dividend income	\$ 144,588	\$ 52,130
Realized gains (losses) on investments	89,724	(23,576)
Unrealized gains on investments	<u>342,315</u>	<u>19,904</u>
	<u>\$ 576,627</u>	<u>\$ 48,458</u>

Investment income above is shown on the consolidated statements of activities and changes in net assets at June 30, 2014 and 2013, net of investment fees of \$25,403 and \$7,440, respectively.

5. LOANS RECEIVABLE

Loans receivable consist of amounts loaned to businesses of \$179,313 at June 30, 2014 and 2013, respectively. All loans are considered current at June 30, 2014 and 2013. There are no loans on nonaccrual status as of June 30, 2014 and 2013.

6. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consists of the following at June 30:

	<u>2014</u>	<u>2013</u>
Vehicles	\$ 665,953	\$ 538,006
Office equipment	105,643	137,512
Furniture and fixtures	<u>35,422</u>	<u>35,422</u>
	807,018	710,940
Less: accumulated depreciation	<u>(657,838)</u>	<u>(609,493)</u>
	<u>\$ 149,180</u>	<u>\$ 101,477</u>

6. LINE OF CREDIT

In 2012, the Foundation obtained a \$100,000 line-of-credit agreement with a bank. Interest on the line-of-credit was at prime plus .75% (4% as of June 30, 2013) and it was secured by all assets of the Foundation. The Foundation closed the line of credit in December 2013. As of June 30, 2013, \$94,127 was borrowed against the line. Interest expense amounted to \$2,672 for the year ended June 30, 2013.

7. OPERATING LEASES

The Foundation has several operating leases that are renewable on an annual basis or office space which expire at various dates through December 2015. Future minimum lease payments under the operating leases over one year as of June 30, 2014 are as follows:

2015	\$ 44,564
2016	<u>15,887</u>
	<u>\$ 60,451</u>

Rental expense under operating leases was \$66,222 and \$55,202 for the year ended June 30, 2014 and 2013, respectively.

8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted by purpose or periods for the following locations:

	<u>2014</u>	<u>2013</u>
NEF - West Bank	\$ 16,365	\$ 19,394
NEF - Armenia	34,252	25,362
NEF - NY and Morocco	-	3,540
NEF - Sudan	-	6,758
	<u>\$ 50,617</u>	<u>\$ 55,054</u>

The following represents assets released from restrictions for the following location:

	<u>2014</u>	<u>2013</u>
NEF- Mali	\$ -	\$ 97,345
NEF - West Bank	52,079	-
NEF - NY and Morocco	3,540	47,809
NEF - Armenia	20,363	2,500
NEF - Sudan	6,758	7,139
	<u>\$ 82,740</u>	<u>\$ 154,793</u>

9. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets as of June 30, 2014 and 2013 consist of investments to be held in perpetuity in funds as noted below for the purpose of generating income for the general purpose of the Foundation:

	<u>2014</u>	<u>2013</u>
Violet J. Jacobs Endowment Fund	\$ 3,000,000	\$ 3,000,000
Other	111,789	111,789
	<u>\$ 3,111,789</u>	<u>\$ 3,111,789</u>

The Foundation is subject to the New York Not-for-Profit Corporation Law. The Foundation has determined that when a contribution is received and the donor restricts the Foundation from spending the principal. New York Law requires the Foundation to treat the contribution received as an endowment. Such amount is recorded as permanently restricted and investment return is recorded as temporarily restricted until appropriated for spending.

9. PERMANENTLY RESTRICTED NET ASSETS (Continued)

The Foundation has adopted investment and spending policies for endowment assets that attempt to maintain a surplus for the Foundation to allow for possible distributions for operating expenses for unusual or unexpected repairs and improvements to its physical plants. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Under this policy, as approved by the board of directors, the overriding objective is to maintain purchasing power.

On March 5, 2010, a donor signed an agreement with the Foundation to provide cash totaling \$3,000,000 to establish an endowment in perpetuity, the income from which will be used to support the operations of the Foundation. The terms of the agreement require the Foundation to actively pursue building its board, and to establish a spending rate of 7% measured on June 30 of each year if the value of the endowment is greater than its corpus and 5% if it falls below the corpus.

Endowment net assets are classified as follows for the years ended June 30:

	Temporarily Restricted	Permanently Restricted	Total
Balance, July 1, 2012	\$ 161,913	\$ 3,111,789	\$ 3,273,702
Contributions	47,934	-	47,934
Net assets released from restrictions	<u>(154,793)</u>	<u>-</u>	<u>(154,793)</u>
Change in endowment net assets	<u>(106,859)</u>	<u>-</u>	<u>(106,859)</u>
Balance, June 30, 2013	<u>\$ 55,054</u>	<u>\$ 3,111,789</u>	<u>\$ 3,166,834</u>
Contributions	78,303	-	78,303
Net assets released from restrictions	<u>(82,740)</u>	<u>-</u>	<u>(82,740)</u>
Change in endowment net assets	<u>(4,437)</u>	<u>-</u>	<u>(4,437)</u>
Balance, June 30, 2014	<u>\$ 50,617</u>	<u>\$ 3,111,789</u>	<u>\$ 3,162,406</u>

From time to time, the fair value of assets associated with individual donor-restricted funds may fall below the level that the donor or relevant law requires the Foundation to retain as a fund of perpetual donation. Deficiencies of this nature would be reported in temporarily restricted net assets to the extent accumulated gains are available to absorb such loss. Otherwise, such deficiencies are reported in unrestricted net assets. There were no such deficiencies at June 30, 2014.

10. RETIREMENT PLAN

The Foundation has a Defined Contribution Plan (the Plan) for Employees covering its eligible employees. The Plan allows employee elective contributions and employer contributions for eligible employees.

The Foundation contributed 5% of eligible employee's compensation in 2014. Foundation contributions were \$35,561 for the year ended June 30, 2014. The Foundation did not contribute during 2013.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 30, 2015 the date the consolidated financial statements were available to be issued.

NEAR EAST FOUNDATION AND SUBSIDIARY

SCHEDULE OF DIRECT PROGRAM SERVICES BY LOCATION FOR THE YEARS ENDING JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Armenia	\$ 47,060	\$ -
Egypt	32,245	484,611
Jordan	529,523	-
Mali	2,546,015	1,032,579
Morocco	329,334	779,548
Sudan	1,520,044	1,273,572
West Bank/Gaza	<u>628,042</u>	<u>434,662</u>
	<u>\$ 5,632,263</u>	<u>\$ 4,004,972</u>

The accompanying notes are an integral part of this schedule.

NEAR EAST FOUNDATION AND SUBSIDIARY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2014**

<u>Federal Grantor/Program Title</u>	<u>Number</u>	<u>Award Number</u>	<u>Expenditures</u>
DEPARTMENT OF STATE:			
Overseas Refugee Assistance Program for Near East and South Asia	19.519	S-PRMCO-13-CA-1077	\$ <u>620,449</u>
TOTAL DEPARTMENT OF STATE			<u>620,449</u>
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS:			
Olive Oil Without Borders: Palestinian- Israeli Olive Oil Project	98.001	AID-294-A-11-00010	375,077
Youth Agribusiness Partnerships (YAP) under the Conflict Management and Mitigation (CMM) Program	98.001	AID-294-A-13-00015	199,582
Resources Livelihoods, and Security: Humanitarian Support and Peace Building for IDP's and Vulnerable Populations in West Darfur - Sudan	98.001	AID-OFDA-G-12-00205	1,007,838
Restoring Economic Capacity of Populations Affected by the Crisis in Northern Mali (RECAPE)	98.001	AID-OFDA-G-13-00053	690,453
Restoring Economic Capacity of Populations Affected by the Crisis in Northern Mali (RECAPE II)	98.001	AID-OFDA-G-14-00035	1,061,539
PASSED THROUGH RTI INTERNATIONAL: Local Governance Program 2 - Morocco	98.001	EPP-I-00-04-00037-00	<u>400,480</u>
TOTAL U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS			<u>3,734,969</u>
			<u>\$ 4,355,418</u>

See note to Schedule of Expenditures of Federal Awards.

NEAR EAST FOUNDATION AND SUBSIDIARY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2014

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

January 30, 2015

To the Board of Directors of
Near East Foundation and Subsidiary:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Near East Foundation and Subsidiary (the Foundation) which comprise the consolidated statements of financial position as of June 30, 2014, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 30, 2015. Our report includes a reference to other auditors who audited the financial statements of local operations in Jordan, Egypt and West Bank, as described in our report on Near East Foundation and Subsidiary's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

(Continued)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

(Continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

January 30, 2015

To the Board of Directors of
Near East Foundation and Subsidiary:

Report on Compliance for Each Major Federal Program

We have audited Near East Foundation and Subsidiary's (the Foundation) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended June 30, 2014. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Foundation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Foundation's compliance.

Opinion on Each Major Federal Program

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

(Continued)

Report on Internal Control Over Compliance

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over compliance.

A deficiency in *internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

NEAR EAST FOUNDATION AND SUBSIDIARY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2014**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of Auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	_____	yes	_____	√	no
Significant deficiencies identified that are not considered to be material weaknesses?	_____	yes	_____	√	none
Noncompliance material to financial statements noted?	_____	yes	_____	√	no

FEDERAL AWARDS

Internal control over major programs:

Material weaknesses identified?	_____	yes	_____	√	no
Significant deficiencies identified that are not considered to be material weaknesses?	_____	yes	_____	√	none

Type of Auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? _____ yes _____ √ no

The programs tested as major programs include:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
	U.S. Agency for International Development:
98.001	Foreign Assistance for Programs Overseas
19.519	Overseas Refugee Assistance Program for Near East and South Asia

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? _____ √ yes _____ no

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported