EDUCATION FOR EMPLOYMENT

Financial Statements

December 31, 2019 and 2018

EDUCATION FOR EMPLOYMENT

December 31, 2019 and 2018

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edelstein

Independent Auditor's Report

To the Board of Directors
Education for Employment
Washington, D.C.

We have audited the accompanying financial statements of Education for Employment (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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, the financial statements referred to above present fairly, in all material respects, the financial position of Education for Employment as of December 31, 2019 and 2018, 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.

Edelstein & Company LLP

Boston, Massachusetts
July 31, 2020

EDUCATION FOR EMPLOYMENT

Statements of Financial Position

December 31,		2019		2018
Assets:				
Cash	$	597,725	$	1,753,162
Grants receivable		318,931		131,835
Government contract receivable		746,400		266,526
Pledges receivable, net		501,248		46,230
Accounts receivable		10,416		-
Prepaid expenses		42,296		52,497
Furniture and equipment, net		2,951		3,861
Intangible assets, net		68,059		139,142
Deposits		28,643		15,423
Total assets	$	2,316,669	$	2,408,676
Liabilities and net assets				
Liabilities:				
Accounts payable	$	89,165	$	62,867
Accrued expenses		139,343		131,602
Grants payable		147,943		28,654
Deferred rent		69,715		-
Total liabilities		446,166		223,123
Net assets (deficit):				
Without donor restrictions		(225,144)		(218,225)
With donor restrictions		2,095,647		2,403,778
Total net assets		1,870,503		2,185,553
Total liabilities and net assets	$	2,316,669	$	2,408,676

EDUCATION FOR EMPLOYMENT

Statements of Activities and Changes in Net Assets
For the Years Ended December 31,

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Contributions and grants	$ 1,328,762	$ 2,394,612	$ 3,723,374	$ 1,289,379	$ 2,367,723	$ 3,657,102
Government grants	1,153,875	-	1,153,875	891,026	-	891,026
Government funded subcontracts	1,612,399	-	1,612,399	1,432,640	-	1,432,640
In-kind contributions	721,981	-	721,981	663,109	-	663,109
Interest income	42	-	42	64	-	64
Net assets released from restrictions	2,702,743	(2,702,743)	-	2,209,194	(2,209,194)	-
Total support and revenue	7,519,802	(308,131)	7,211,671	6,485,412	158,529	6,643,941
Expenses:						
Program services	5,201,334	-	5,201,334	4,647,667	-	4,647,667
Management and general	2,087,462	-	2,087,462	1,903,288	-	1,903,288
Fundraising	237,925	-	237,925	117,330	-	117,330
Total expenses	7,526,721	-	7,526,721	6,668,285	-	6,668,285
Changes in net assets	(6,919)	(308,131)	(315,050)	(182,873)	158,529	(24,344)
Net assets (deficit) , beginning of year	(218,225)	2,403,778	2,185,553	(35,352)	2,245,249	2,209,897
Net assets (deficit), end of year	$ (225,144)	$ 2,095,647	$ 1,870,503	$ (218,225)	$ 2,403,778	$ 2,185,553

The accompanying notes are an integral part of these financial statements.

EDUCATION FOR EMPLOYMENT

Statements of Cash Flows

For the Years Ended December 31,	2019	2018
Cash flows from operating activities:		
Change in net assets	$ (315,050)	$ (24,344)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	74,375	74,799
Changes in operating assets and liabilities:		
Grants receivable	(187,096)	204,174
Government contract receivable	(479,874)	(42,180)
Pledges receivable, net	(455,018)	26,448
Accounts receivable	(10,416)	-
Prepaid expenses	10,201	215,689
Deposits	(13,220)	-
Accounts payable	26,298	50,503
Accrued expenses	7,741	(36,182)
Grants payable	119,289	(221,790)
Deferred rent	69,715	-
Net cash (used in) provided by operating activities	(1,153,055)	247,117
Cash flows used in investing activities:		
Purchase of furniture and equipment	(2,382)	-
(Decrease) Increase in cash	(1,155,437)	247,117
Cash, beginning of year	1,753,162	1,506,045
Cash, end of year	$ 597,725	$ 1,753,162

EDUCATION FOR EMPLOYMENT

Statements of Functional Expenses

For the Years Ended December 31,

	2019				2018			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Grants	$ 3,782,666	$ -	$ -	$ 3,782,666	$ 2,950,661	$ 9,750	$ -	$ 2,960,411
Salaries and compensation	741,439	627,172	158,027	1,526,638	972,827	548,046	85,021	1,605,894
Marketing	3,054	287,950	3,739	294,743	1,995	279,782	1,454	283,231
Technology	165,004	129,687	-	294,691	249,711	131,248	-	380,959
Accounting	-	279,950	-	279,950	-	277,187	-	277,187
Payroll taxes and benefits	122,924	98,073	31,672	252,669	156,058	98,945	16,244	271,247
Consulting	84,674	150,646	-	235,320	91,452	29,004	-	120,456
Travel	127,880	85,614	12,454	225,948	96,832	65,302	2,798	164,932
Legal	-	170,486	-	170,486	-	148,959	-	148,959
Occupancy	75,587	62,567	16,441	154,595	102,739	63,305	11,038	177,082
Hospitality	67,131	12,512	8,213	87,856	4,595	-	-	4,595
Depreciation and amortization	-	74,375	-	74,375	-	74,799	-	74,799
Office expenses	7,589	45,941	7	53,537	3,544	52,595	49	56,188
Miscellaneous	-	21,498	7,332	28,830	3,352	41,365	726	45,443
Training costs and materials	22,608	720	-	23,328	12,228	-	-	12,228
Insurance	314	16,635	-	16,949	-	19,851	-	19,851
Telephone	449	11,557	40	12,046	993	17,084	-	18,077
Staff training and development	-	9,628	-	9,628	-	18,658	-	18,658
Recruitment	15	2,451	-	2,466	680	27,408	-	28,088
	$ 5,201,334	$ 2,087,462	$ 237,925	$ 7,526,721	$ 4,647,667	$ 1,903,288	$ 117,330	$ 6,668,285

The accompanying notes are an integral part of these financial statements.

1. Organization and Purpose

Education for Employment (the "Organization" or "EFE") is a nonprofit organization whose mission is to create employment opportunities for young people in the Middle East and North Africa ("MENA") through career training in vocational, technical, managerial and professional skills. It derives its revenues primarily from contributions from individuals and from grants and contracts from private foundations, the federal government, and corporate partners.

The Organization works in collaboration with non-government organizations ("NGO") in a variety of countries in the Middle East and Africa, by providing funding to support the local NGO's programs. The NGOs are independent entities that are subject to external audit requirements unique to the countries in which they operate. The programs are described as follows:

EFE Morocco

The Moroccan Education for Employment Foundation ("EFE-Maroc") was established in 2007 and to date has trained many youth on employability and job training and placement programs. In October 2019, EFE completed its fifth and final year as a major implementing partner in USAID's Career Center project led by FHI360. EFE-Maroc continued its work with strategic partners Citi Foundation and Boeing. Both programs utilize Accenture's Emplea+ platform to improve graduates' digital skills and competencies. In November 2019, EFE launched the Advancing Local Labor Opportunities in Western Sahara ("ALLOWS") project with the International Republican Institute ("IRI"), funded by the U.S. Department of State. Through this project, which runs through April 2021, EFE-Maroc will conduct job training academies for unemployed youth and women in Dakhla and Laayoune and link them with job opportunities.

EFE Yemen

Education for Employment-Yemen ("EFE-Yemen") was founded in 2008 with the mission to connect Yemeni youth to jobs and income through private sector partnerships, market demand-driven training, and world-class curriculums delivered by dynamic local trainers. EFE-Yemen has trained many youth in its job placement and self-employment courses and including females in spite of a low Yemeni national average for female labor participation. In 2019, EFE-Yemen delivered job training and placement programming in the healthcare sector in Sana'a and Aden with the support of Catholic Relief Services.

EFE Egypt

Education for Employment-Egypt ("EFE-Egypt") was established in July 2008 to address unemployment issues in Egypt. Accordingly, EFE-Egypt launched Job Training and Placement programs ("JTP") in various sectors to support youth employment. Since inception, it has formed partnerships with a wide range of local and international organizations to deliver job placement training to unemployed Egyptian youth, including Boeing. EFE-Egypt's core Job Placement Training Program ("JPTP") is an experiential job skills course that prepares participants for placement in a full-time job in the private sector, and includes training in soft skills, Business English, and a technical component. EFE-Egypt has also trained youth on its Career Directions job readiness and CV writing. In 2019, through EFE's support EFE-Egypt partnered with NAMA and Boeing. EFE-Egypt witnessed growth of its programing through partnerships and was able to train more beneficiaries through its diverse programs and connecting more youth to the world of work.

1. Organization and Purpose (continued)

EFE Jordan

Education for Employment-Jordan ("EFE-Jordan") was established in 2006 and has trained a significant number of youth in its job placement and entrepreneurship support programs. During 2019, EFE-Jordan continued the Training for Employment Activity ("TEA") funded by USAID, providing training and job placements in hospitality, garment manufacturing, beauty, retail, and digital marketing. EFE-Jordan prioritized female inclusion in the workforce in 2019, targeting this population through the Youth Employment Services (YES) program supported by Alwaleed Philanthropies. EFE-Jordan also selected two young women alumni to serve as Women Ambassadors for a project with NAMA. Each ambassador received communication and public speaking training with individualized support in storytelling for international audiences.

EFE Palestine

Education for Employment-Palestine ("EFE-Palestine") is a Palestinian civil society organization that provides demand-driven training for youth with limited opportunities. Founded in 2006 and operating in the West Bank, East Jerusalem and Gaza, EFE-Palestine partners with local businesses and universities to place youth in jobs and support young entrepreneurs. EFE-Palestine has connected youth to the world of work. In 2019, EFE-Palestine completed Year 2 of the "Improving the Livelihood of Youth in Gaza: Job Training, Entrepreneurship, and Pathways Programs" project funded by Islamic Relief USA. Youth participated in job training and placement programming, and many graduates were immediately placed in paid internships upon completion. Additional youth received entrepreneurship training as well as mentoring and business incubation support.

EFE Tunisia

Since its inception in 2012, Education for Employment Foundation-Tunisie ("EFE-Tunisie") has connected youth to improved labor market outcomes through targeted trainings. EFE-Tunisie partners with public universities, government institutions, and private sector actors in order to develop tailored technical, soft skills, and entrepreneurship trainings across all of the regions of Tunisia. In 2019, EFE received a second supplemental grant from MEPI to expand its programming to southeastern Tunisia. Additionally, EFE-Tunisie, with prime implementer Chemonics and partner Pro-Invest, continued implementing its first contract under the five-year USAID/Tunisia Business Reform and Competitiveness Program II ("BRCP II") project (later renamed "Jobs, Opportunities and Business Success" ("JOBS"). Under JOBS, EFE-Tunisie is working to improve the match between skills demanded by the labor market and the training provided by educational institutions with two primary activities: curricula reform, in collaboration with universities and the private sector, of target sectors; and capacity building of university career centers, which includes soft skills trainings to students, management training and governance support for career center staff, and job fairs and career days for students.

1. Organization and Purpose (continued)

EFE KSA

Education for Employment-KSA ("EFE-KSA") is an organization that provides skilled young talent to businesses in Saudi Arabia. EFE-KSA works in partnership with the private sector to develop practical training programs aligned with their workforce requirements, qualifying job-ready and retainable employees. For young people, EFE-KSA offers access to experienced instructors, employers and job opportunities. Guided by a private sector, EFE-KSA implements EFE's market-driven model to create employment and economic opportunities for unemployed Saudi youth. Since its inception in late 2016, EFE-KSA has a mission to provide Saudi Youth with economic opportunity through its job Training and Placement programs ("JTP"). In 2017, EFE-KSA continued its project "Transitioning Saudi Youth to Employment project" with JP Morgan Chase Foundation to train youth and place into jobs in most demanded sectors, namely hospitality and retail. In 2018, EFE-KSA provided trainings to Saudi youth on Digital Skills for future funded by Accenture through EFE. In 2019, EFE-KSA trained many Saudi youth through its JTP program, Pathway to Job and the newly launched Digital Skills training for the future and successful partnership with Starbucks, Citi Foundation, Accenture and AG Fund.

EFE also has established a branch office on May 19, 2019 in the United Arab Emirates ("UAE") at the International Humanitarian City (License No. 150117). The UAE branch works to further EFE's mission to create employment opportunities for youth across the MENA region through engaging with leading partners to create a tangible impact in regional youth employment. The branch office's goal is to raise visibility around the positive potential and importance of youth employment to inspire collective action to reach EFE's vision and strategy. Operational expenses incurred by this branch in 2019 were $205,974.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

> ***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 the Organization's 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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any net assets with donor restrictions that are perpetual in nature as of December 31, 2019 and 2018, or for the years then ended.

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The presentation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash

Cash consists of various checking accounts and money market deposits in a bank.

Government Contract, Grants and Pledges Receivable

Government contract, grants and pledges receivable consist of requisition invoices for expenditures incurred in subcontractor agreements funded by federal government agencies, grants and pledges made to the Organization. Management provides for probable uncollectible amounts through a provision for bad debt expense and a corresponding reserve based on its assessment of the current status of individual accounts. There was no allowance for doubtful accounts recorded at December 31, 2019 and 2018, as the entire balance in these accounts has been deemed by management to be fully collectible.

Furniture and Equipment

Furniture and equipment are stated at cost, net of accumulated depreciation. Acquisitions of furniture and equipment that are expected to have long-term benefit are capitalized. Expenditures for maintenance and repairs are charged to expense when incurred. Depreciation is computed using the straight-line method over the estimated useful lives of these assets which is five years.

Intangible Assets

Intangible assets consist of various off-the-shelf software applications and customized program systems, and website development costs and are capitalized if future benefits are deemed to exist beyond one year from the financial statement date. These costs are amortized using the straight-line method over an estimated useful life of three years.

Grants Payable

The Organization records a liability for unconditional grants when they have been approved. The Organization makes grants to support the local NGOs' programs and requires recipients to submit expenses incurred and financial reports. Grants that are considered conditional are recorded when the terms of such conditions are met.

Deferred Rent

Rent expense is recognized on the straight-line basis over the lease term. Deferred rent represents the cumulative difference between escalating rents due over the lease term and rent recognized on the straight-line basis.

2. Summary of Significant Accounting Policies (continued)

Recently Adopted Accounting Pronouncement

In June 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This ASU clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU has different effective dates for resource recipients and resource providers. The ASU was applicable for contributions and grants received by the Organization during the fiscal year ended December 31, 2019. The ASU will be applicable for resources provided by the Organization during the fiscal year ending December 31, 2020. The Organization adopted this amendment on a modified prospective basis. The adoption did not have a material impact on reported net assets as of January 1, 2019. The Organization is in the process of evaluating the impact of the ASU with respect to its providing resources.

Support and Revenue

The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Grants and contributions that are classified as support with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the program restriction or expiration of the time restriction. The Organization has elected to report any grants and contributions with donor restrictions whose restrictions are met in the same reporting period as support without donor restrictions.

Support and revenue related to contributions and grants is recognized as revenue in the period in which the donor's commitment is made, if unconditional. Conditional contributions and grants are recognized when funds are utilized by the Organization to carry out the activity stipulated by the grant or agreement, since such agreement can be terminated by the donor or grantor, or refunding can be required under certain circumstances coupled with other performance and/or control barriers. For this reason, the Organization's grant agreements are considered conditional and so, referred to as "conditional grants".

Under the terms of cost sharing and reimbursement agreements, government grants are recognized as revenue as expenses are incurred. Government contracts, which include subcontracts with other organizations who receive grants from federal agencies, are also recognized as revenue as expenses are incurred.

The Organization receives various types of in-kind support in the form of contributed services and other assets. Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills as provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received.

Interest income consists of interest earned on checking accounts and money market deposits.

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of operating the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Expenses that can be identified with a specific program and supporting services are reported directly according to their natural expenditure classification. However, personnel expenses, occupancy and certain office overhead costs are allocated among the programs and supporting services based on the time and effort by each of the employees who provided services to the Organization.

Income Taxes

The Organization operates as a tax-exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code and, accordingly, is exempt from federal income taxes. The Organization is also exempt from income taxes in the various states in which it is registered.

3. Availability and Liquidity

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use other than expenditures in conduct of its programs, within one year of the statement of financial statement position dates at December 31, 2019 and 2018, are comprised of the following:

	2019	2018
Cash	$ 597,725	$ 1,753,162
Grants receivable	318,931	131,835
Government contract receivable	746,400	266,526
Pledges receivable, net	501,248	46,230
Accounts receivable	10,416	-
Financial assets available to meet general expenditures, as defined below, within one year	$ 2,174,720	$ 2,197,753

For purposes of analyzing resources available to meet general expenditures within one year, the Organization considers all expenditures related to its on-going programs, as well as the conduct of services undertaken to support those programs to be general expenditures. The Organization has identified a financial goal of establishing and maintaining sufficient operating funds – an imperative for sustainability of program delivery and organizational fiscal health.

4. Pledges Receivable

Pledges receivable consisted of the following at December 31:

	2019	2018
Receivable in one year or less	$ 501,248	$ 25,000
Receivable between one and five years	-	25,000
Net present value discount	-	(3,770)
	-	21,230
	$ 501,248	$ 46,230

The present value of estimated future cash flows has been determined utilizing a discount rate equivalent to the Organization's incremental borrowing rate of LIBOR plus 3%.

5. Grants Receivable

Grants receivable from government and non-government sources are stated at the amount management expects to collect on outstanding balances. Reimbursements for government grant expenditures are subject to government agency approval based on compliance with federal grant award provisions.

Grants receivable consisted of the following at December 31:

	2019	2018
Government agencies	$ 89,815	$ 21,747
Non-governmental sources	229,116	110,088
	$ 318,931	$ 131,835

As of December 31, 2019, the Organization has been awarded approximately $1,220,000 of grant commitments from non-government sources that are conditional on the progress of the programs being funded. These commitments will be recognized as support when the conditional barrier of the donors or grantors have been overcome by the Organization. In addition, the Organization has also been awarded approximately $7,850,000 of grant or subcontract commitments from federal government sources that are conditional on the Organization incurring budgeted expenditures subject to review and approval under specific government rules and regulations, including subgrants and subcontractor expenditures.

6. Furniture, Equipment and Intangible Assets

Furniture and equipment consisted of the following at December 31:

	2019	2018
Furniture	$ 9,312	$ 9,312
Equipment	48,228	45,846
Total furniture and equipment	57,540	55,158
Less - accumulated depreciation	54,589	51,297
	$ 2,951	$ 3,861

Intangible assets consisted of the following at December 31:

	2019	2018
Computer software	$ 224,220	$ 224,220
Website development costs	109,000	109,000
	333,220	333,220
Less - accumulated amortization	265,161	194,078
	$ 68,059	$ 139,142

Depreciation expense for the years ended December 31, 2019 and 2018 was $3,292 and $3,718, respectively. Amortization expense for the years ended December 31, 2019 and 2018 was $71,083 and $71,081, respectively.

Amortization of computer software and website development costs for the fiscal year ending December 31, 2020 are $34,750 and $33,309, respectively.

7. In-Kind Contributions

The Organization received the following in-kind contributions during the years ended December 31:

	2019	2018
Legal	$ 170,486	$ 148,959
Accounting and other administrative services	250,000	250,000
Consulting and marketing	301,495	264,150
	$ 721,981	$ 663,109

8. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at December 31:

	2019	2018
Other programs in the MENA region	$ 710,281	$ 1,329,157
Training for a Digital Future Project	649,448	-
Job training, entrepreneurship and Pathways Program in Palestine and Jordan	453,756	498,912
Medical Employment and Development in Yemen	107,417	-
Gulf program management	61,394	100,671
Baseline and monitoring data for programatic reporting	-	111,305
Platform for Success - Online	36,150	35,371
Work readliness blended online training program	25,000	25,000
Time restricted grant	23,914	46,230
Programming for the Future - Innovative projects alleviate unemployment	14,369	107,602
Women's entrepreneurship program	9,418	50,030
Innovative projects and initiatives	4,500	34,500
Networking and learning meeting	-	65,000
	$ 2,095,647	$ 2,403,778

Net assets released from donor restrictions during the years ended December 31, 2019 and 2018 were as follows:

	2019	2018
Other programs in the MENA region	$ 1,154,920	$ 1,114,138
Job training, entrepreneurship and Pathways Program in Palestine and Jordan	735,445	239,181
Women's entrepreneurship program	190,849	685,294
Baseline and monitoring data for programatic reporting	111,304	2,241
Medical Employment and Development in Yemen	110,626	-
Training for a Digital Future Project	110,552	-
Programming for the Future - Innovative projects alleviate unemployment	93,233	92,398
Networking and learning meeting	65,000	-
Gulf program management	39,277	-
Platform for Success - Online	39,221	21,525
Innovative Projects and Initiatives	30,000	-
Time restricted grant	22,316	24,001
Communication campaign	-	30,416
	$ 2,702,743	$ 2,209,194

9. Lease Commitments

The Organization executed a lease for office space located in Washington D.C. through April 30, 2019. On March 26, 2019, the Organization entered into a new office lease agreement. The new lease provides for rent abatement during the initial six months of the lease term through October 2019. Thereafter, rent of $12,992 is payable monthly. Rent payments escalate over the term of the lease which expires on June 30, 2023. In May 2019, the Organization executed a lease agreement for branch office space located at the International Humanitarian City in Dubai, UAE through May 18, 2021. Rent expense for the years ended December 31, 2019 and 2018 was $154,595 and $177,082, respectively. The Organization's minimum future lease payment under its lease agreements in Washington D.C. and Dubai for the years ending December 31 are as follow:

	Washington D.C.	Dubai
2020	$ 158,502	$ 3,395
2021	162,465	-
2022	166,525	-
2023	84,643	-

10. Employee Retirement Plan

The Organization maintains a defined contribution retirement plan for eligible employees. The Organization's contributions to the plan for the years ended December 31, 2019 and 2018 were $73,649 and $79,294, respectively.

11. Related Party Transactions

The Organization receives support from the Founder and Chairman of the Board of the Organization. The Founder contributed $900,180 and $751,054 to the Organization during the years ended December 31, 2019 and 2018, respectively.

In addition, the Founder's company provided accounting and other administrative services to the Organization having a fair value of $250,000 without charge, for each of the years ended December 31, 2019 and 2018.

12. Concentration Risks

The Organization has a concentration of credit risk in that it maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation. The maximum insurance amount is $250,000, which is applied per depositor, per insured depository institution for each account ownership category.

A concentration risk exists in that contributions from the founder, grants from a federal government department, and revenue from a contractor comprised 47% of total support and revenue (excluding in-kind contributions) for the year ended December 31, 2019. Total contributions from the founder, a grant from a third-party organization, grants from a federal government department and revenue from a contractor comprised 61% of total support and revenue (excluding in-kind contributions) for the year ended December 31, 2018. Contributions and revenue from the founder and two contractors comprised 77% of grants receivable, government contract receivable and pledges receivable at December 31, 2019. Contributions, grants and revenue from a donor, a grantor and two contractors comprised 88% of grants receivable, government contract receivable and pledges receivable at December 31, 2018.

13. Line of Credit

The Organization has a revolving line of credit agreement with its bank permitting advances up to $300,000. Advances bear interest at the LIBOR rate plus 3% (5.45% as of December 31, 2018). The line of credit is secured and collateralized by the Organization’s furniture and equipment as well as its receivables. No balance was outstanding under this line of credit at December 31, 2018. The line of credit expired on August 29, 2019, and the Organization did not renew it. The Organization has not drawn from this line of credit during the years ended December 31, 2019 and 2018.

14. Grant Commitments

In connection with certain conditional grant awards from non-government sources as disclosed in Note 5, the Organization is obligated to award up to approximately $1,700,000 in subrecipient grants, which is contingent on receipt of conditional funding, related costs being incurred by the subrecipients, and/or the attainment of performance indicators provided for in the subaward agreements. These commitments will be recognized as grants expense when the corresponding conditions/barriers are overcome.

15. Subsequent Event

The Organization’s management has evaluated the effect which subsequent events may have on these financial statements. Management’s evaluation was completed on July 31, 2020, the date these financial statements became available to be issued.

On March 11, 2019, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which could negatively impact the Organization’s contribution and grant support. The Organization received an approximately $242,000 loan under the Small Business Association’s (“SBA”) Paycheck Protection Program (“PPP”) in May 2020 which will be used to pay employees and certain other costs. The PPP loan principal maybe forgiven by the SBA if certain criteria are met. Other financial impact could occur although such potential impact is unknown at this time.

16. New Accounting Pronouncements Issued and Not Yet Adopted

Accounting pronouncements issued that may have a material impact on the presentation of the Organization's financial statements and not yet adopted are as follows:

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and its subsequent amendment, which creates a single, comprehensive revenue recognition model for recognizing revenue from contracts with customers. This new revenue standard's core principle is that an entity will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than were required under previously existing guidance, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation, among others. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization has elected to defer the adoption of the implementation of this ASU until the year ended December 31, 2020, as allowed.

A substantial portion of the Organization's revenue relates to subcontracts with certain third-party entities funded by federal government agencies. Under the terms of these subcontract agreements, the Organization follow performance and monitoring criteria as set and stipulated and the Organization is compensated under the cost-reimbursement plus fixed fee basis. Management is currently in the process of evaluating the impact of the implementation of this ASU on its financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosures of leases for both parties to a contract (i.e., lessees or lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases. This standard will be effective for annual reporting periods beginning after December 15, 2021 for non-public entities. The Organization is in the process of evaluating the impact of his new ASU.