

# TAX RETURN FILING INSTRUCTIONS

NEW YORK FORM CHAR500, ANNUAL FILING REPORT

FOR THE YEAR ENDING

JUNE 30, 2012

|   |  |
|---|--|
| <b>Prepared for</b>                       | NEAR EAST FOUNDATION<br>900 S. CROUSE AVENUE<br>SYRACUSE , NY 13244-2130   |
| <b>Prepared by</b>                        | BONADIO & CO., LLP<br>115 SOLAR STREET<br>SYRACUSE, NY 13204   |
| <b>Mail tax return to</b>                 | NEW YORK STATE DEPARTMENT OF LAW<br>CHARITIES BUREAU - REGISTRATION SECTION<br>120 BROADWAY<br>NEW YORK, NY 10271  |
| <b>Return must be mailed on or before</b> | PLEASE MAIL AS SOON AS POSSIBLE.   |
| <b>Special Instructions</b>               | NEW YORK FORM CHAR500 MUST BE SIGNED AND DATED BY BOTH OF THE AUTHORIZED INDIVIDUALS. ALSO BE SURE THAT THE ATTACHED COPY OF FEDERAL FORM 990 HAS BEEN PROPERLY SIGNED AND DATED.<br><br>ENCLOSE A CHECK FOR \$275 MADE PAYABLE TO NYS DEPARTMENT OF LAW. INCLUDE THE ORGANIZATION'S STATE REGISTRATION NUMBER(S) ON THE REMITTANCE. |

|   |  |                                      |
|---|--|--------------------------------------|
| <b>Form CHAR500</b>   | <b>Annual Filing for Charitable Organizations</b><br>New York State Department of Law (Office of the Attorney General)<br>Charities Bureau - Registration Section<br>120 Broadway<br>New York, NY 10271<br><a href="http://www.charitiesnys.com">http://www.charitiesnys.com</a> | <b>2011</b>                          |
| This form used for:<br>Article 7-A, EPTL and dual filers<br>(replaces forms CHAR 497,<br>CHAR 010 and CHAR 006) |  | <b>Open to Public<br/>Inspection</b> |

|   |  |   |  |
|---|--|---|--|
| <b>1. General Information</b>   |  |   |  |
| a. For the fiscal year beginning (mm/dd/yyyy) <b>07/01/2011</b> and ending (mm/dd/yyyy) <b>06/30/2012</b>   |  |   |  |
| b. Check if applicable for NYS:<br><input type="checkbox"/> Address change<br><input type="checkbox"/> Name change<br><input type="checkbox"/> Initial filing<br><input type="checkbox"/> Final filing<br><input type="checkbox"/> Amended filing<br><input type="checkbox"/> NY registration pending | c. Name of organization<br><b>NEAR EAST FOUNDATION</b><br><br>Number and street (or P.O. box if mail not delivered to street address) Room/suite<br><b>900 S. CROUSE AVENUE</b><br><br>City or town, state or country and ZIP + 4<br><b>SYRACUSE , NY 13244-2130</b> | d. Fed. employer ID no. (EIN)<br><b>13-1624114</b><br><br>e. NY State registration no.<br><b>00-78-17</b><br><br>f. Telephone number<br><b>315 428 8670</b><br><br>g. Email |  |

|   |               |   |   |
|---|---------------|---|---|
| <b>2. Certification - Two Signatures Required</b>   |               |   |   |
| We certify under penalties of perjury that we reviewed this report, including all attachments, and to the best of our knowledge and belief, they are true, correct and complete in accordance with the laws of the State of New York applicable to this report. |               |   |   |
| a. President or Authorized Officer  | <br>Signature | <b>CHARLES BENJAMIN</b><br>Printed Name | <b>PRESIDENT</b> <b>05/15/13</b><br>Title                      Date |
| b. Chief Financial Officer or Treas.  | <br>Signature | <b>JOHN ASHBY</b><br>Printed Name       | <b>CFO</b> <b>05/15/13</b><br>Title                      Date       |

|  |   |
|--|---|
| <b>3. Annual Report Exemption Information</b>  |   |
| a. <b>Article 7-A</b> annual report exemption (Article 7-A registrants and dual registrants)   | Check <input type="checkbox"/> if total contributions from NY State (including residents, foundations, corporations, government agencies, etc.) did not exceed \$25,000 <b>and</b> the organization did not engage a professional fund raiser (PFR) or fund raising counsel (FRC) to solicit contributions during this fiscal year.<br><br><b>NOTE:</b> An organization may claim this exemption if no PFR or FRC was used <b>and</b> either: 1) it received an allocation from a federated fund, United Way or incorporated community appeal <b>and</b> contributions from other sources did not exceed \$25,000 <b>or</b> 2) it received all or substantially all of its contributions from one government agency to which it submitted an annual report similar to that required by Article 7-A. |
| b. <b>EPTL</b> annual report exemption (EPTL registrants and dual registrants)   | Check <input type="checkbox"/> if gross receipts did not exceed \$25,000 <b>and</b> assets (market value) did not exceed \$25,000 at any time during this fiscal year.  |
| For EPTL or Article 7-A registrants claiming the annual report exemption under the one law under which they are registered and for dual registrants claiming the annual report exemptions under both laws, simply complete part 1 (General Information), part 2 (Certification) and part 3 (Annual Report Exemption Information) above.<br><i>Do not submit a fee, do not complete the following schedules and do not submit any attachments to this form.</i> |   |

|   |   |
|---|---|
| <b>4. Article 7-A Schedules</b>   |   |
| If you did <b>not</b> check the Article 7-A annual report exemption above, complete the following for this fiscal year:                           |   |
| a. Did the organization use a professional fund raiser, fund raising counsel or commercial co-venturer for fund raising activity in NY State? ... | <input type="checkbox"/> Yes* <input checked="" type="checkbox"/> No<br>* If "Yes", complete Schedule 4a. |
| b. Did the organization receive government contributions (grants)?  | <input checked="" type="checkbox"/> Yes* <input type="checkbox"/> No<br>* If "Yes", complete Schedule 4b. |

|  |                |
|--|----------------|
| <b>5. Fee Submitted:</b> See last page for summary of fee requirements.                    |                |
| Indicate the filing fee(s) you are submitting along with this form:                        |                |
| a. Article 7-A filing fee .....  | \$ <u>25.</u>  |
| b. EPTL filing fee .....   | \$ <u>250.</u> |
| c. <b>Total fee</b> .....  | \$ <u>275.</u> |
| Submit only one check or money order for the total fee, payable to "NYS Department of Law" |                |

|   |
|---|
| <b>6. Attachments</b> - For organizations that are not claiming annual report exemptions under both laws, see last page for required attachments <b>▶▶▶</b> |
|---|



**NEAR EAST FOUNDATION**

**5. Fee Instructions**

The filing fee depends on the organization's Registration Type. For details on Registration Type and filing fees, see the Instructions for Form CHAR500.

**Organization's Registration Type    Fee Instructions**

- **Article 7-A**    Calculate the Article 7-A filing fee using the table in **part a** below. The EPTL filing fee is \$0.
- **EPTL**    Calculate the EPTL filing fee using the table in **part b** below. The Article 7-A filing fee is \$0.
- **Dual**    Calculate both the Article 7-A and EPTL filing fees using the tables in **parts a and b** below. Add the Article 7-A and EPTL filing fees together to calculate the total fee. Submit a single check or money order for the total fee.

**a) Article 7-A filing fee**

| Total Support & Revenue | Article 7-A Fee |
|-------------------------|-----------------|
| more than \$250,000     | \$25            |
| up to \$250,000 *       | \$10            |

\* Any organization that contracted with or used the services of a professional fund raiser (PFR) or fund raising counsel (FRC) during the reporting period must pay an Article 7-A filing fee of \$25, regardless of total support and revenue.

**b) EPTL filing fee**

| Net Worth at End of Year                         | EPTL Fee |
|--|----------|
| Less than \$50,000                               | \$25     |
| \$50,000 or more, but less than \$250,000        | \$50     |
| \$250,000 or more, but less than \$1,000,000     | \$100    |
| \$1,000,000 or more, but less than \$10,000,000  | \$250    |
| \$10,000,000 or more, but less than \$50,000,000 | \$750    |
| \$50,000,000 or more                             | \$1500   |

**6. Attachments - Document Attachment Check-List**

Check the boxes for the documents you are attaching.

|  |  |  |
|--|--|--|
| <b>For All Filers</b>  |  |  |
| <u>Filing Fee</u>  |  |  |
| <input checked="" type="checkbox"/> Single check or money order payable to "NYS Department of Law" |  |  |
| <u>Copies of Internal Revenue Service Forms</u>  |  |  |
| <input checked="" type="checkbox"/> IRS Form 990   | <input type="checkbox"/> IRS Form 990-EZ                               | <input type="checkbox"/> IRS Form 990-PF                               |
| <input checked="" type="checkbox"/> All required schedules (including Schedule B)                  | <input type="checkbox"/> All required schedules (including Schedule B) | <input type="checkbox"/> All required schedules (including Schedule B) |
| <input type="checkbox"/> IRS Form 990-T  | <input type="checkbox"/> IRS Form 990-T                                | <input type="checkbox"/> IRS Form 990-T                                |

|  |
|--|
| <b>Additional Article 7-A Document Attachment Requirement</b>  |
| <u>Independent Accountant's Report</u>   |
| <input checked="" type="checkbox"/> Audit Report (total support & revenue more than \$250,000)             |
| <input type="checkbox"/> Review Report (total support & revenue \$100,001 to \$250,000)                    |
| <input type="checkbox"/> No Accountant's Report Required (total support & revenue not more than \$100,000) |

# TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING

JUNE 30, 2012

|   |   |
|---|---|
| <b>Prepared for</b>                                 | NEAR EAST FOUNDATION<br>900 S. CROUSE AVENUE<br>SYRACUSE , NY 13244-2130  |
| <b>Prepared by</b>                                  | BONADIO & CO., LLP<br>115 SOLAR STREET<br>SYRACUSE, NY 13204  |
| <b>Amount due or refund</b>                         | NOT APPLICABLE  |
| <b>Make check payable to</b>                        | NOT APPLICABLE  |
| <b>Mail tax return and check (if applicable) to</b> | NOT APPLICABLE  |
| <b>Return must be mailed on or before</b>           | NOT APPLICABLE  |
| <b>Special Instructions</b>                         | <p>THIS RETURN HAS QUALIFIED FOR ELECTRONIC FILING. AFTER YOU HAVE REVIEWED THE RETURN FOR COMPLETENESS AND ACCURACY, PLEASE SIGN FORM 8879-EO AND CONTACT OUR OFFICE TO CONFIRM THAT THIS RETURN CAN BE FILED ELECTRONICALLY. DO NOT MAIL A PAPER COPY OF THE RETURN TO THE IRS.</p> <p>REPORT OF FOREIGN BANK AND FINANCIAL ACCOUNTS:</p> <p>SEPARATELY MAIL FORM 90-22.1, REPORT OF FOREIGN BANK AND FINANCIAL ACCOUNTS. THE FORM MUST BE RECEIVED BY THE DEPARTMENT OF THE TREASURY AS SOON AS POSSIBLE.</p> <p>MAIL TO: DEPARTMENT OF THE TREASURY<br/>P.O. BOX 32621<br/>DETROIT, MI 48232-0621</p> <p>THIS FORM SHOULD BE SIGNED AND DATED BY THE APPROPRIATE CORPORATE OFFICER.</p> |

Form **8879-EO**

**IRS e-file Signature Authorization  
for an Exempt Organization**

OMB No. 1545-1878

For calendar year 2011, or fiscal year beginning JUL 1, 2011, and ending JUN 30, 2012

**2011**

Department of the Treasury  
Internal Revenue Service

▶ **Do not send to the IRS. Keep for your records.**  
▶ **See instructions.**

Name of exempt organization

Employer identification number

**NEAR EAST FOUNDATION**

**13-1624114**

Name and title of officer

**JOHN ASHBY  
VICE PRESIDENT & CFO**

**Part I Type of Return and Return Information** (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

|    |                          |                                       |   |  |    |                |
|----|--------------------------|---------------------------------------|---|--|----|----------------|
| 1a | Form 990 check here      | ▶ <input checked="" type="checkbox"/> | b | Total revenue, if any (Form 990, Part VIII, column (A), line 12) | 1b | <u>3266748</u> |
| 2a | Form 990-EZ check here   | ▶ <input type="checkbox"/>            | b | Total revenue, if any (Form 990-EZ, line 9)                      | 2b |                |
| 3a | Form 1120-POL check here | ▶ <input type="checkbox"/>            | b | Total tax (Form 1120-POL, line 22)                               | 3b |                |
| 4a | Form 990-PF check here   | ▶ <input type="checkbox"/>            | b | Tax based on investment income (Form 990-PF, Part VI, line 5)    | 4b |                |
| 5a | Form 8868 check here     | ▶ <input type="checkbox"/>            | b | Balance Due (Form 8868, Part I, line 3c or Part II, line 8c)     | 5b |                |

**Part II Declaration and Signature Authorization of Officer**

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2011 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize BONADIO & CO., LLP to enter my PIN 24114  
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2011 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2011 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ [Signature] Date ▶ 05/13/13

**Part III Certification and Authentication**

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

16033257004  
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2011 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ [Signature] Date ▶ 05/13/13

**ERO Must Retain This Form - See Instructions  
Do Not Submit This Form To the IRS Unless Requested To Do So**

**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury  
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 2011 calendar year, or tax year beginning **JUL 1, 2011** and ending **JUN 30, 2012**

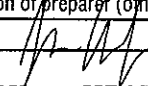
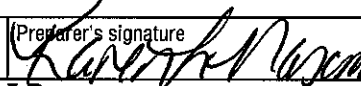
|   |  |   |   |
|---|--|---|---|
| <b>B</b> Check if applicable:<br><input type="checkbox"/> Address change<br><input type="checkbox"/> Name change<br><input type="checkbox"/> Initial return<br><input type="checkbox"/> Terminated<br><input type="checkbox"/> Amended return<br><input type="checkbox"/> Application pending | <b>C</b> Name of organization<br><b>NEAR EAST FOUNDATION</b><br>Doing Business As                                    |   | <b>D</b> Employer identification number<br><b>13-1624114</b>  |
|   | Number and street (or P.O. box if mail is not delivered to street address) Room/suite<br><b>900 S. CROUSE AVENUE</b> |   | <b>E</b> Telephone number<br><b>315-428-8670</b>  |
|   | City or town, state or country, and ZIP + 4<br><b>SYRACUSE, NY 13244-2130</b>  |   | <b>G</b> Gross receipts \$ <b>3,266,748.</b>  |
|   | <b>F</b> Name and address of principal officer: <b>JOHN ASHBY</b>  |   | <b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br><b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>If "No," attach a list. (see instructions)<br><b>H(c)</b> Group exemption number ▶ |
| <b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c)( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527   |  |   |   |
| <b>J</b> Website: ▶ <b>WWW.NEAREAST.ORG</b>   |  |   |   |
| <b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶   |  | <b>L</b> Year of formation: <b>1930</b> <b>M</b> State of legal domicile: <b>NY</b> |   |

**Part I Summary**

|                                    |  |   |
|------------------------------------|--|---|
| <b>Activities &amp; Governance</b> | 1 Briefly describe the organization's mission or most significant activities: <b>THE NEAR EAST FOUNDATION HELPS BUILD MORE SUSTAINABLE, PROSPEROUS, AND INCLUSIVE COMMUNITIES IN THE</b> |   |
|                                    | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.  |   |
|                                    | 3  | Number of voting members of the governing body (Part VI, line 1a) <b>3</b>              |
|                                    | 4  | Number of independent voting members of the governing body (Part VI, line 1b) <b>12</b> |
|                                    | 5  | Total number of individuals employed in calendar year 2011 (Part V, line 2a) <b>11</b>  |
|                                    | 6  | Total number of volunteers (estimate if necessary) <b>30</b>                            |
|                                    | 7a   | Total unrelated business revenue from Part VIII, column (C), line 12 <b>0.</b>          |
| 7b                                 | Net unrelated business taxable income from Form 990-T, line 34 <b>0.</b>   |   |
| <b>Revenue</b>                     | 8 Contributions and grants (Part VIII, line 1h) <b>3,427,209.</b>  |   |
|                                    | 9 Program service revenue (Part VIII, line 2g) <b>228,898.</b>   |   |
|                                    | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) <b>7,255.</b>   |   |
|                                    | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) <b>13,506.</b>   |   |
|                                    | 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) <b>3,676,868.</b>  |   |
| <b>Expenses</b>                    | 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) <b>935,353.</b>  |   |
|                                    | 14 Benefits paid to or for members (Part IX, column (A), line 4) <b>0.</b>   |   |
|                                    | 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) <b>1,146,405.</b>   |   |
|                                    | 16a Professional fundraising fees (Part IX, column (A), line 11e) <b>0.</b>  |   |
|                                    | b Total fundraising expenses (Part IX, column (D), line 25) <b>97,293.</b>   |   |
|                                    | 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) <b>1,496,610.</b>  |   |
|                                    | 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) <b>3,578,368.</b>   |   |
| <b>Net Assets or Fund Balances</b> | 19 Revenue less expenses. Subtract line 18 from line 12 <b>98,500.</b>   |   |
|                                    | 20 Total assets (Part X, line 16) <b>4,278,911.</b>  |   |
|                                    | 21 Total liabilities (Part X, line 26) <b>727,389.</b>   |   |
|                                    | 22 Net assets or fund balances. Subtract line 21 from line 20 <b>3,551,522.</b>  |   |

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

|   |  |   |                                |   |                               |
|---|--|---|--------------------------------|---|-------------------------------|
| <b>Sign Here</b>  | Signature of officer  | Date <b>05/15/13</b>  |                                |   |                               |
|   | <b>JOHN ASHBY, VICE PRESIDENT &amp; CFO</b><br>Type or print name and title                              |   |                                |   |                               |
| <b>Paid Preparer Use Only</b>                               | Print/Type preparer's name<br><b>KAREN NASONI</b>  | Preparer's signature  | Date <b>05/15/13</b>           | Check if self-employed <input type="checkbox"/> | PTIN <b>P00057004</b>         |
|   | Firm's name ▶ <b>BONADIO &amp; CO., LLP</b>  |   | Firm's EIN ▶ <b>16-1131146</b> |   | Phone no. <b>315-214-7575</b> |
| Firm's address ▶ <b>115 SOLAR STREET SYRACUSE, NY 13204</b> |  |   |                                |   |                               |

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission:

THE NEAR EAST FOUNDATION HELPS BUILD MORE SUSTAINABLE, PROSPEROUS, AND INCLUSIVE COMMUNITIES IN THE MIDDLE EAST AND AFRICA THROUGH EDUCATION, GOVERNANCE, AND ECONOMIC DEVELOPMENT INITIATIVES.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 591,937. including grants of \$ 9,445.) (Revenue \$ 73,665.)

PROGRAMS TO IMPROVE THE PRODUCTIVITY, PROFITABILITY, AND SUSTAINABILITY OF AGRICULTURE AND NATURAL RESOURCE MANAGEMENT. TO CONTRIBUTE TO THE ECONOMIC DEVELOPMENT OF SMALLHOLDER FARMING COMMUNITIES, NEF HELPS FARMERS, POLICY-MAKERS AND NATURAL RESOURCE-DEPENDENT POPULATIONS UNDERSTAND AND ADAPT TO CLIMATE CHANGE, ADOPT MORE EFFICIENT PRODUCTION METHODS, BUILD FOOD SECURITY, INCREASE INCOME, AND CONSERVE NATURAL RESOURCES. THESE PROGRAMS INCLUDE: IMPROVING WATERSHED MANAGEMENT, WATER USE EFFICIENCY, AND AGRICULTURAL PRODUCTION BENEFITING OVER 4,000 PEOPLE IN 22 MOROCCAN COMMUNITIES. ESTABLISHING 60 FARMER FIELD SCHOOLS TO INTRODUCTION IMPROVED OLIVE PRODUCTION TECHNIQUES IN THE PALESTINIAN TERRITORIES; INCREASE PRODUCTION BY 280%. INTRODUCING TECHNIQUES TO IMPROVE THE SUSTAINABILITY AND PROFITABILITY OF FOREST

4b (Code: ) (Expenses \$ 2,029,438. including grants of \$ 34,062.) (Revenue \$ )

PROGRAMS TO IMPROVE CIVIC ENGAGEMENT AND PARTICIPATION. NEF WORKS WITH YOUTH ASSOCIATIONS AND OTHER COMMUNITY ORGANIZATIONS TO FIND PRACTICAL WAYS TO CONSTRUCTIVELY ADDRESS REAL PROBLEMS IN THEIR COMMUNITIES, ISSUES LIKE UNEMPLOYMENT, ENVIRONMENTAL DEGRADATION, AND SAFETY. NEF TRAINS YOUNG CIVIC LEADERS, HELPS COMMUNITY GROUPS TAKE COLLECTIVE ACTION, AND SUPPORTS GOVERNMENTS IN ADDRESSING CONSTITUENT NEEDS, WITH AN EMPHASIS ON AMPLIFYING THE VOICE OF YOUTH IN PUBLIC DECISION-MAKING. TRAIN 990 MOROCCAN YOUTH AND ELECTED OFFICIALS TO INCREASE YOUTH PARTICIPATION IN LOCAL GOVERNANCE; CREATE 10 YOUTH COUNCILS FOR DIALOGUE BETWEEN YOUTH AND LOCAL GOVERNMENTS. TRAIN 2,000 EX-COMBATANTS IN SOUTH KORDOFAN, SUDAN, IN PRINCIPLES OF CIVIL SOCIETY AND CIVIC PARTICIPATION. SUPPORTED 4 EGYPTIAN COMMUNITY-BASED

4c (Code: ) (Expenses \$ 105,588. including grants of \$ ) (Revenue \$ )

PROGRAMS TO BUILD PEACE THROUGH ECONOMIC COOPERATION AND DEVELOPMENT. NEF HELPS REDUCE POVERTY AND PROMOTE SUSTAINABLE ECONOMIC DEVELOPMENT IN CONFLICT AND POST-CONFLICT AREAS. ACTIVITIES FOCUS ON CORE LIVELIHOOD ISSUES AND HELP PARTICIPANTS FIND MUTUAL INTERESTS AND BENEFIT THROUGH ECONOMIC COOPERATION. TRAIN 400 COMMUNITY LEADERS IN CENTRAL DARFUR IN COLLABORATIVE RESOURCE MANAGEMENT AND CONFLICT RESOLUTION. TRAIN OVER 300 PALESTINIANS AND ISRAELIS THROUGH CROSS-BORDER TRAININGS AND EVENTS FOCUSED ON BUILDING COOPERATION THROUGH MUTUAL ECONOMIC BENEFIT IN THE OLIVE OIL SECTOR. TRAIN AND SUPPORT 1,200 SUDANESE EX-COMBATANTS IN SOUTH KORDOFAN, NORTH KORDOFAN, AND KHARTOUM TO START SMALL BUSINESSES AND REINTEGRATE INTO THEIR COMMUNITIES.

4d Other program services (Describe in Schedule O.)

(Expenses \$ 645,926. including grants of \$ 11,921.) (Revenue \$ )

4e Total program service expenses 3,372,889.



**Part IV Checklist of Required Schedules**

|  | Yes | No |
|--|-----|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)?<br><i>If "Yes," complete Schedule A</i> .....  | X   |    |
| 2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....   |     | X  |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....  |     | X  |
| 4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....   |     | X  |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....   |     | X  |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....  |     | X  |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....  |     | X  |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....   |     | X  |
| 9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> .....   |     | X  |
| 10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....   | X   |    |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.   |     |    |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....   | X   |    |
| b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> .....   |     | X  |
| c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> .....   |     | X  |
| d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> .....  |     | X  |
| e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....   |     | X  |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> .....  | X   |    |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i> .....   | X   |    |
| b Was the organization included in consolidated, independent audited financial statements for the tax year?<br><i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i> .....   |     | X  |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....  |     | X  |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? .....  | X   |    |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> ..... | X   |    |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....  | X   |    |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....  |     | X  |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....   |     | X  |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....   |     | X  |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....   |     | X  |
| 20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....   |     | X  |
| b <i>If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?</i> .....  |     |    |

**Part IV Checklist of Required Schedules** (continued)

|   | Yes | No |
|---|-----|----|
| 21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....   |     | X  |
| 22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....   |     | X  |
| 23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....  |     | X  |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i> .....                            |     | X  |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....   |     |    |
| c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....  |     |    |
| d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....   |     |    |
| 25a <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....   |     | X  |
| b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....  |     | X  |
| 26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> .....  |     | X  |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> ..... |     | X  |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):  |     |    |
| a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....  |     | X  |
| b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....   |     | X  |
| c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....   |     | X  |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....  | X   |    |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....  |     | X  |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations?<br><i>If "Yes," complete Schedule N, Part I</i> .....   |     | X  |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....  |     | X  |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....  | X   |    |
| 34 Was the organization related to any tax-exempt or taxable entity?<br><i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> .....  |     | X  |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....   |     | X  |
| b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....  |     | X  |
| 36 <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization?<br><i>If "Yes," complete Schedule R, Part V, line 2</i> .....  |     | X  |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....   |     | X  |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?  | X   |    |

**Note.** All Form 990 filers are required to complete Schedule O

**Part V** Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

|     |  | Yes | No |
|-----|--|-----|----|
| 1a  | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable   |     |    |
| 1a  | 5  |     |    |
| b   | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable  |     |    |
| 1b  | 0  |     |    |
| c   | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?   | X   |    |
| 1c  |  |     |    |
| 2a  | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return  |     |    |
| 2a  | 11   |     |    |
| b   | If at least one is reported on line 2a, did the organization file all required federal employment tax returns?<br><b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)   | X   |    |
| 2b  |  |     |    |
| 3a  | Did the organization have unrelated business gross income of \$1,000 or more during the year?  |     | X  |
| 3a  |  |     |    |
| b   | If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O   |     |    |
| 3b  |  |     |    |
| 4a  | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?                                   | X   |    |
| 4a  |  |     |    |
| b   | If "Yes," enter the name of the foreign country: <b>SEE SCHEDULE O</b><br>See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.   |     |    |
| 4b  |  |     |    |
| 5a  | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?  |     | X  |
| 5a  |  |     |    |
| b   | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?   |     | X  |
| 5b  |  |     |    |
| c   | If "Yes," to line 5a or 5b, did the organization file Form 8886-T?   |     |    |
| 5c  |  |     |    |
| 6a  | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?  |     | X  |
| 6a  |  |     |    |
| b   | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?  |     |    |
| 6b  |  |     |    |
| 7   | <b>Organizations that may receive deductible contributions under section 170(c).</b>   |     |    |
| a   | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?  |     | X  |
| 7a  |  |     |    |
| b   | If "Yes," did the organization notify the donor of the value of the goods or services provided?  |     |    |
| 7b  |  |     |    |
| c   | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?   |     | X  |
| 7c  |  |     |    |
| d   | If "Yes," indicate the number of Forms 8282 filed during the year  |     |    |
| 7d  |  |     |    |
| e   | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  |     | X  |
| 7e  |  |     |    |
| f   | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?   |     | X  |
| 7f  |  |     |    |
| g   | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?   |     |    |
| 7g  |  |     |    |
| h   | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?   |     |    |
| 7h  |  |     |    |
| 8   | <b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? |     |    |
| 8   |  |     |    |
| 9   | <b>Sponsoring organizations maintaining donor advised funds.</b>   |     |    |
| a   | Did the organization make any taxable distributions under section 4966?  |     |    |
| 9a  |  |     |    |
| b   | Did the organization make a distribution to a donor, donor advisor, or related person?   |     |    |
| 9b  |  |     |    |
| 10  | <b>Section 501(c)(7) organizations.</b> Enter:   |     |    |
| a   | Initiation fees and capital contributions included on Part VIII, line 12   | 10a |    |
| b   | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities  | 10b |    |
| 11  | <b>Section 501(c)(12) organizations.</b> Enter:  |     |    |
| a   | Gross income from members or shareholders  | 11a |    |
| b   | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)   | 11b |    |
| 12a | <b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?  | 12a |    |
| b   | If "Yes," enter the amount of tax-exempt interest received or accrued during the year  | 12b |    |
| 13  | <b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>  |     |    |
| a   | Is the organization licensed to issue qualified health plans in more than one state?<br><b>Note.</b> See the instructions for additional information the organization must report on Schedule O.   | 13a |    |
| b   | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans  | 13b |    |
| c   | Enter the amount of reserves on hand   | 13c |    |
| 14a | Did the organization receive any payments for indoor tanning services during the tax year?   | 14a | X  |
| b   | If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O  | 14b |    |

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

**Section A. Governing Body and Management**

|    |  | Yes | No |
|----|--|-----|----|
| 1a | Enter the number of voting members of the governing body at the end of the tax year<br>If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O. |     |    |
| 1a | 13   |     |    |
| b  | Enter the number of voting members included in line 1a, above, who are independent   |     |    |
| 1b | 12   |     |    |
| 2  | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?  |     | X  |
| 3  | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?   |     | X  |
| 4  | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?   |     | X  |
| 5  | Did the organization become aware during the year of a significant diversion of the organization's assets?   |     | X  |
| 6  | Did the organization have members or stockholders?   |     | X  |
| 7a | Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?   |     | X  |
| b  | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?  |     | X  |
| 7b |  |     | X  |
| 8  | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:  |     |    |
| a  | The governing body?  | X   |    |
| 8a |  | X   |    |
| b  | Each committee with authority to act on behalf of the governing body?  | X   |    |
| 8b |  | X   |    |
| 9  | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O   |     | X  |

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

|     |  | Yes | No |
|-----|--|-----|----|
| 10a | Did the organization have local chapters, branches, or affiliates?   | X   |    |
| b   | If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?   | X   |    |
| 10b |  | X   |    |
| 11a | Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?  | X   |    |
| b   | Describe in Schedule O the process, if any, used by the organization to review this Form 990.  |     |    |
| 12a | Did the organization have a written conflict of interest policy? If "No," go to line 13  | X   |    |
| b   | Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?  | X   |    |
| 12b |  | X   |    |
| c   | Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done   | X   |    |
| 12c |  | X   |    |
| 13  | Did the organization have a written whistleblower policy?  | X   |    |
| 14  | Did the organization have a written document retention and destruction policy?   | X   |    |
| 14  |  | X   |    |
| 15  | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?   |     |    |
| a   | The organization's CEO, Executive Director, or top management official   | X   |    |
| 15a |  | X   |    |
| b   | Other officers or key employees of the organization  | X   |    |
| 15b |  | X   |    |
|     | If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).  |     |    |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?  |     | X  |
| 16a |  |     | X  |
| b   | If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? |     |    |
| 16b |  |     |    |

**Section C. Disclosure**

- 17 List the states with which a copy of this Form 990 is required to be filed **NY**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website     Another's website     Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **▶**  
**JOHN ASHBY - 315-428-8670**  
**432 CROUSE HINDS HALL, 900 S. CROUSE AVENUE, SYRACUSE, NY 13244**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

| (A)<br>Name and Title                            | (B)<br>Average hours per week (describe hours for related organizations in Schedule O) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|  |  | Individual trustee or director  | Institutional trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| (1) SHANT MARDIROSSIAN<br>CHAIRMAN               | 1.00   | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (2) HAIG MARDIKIAN<br>SECRETARY                  | 1.00   | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (3) AMIR FARMAN-FARMA<br>DIRECTOR                | 1.00   | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (4) JOHNSON GARRETT<br>VICE CHAIRMAN             | 1.00   | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (5) TAREK YOUNES<br>DIRECTOR                     | 1.00   | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (6) LINDA JACOBS<br>DIRECTOR                     | 1.00   | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (7) BILL SULLIVAN<br>DIRECTOR                    | 1.00   | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (8) MEHRZAD BOROUJERD<br>DIRECTOR                | 1.00   | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (9) CHARLES BENJAMIN<br>PRESIDENT                | 40.00  | X   |                       | X       |              |                              |        | 101,250.   | 0.  | 17,704.   |
| (10) MATTHEW QUIGLEY<br>TREASURER                | 1.00   | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (11) ALEXANDER GHISO<br>DIRECTOR                 | 1.00   | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (12) SOROUSH RICHARD SHEHABI<br>DIRECTOR         | 1.00   | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (13) ROBERT SOLOMON<br>DIRECTOR                  | 1.00   | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (14) LUCY BERKOWITZ<br>VICE PRESIDENT OF FINANCE | 30.00  |   |                       | X       |              |                              |        | 12,500.  | 0.  | 0.  |
| (15) RICHARD ROBERTS<br>PRESIDENT EMERITUS       | 1.00   |   |                       | X       |              |                              |        | 5,577.   | 0.  | 0.  |
| (16) JOHN ASHBY<br>VICE PRESIDENT AND CFO        | 40.00  |   |                       | X       |              |                              |        | 60,763.  | 0.  | 0.  |

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

| (A)<br>Name and title  | (B)<br>Average hours per week (describe hours for related organizations in Schedule O) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |          | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--|--|---|-----------------------|---------|--------------|------------------------------|----------|--|---|---|
|  |  | Individual trustee or director  | Institutional trustee | Officer | Key employee | Highest compensated employee | Former   |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
|  |  |   |                       |         |              |                              |          |  |   |   |
| <b>1b Sub-total</b> .....  |  |   |                       |         |              |                              | 180,090. | 0.   | 17,704.   |   |
| <b>c Total from continuation sheets to Part VII, Section A</b> ..... |  |   |                       |         |              |                              | 0.       | 0.   | 0.  |   |
| <b>d Total (add lines 1b and 1c)</b> .....                           |  |   |                       |         |              |                              | 180,090. | 0.   | 17,704.   |   |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **1**

|  | Yes | No |
|--|-----|----|
| 3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual .....  |     | X  |
| 4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual ..... |     | X  |
| 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person .....                       |     | X  |

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

| (A)<br>Name and business address | (B)<br>Description of services | (C)<br>Compensation |
|----------------------------------|--------------------------------|---------------------|
| NONE                             |                                |                     |
|                                  |                                |                     |
|                                  |                                |                     |
|                                  |                                |                     |
|                                  |                                |                     |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

**Part VIII Statement of Revenue**

|   |  |  |  | (A)           | (B)                                | (C)                        | (D)   |
|---|--|--|--|---------------|------------------------------------|----------------------------|---|
|   |  |  |  | Total revenue | Related or exempt function revenue | Unrelated business revenue | Revenue excluded from tax under sections 512, 513, or 514 |
| <b>Contributions, Gifts, Grants and Other Similar Amounts</b> | 1 a  | Federated campaigns  | 1a   |               |                                    |                            |   |
|   | b  | Membership dues  | 1b   |               |                                    |                            |   |
|   | c  | Fundraising events   | 1c   |               |                                    |                            |   |
|   | d  | Related organizations  | 1d   |               |                                    |                            |   |
|   | e  | Government grants (contributions)  | 1e   | 888,627.      |                                    |                            |   |
|   | f  | All other contributions, gifts, grants, and similar amounts not included above   | 1f   | 2285968.      |                                    |                            |   |
|   | g  | Noncash contributions included in lines 1a-1f: \$  |  | 31,078.       |                                    |                            |   |
|   | h  | <b>Total.</b> Add lines 1a-1f  |  | 3174595.      |                                    |                            |   |
| <b>Program Service Revenue</b>                                | 2 a  | <b>PROGRAM FEES</b>  | Business Code                                | 900099        | 73,665.                            | 73,665.                    |   |
|   | b  |  |  |               |                                    |                            |   |
|   | c  |  |  |               |                                    |                            |   |
|   | d  |  |  |               |                                    |                            |   |
|   | e  |  |  |               |                                    |                            |   |
|   | f  | All other program service revenue  |  |               |                                    |                            |   |
|   | g  | <b>Total.</b> Add lines 2a-2f  |  |               | 73,665.                            |                            |   |
|   | 3  | Investment income (including dividends, interest, and other similar amounts)   |  |               | 4,483.                             |                            | 4,483.  |
| 4   | Income from investment of tax-exempt bond proceeds |  |  |               |                                    |                            |   |
| 5   | Royalties  |  |  |               |                                    |                            |   |
| <b>Other Revenue</b>  | 6 a  | Gross rents  | (i) Real                                     | (ii) Personal |                                    |                            |   |
|   |  | b  | Less: rental expenses                        |               |                                    |                            |   |
|   |  | c  | Rental income or (loss)                      |               |                                    |                            |   |
|   |  | d  | Net rental income or (loss)                  |               |                                    |                            |   |
|   | 7 a  | Gross amount from sales of assets other than inventory   | (i) Securities                               | (ii) Other    |                                    |                            |   |
|   |  | b  | Less: cost or other basis and sales expenses |               |                                    |                            |   |
|   |  | c  | Gain or (loss)                               |               |                                    |                            |   |
|   |  | d  | Net gain or (loss)                           |               |                                    |                            |   |
|   | 8 a  | Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 | a  |               |                                    |                            |   |
|   |  | b  | Less: direct expenses                        | b             |                                    |                            |   |
|   |  | c  | Net income or (loss) from fundraising events |               |                                    |                            |   |
|   | 9 a  | Gross income from gaming activities. See Part IV, line 19  | a  |               |                                    |                            |   |
|   |  | b  | Less: direct expenses                        | b             |                                    |                            |   |
|   |  | c  | Net income or (loss) from gaming activities  |               |                                    |                            |   |
|   | 10 a   | Gross sales of inventory, less returns and allowances  | a  |               |                                    |                            |   |
|   |  | b  | Less: cost of goods sold                     | b             |                                    |                            |   |
|   |  | c  | Net income or (loss) from sales of inventory |               |                                    |                            |   |
|   | Miscellaneous Revenue                              |  |  | Business Code |                                    |                            |   |
| 11 a  | <b>MISC. INCOME</b>                                |  | 900099                                       | 14,005.       | 14,005.                            |                            |   |
| b   |  |  |  |               |                                    |                            |   |
| c   |  |  |  |               |                                    |                            |   |
| d   | All other revenue                                  |  |  |               |                                    |                            |   |
| e   | <b>Total.</b> Add lines 11a-11d                    |  |  | 14,005.       |                                    |                            |   |
| 12  | <b>Total revenue.</b> See instructions.            |  |  | 3266748.      | 87,670.                            | 0.                         | 4,483.  |

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.  | (A)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21   |                       |                                 |  |                             |
| 2 Grants and other assistance to individuals in the United States. See Part IV, line 22   |                       |                                 |  |                             |
| 3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16  | 55,428.               | 55,428.                         |  |                             |
| 4 Benefits paid to or for members   |                       |                                 |  |                             |
| 5 Compensation of current officers, directors, trustees, and key employees  | 197,794.              | 173,375.                        | 17,524.                                | 6,895.                      |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)   |                       |                                 |  |                             |
| 7 Other salaries and wages  | 734,966.              | 648,104.                        | 61,473.                                | 25,389.                     |
| 8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)  | 16,407.               | 13,500.                         | 2,280.                                 | 627.                        |
| 9 Other employee benefits   | 154,696.              | 127,291.                        | 21,501.                                | 5,904.                      |
| 10 Payroll taxes  | 20,702.               | 17,033.                         | 2,878.                                 | 791.                        |
| 11 Fees for services (non-employees):   |                       |                                 |  |                             |
| a Management  |                       |                                 |  |                             |
| b Legal   | 6,873.                | 6,350.                          | 523.                                   |                             |
| c Accounting  | 91,312.               | 56,099.                         | 35,213.                                |                             |
| d Lobbying  |                       |                                 |  |                             |
| e Professional fundraising services. See Part IV, line 17   |                       |                                 |  |                             |
| f Investment management fees  |                       |                                 |  |                             |
| g Other   | 491,286.              | 443,678.                        |  | 47,608.                     |
| 12 Advertising and promotion  | 9,468.                | 9,468.                          |  |                             |
| 13 Office expenses  | 20,320.               | 14,030.                         | 1,912.                                 | 4,378.                      |
| 14 Information technology   |                       |                                 |  |                             |
| 15 Royalties  |                       |                                 |  |                             |
| 16 Occupancy  | 108,057.              | 92,008.                         | 12,033.                                | 4,016.                      |
| 17 Travel   | 131,881.              | 102,504.                        | 28,546.                                | 831.                        |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials   |                       |                                 |  |                             |
| 19 Conferences, conventions, and meetings   |                       |                                 |  |                             |
| 20 Interest   |                       |                                 |  |                             |
| 21 Payments to affiliates   |                       |                                 |  |                             |
| 22 Depreciation, depletion, and amortization  | 26,321.               | 26,321.                         |  |                             |
| 23 Insurance  |                       |                                 |  |                             |
| 24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) |                       |                                 |  |                             |
| a <b>TRAINING AND TECHNICAL</b>   | 1,357,054.            | 1,357,054.                      |  |                             |
| b <b>EQUIPMENT EXPENSE</b>  | 175,880.              | 174,163.                        | 1,608.                                 | 109.                        |
| c <b>AGRICULTURAL</b>   | 20,075.               | 20,075.                         |  |                             |
| d <b>MISCELLANEOUS</b>  | 15,630.               | 11,580.                         | 3,473.                                 | 577.                        |
| e All other expenses  | 25,357.               | 24,828.                         | 361.                                   | 168.                        |
| <b>25 Total functional expenses.</b> Add lines 1 through 24e  | <b>3,659,507.</b>     | <b>3,372,889.</b>               | <b>189,325.</b>                        | <b>97,293.</b>              |
| 26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.                              |                       |                                 |  |                             |

Check here  if following SOP 98-2 (ASC 958-720)



**Part X Balance Sheet**

|                             |   | (A)<br>Beginning of year |            | (B)<br>End of year |
|-----------------------------|---|--------------------------|------------|--------------------|
| Assets                      | 1   |                          | 1          |                    |
|                             | 2   | 936,574.                 | 2          | 637,463.           |
|                             | 3   | 160,074.                 | 3          | 464,651.           |
|                             | 4   | 108,903.                 | 4          | 214,310.           |
|                             | 5   |                          | 5          |                    |
|                             | 6   |                          | 6          |                    |
|                             | 7   |                          | 7          |                    |
|                             | 8   |                          | 8          |                    |
|                             | 9   | 16,626.                  | 9          | 7,745.             |
|                             | 10a   | 591,403.                 |            |                    |
|                             | b   | 566,127.                 | 10c        | 25,276.            |
|                             | 11  | 2,941,246.               | 11         | 2,703,005.         |
|                             | 12  |                          | 12         |                    |
|                             | 13  |                          | 13         |                    |
|                             | 14  |                          | 14         |                    |
|                             | 15  | 64,394.                  | 15         | 57,750.            |
| 16                          | 4,278,911.  | 16                       | 4,110,200. |                    |
| Liabilities                 | 17  | 549,587.                 | 17         | 536,102.           |
|                             | 18  |                          | 18         |                    |
|                             | 19  | 177,802.                 | 19         | 457,778.           |
|                             | 20  |                          | 20         |                    |
|                             | 21  |                          | 21         |                    |
|                             | 22  |                          | 22         |                    |
|                             | 23  |                          | 23         |                    |
|                             | 24  |                          | 24         |                    |
|                             | 25  |                          | 25         |                    |
|                             | 26  | 727,389.                 | 26         | 993,880.           |
| Net Assets or Fund Balances | Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. |                          |            |                    |
|                             | 27  | 174,689.                 | 27         | -219,796.          |
|                             | 28  | 202,630.                 | 28         | 161,913.           |
|                             | 29  | 3,174,203.               | 29         | 3,174,203.         |
|                             | Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.                          |                          |            |                    |
|                             | 30  |                          | 30         |                    |
|                             | 31  |                          | 31         |                    |
|                             | 32  |                          | 32         |                    |
| 33                          | 3,551,522.  | 33                       | 3,116,320. |                    |
| 34                          | 4,278,911.  | 34                       | 4,110,200. |                    |

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

|   |  |   |            |
|---|--|---|------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12)  | 1 | 3,266,748. |
| 2 | Total expenses (must equal Part IX, column (A), line 25)   | 2 | 3,659,507. |
| 3 | Revenue less expenses. Subtract line 2 from line 1   | 3 | -392,759.  |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))                      | 4 | 3,551,522. |
| 5 | Other changes in net assets or fund balances (explain in Schedule O)   | 5 | -42,443.   |
| 6 | Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) | 6 | 3,116,320. |

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

1 Accounting method used to prepare the Form 990:  Cash  Accrual  Other \_\_\_\_\_  
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.

2a Were the organization's financial statements compiled or reviewed by an independent accountant?  Yes  No

b Were the organization's financial statements audited by an independent accountant?  Yes  No

c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?  Yes  No  
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?  Yes  No

b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.  Yes  No

|    | Yes                                 | No                                  |
|----|-------------------------------------|-------------------------------------|
| 2a |                                     | <input checked="" type="checkbox"/> |
| 2b | <input checked="" type="checkbox"/> |                                     |
| 2c | <input checked="" type="checkbox"/> |                                     |
| 3a | <input checked="" type="checkbox"/> |                                     |
| 3b | <input checked="" type="checkbox"/> |                                     |

Form 990 (2011)

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Public Charity Status and Public Support**

OMB No. 1545-0047

**2011**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization **NEAR EAST FOUNDATION** Employer identification number **13-1624114**

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I      b  Type II      c  Type III - Functionally integrated      d  Type III - Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 

|  | Yes | No |
|--|-----|----|
| (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? <b>11g(i)</b> |     |    |
| (ii) A family member of a person described in (i) above? <b>11g(ii)</b>  |     |    |
| (iii) A 35% controlled entity of a person described in (i) or (ii) above? <b>11g(iii)</b>  |     |    |
- h Provide the following information about the supported organization(s).

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1-9 above or IRC section (see instructions)) | (iv) Is the organization in col. (i) listed in your governing document? |    | (v) Did you notify the organization in col. (i) of your support? |    | (vi) Is the organization in col. (i) organized in the U.S.? |    | (vii) Amount of support |
|------------------------------------|----------|---|---|----|--|----|---|----|-------------------------|
|                                    |          |   | Yes   | No | Yes  | No | Yes   | No |                         |
|                                    |          |   |   |    |  |    |   |    |                         |
|                                    |          |   |   |    |  |    |   |    |                         |
|                                    |          |   |   |    |  |    |   |    |                         |
|                                    |          |   |   |    |  |    |   |    |                         |
|                                    |          |   |   |    |  |    |   |    |                         |
|                                    |          |   |   |    |  |    |   |    |                         |
|                                    |          |   |   |    |  |    |   |    |                         |
|                                    |          |   |   |    |  |    |   |    |                         |
| <b>Total</b>                       |          |   |   |    |  |    |   |    |                         |

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

| Calendar year (or fiscal year beginning in) ▶  | (a) 2007   | (b) 2008   | (c) 2009   | (d) 2010   | (e) 2011   | (f) Total   |
|--|------------|------------|------------|------------|------------|-------------|
| <b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....  | 6,230,366. | 4,058,708. | 7,160,124. | 2,770,646. | 3,174,595. | 23,394,439. |
| <b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....   |            |            |            |            |            |             |
| <b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....   |            |            |            |            |            |             |
| <b>4 Total.</b> Add lines 1 through 3 .....  | 6,230,366. | 4,058,708. | 7,160,124. | 2,770,646. | 3,174,595. | 23,394,439. |
| <b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) ..... |            |            |            |            |            |             |
| <b>6 Public support.</b> Subtract line 5 from line 4 .....   |            |            |            |            |            | 23,394,439. |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in) ▶  | (a) 2007   | (b) 2008   | (c) 2009   | (d) 2010   | (e) 2011   | (f) Total                |
|--|------------|------------|------------|------------|------------|--------------------------|
| <b>7</b> Amounts from line 4 .....   | 6,230,366. | 4,058,708. | 7,160,124. | 2,770,646. | 3,174,595. | 23,394,439.              |
| <b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....  | 22,648.    | 15,351.    | 10,640.    | 5,770.     | 4,483.     | 58,892.                  |
| <b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....  |            |            |            |            |            |                          |
| <b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....  | 40,593.    | 3,655.     | 25,668.    | 13,506.    | 14,005.    | 97,427.                  |
| <b>11 Total support.</b> Add lines 7 through 10 .....  |            |            |            |            |            | 23,550,758.              |
| <b>12</b> Gross receipts from related activities, etc. (see instructions) .....  |            |            |            |            | 12         | 1,579,207.               |
| <b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> ..... |            |            |            |            |            | <input type="checkbox"/> |

**Section C. Computation of Public Support Percentage**

|   |    |                                     |
|---|----|-------------------------------------|
| <b>14</b> Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) .....  | 14 | 99.34 %                             |
| <b>15</b> Public support percentage from 2010 Schedule A, Part II, line 14 .....  | 15 | 70.23 %                             |
| <b>16a 33 1/3% support test - 2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....  |    | <input checked="" type="checkbox"/> |
| <b>b 33 1/3% support test - 2010.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....   |    | <input type="checkbox"/>            |
| <b>17a 10% -facts-and-circumstances test - 2011.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....    |    | <input type="checkbox"/>            |
| <b>b 10% -facts-and-circumstances test - 2010.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... |    | <input type="checkbox"/>            |
| <b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....  |    | <input type="checkbox"/>            |

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

| Calendar year (or fiscal year beginning in) ►   | (a) 2007 | (b) 2008 | (c) 2009 | (d) 2010 | (e) 2011 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| <b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....   |          |          |          |          |          |           |
| <b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose ..... |          |          |          |          |          |           |
| <b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....   |          |          |          |          |          |           |
| <b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....  |          |          |          |          |          |           |
| <b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge ...  |          |          |          |          |          |           |
| <b>6 Total.</b> Add lines 1 through 5 .....   |          |          |          |          |          |           |
| <b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....  |          |          |          |          |          |           |
| <b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....           |          |          |          |          |          |           |
| <b>c</b> Add lines 7a and 7b .....  |          |          |          |          |          |           |
| <b>8 Public support</b> (Subtract line 7c from line 6.)   |          |          |          |          |          |           |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in) ►   | (a) 2007 | (b) 2008 | (c) 2009 | (d) 2010 | (e) 2011 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| <b>9</b> Amounts from line 6 .....  |          |          |          |          |          |           |
| <b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ..... |          |          |          |          |          |           |
| <b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....                          |          |          |          |          |          |           |
| <b>c</b> Add lines 10a and 10b .....  |          |          |          |          |          |           |
| <b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....     |          |          |          |          |          |           |
| <b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....                                 |          |          |          |          |          |           |
| <b>13 Total support</b> (Add lines 9, 10c, 11, and 12.)   |          |          |          |          |          |           |

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

**Section C. Computation of Public Support Percentage**

|  |           |   |
|--|-----------|---|
| <b>15</b> Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f)) ..... | <b>15</b> | % |
| <b>16</b> Public support percentage from 2010 Schedule A, Part III, line 15 .....                      | <b>16</b> | % |

**Section D. Computation of Investment Income Percentage**

|   |           |   |
|---|-----------|---|
| <b>17</b> Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f)) ..... | <b>17</b> | % |
| <b>18</b> Investment income percentage from 2010 Schedule A, Part III, line 17 .....                        | <b>18</b> | % |

**19a 33 1/3% support tests - 2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

**b 33 1/3% support tests - 2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**SCHEDULE D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2011**

Open to Public Inspection

Name of the organization

NEAR EAST FOUNDATION

Employer identification number

13-1624114

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

|   | (a) Donor advised funds                                  | (b) Funds and other accounts |
|---|--|------------------------------|
| 1 Total number at end of year .....   |  |                              |
| 2 Aggregate contributions to (during year) .....  |  |                              |
| 3 Aggregate grants from (during year) .....   |  |                              |
| 4 Aggregate value at end of year .....  |  |                              |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....  | <input type="checkbox"/> Yes <input type="checkbox"/> No |                              |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ..... | <input type="checkbox"/> Yes <input type="checkbox"/> No |                              |

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- Purpose(s) of conservation easements held by the organization (check all that apply).
 

|  |  |
|--|--|
| <input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) | <input type="checkbox"/> Preservation of an historically important land area |
| <input type="checkbox"/> Protection of natural habitat                                       | <input type="checkbox"/> Preservation of a certified historic structure      |
| <input type="checkbox"/> Preservation of open space  |  |
- Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.
 

|  | Held at the End of the Tax Year |
|--|---------------------------------|
| a Total number of conservation easements .....   | 2a                              |
| b Total acreage restricted by conservation easements .....   | 2b                              |
| c Number of conservation easements on a certified historic structure included in (a) .....   | 2c                              |
| d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register ..... | 2d                              |
- Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_
- Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_
- Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....
- Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_
- Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_
- Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....
- In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
- If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
 

|  |            |
|--|------------|
| (i) Revenues included in Form 990, Part VIII, line 1 ..... | ▶ \$ _____ |
| (ii) Assets included in Form 990, Part X .....             | ▶ \$ _____ |
- If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:
 

|  |            |
|--|------------|
| a Revenues included in Form 990, Part VIII, line 1 ..... | ▶ \$ _____ |
| b Assets included in Form 990, Part X .....              | ▶ \$ _____ |

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

|                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1c     |
| d Additions during the year     | 1d     |
| e Distributions during the year | 1e     |
| f Ending balance                | 1f     |

2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

b If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

|  | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance                     | 3,376,834.       | 3,168,678.     | 272,971.           | 172,971.             |                     |
| b Contributions                                  |                  |                | 3,000,000.         | 100,000.             |                     |
| c Net investment earnings, gains, and losses     | 10,019.          | 11,281.        | 6,739.             |                      |                     |
| d Grants or scholarships                         |                  |                |                    |                      |                     |
| e Other expenditures for facilities and programs | 50,376.          | 260,621.       | 111,032.           |                      |                     |
| f Administrative expenses                        |                  |                |                    |                      |                     |
| g End of year balance                            | 3,336,477.       | 2,919,338.     | 3,168,678.         | 272,971.             |                     |

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment  4.86 %
- b Permanent endowment  95.14 %
- c Temporarily restricted endowment  .00 %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

|        | Yes | No |
|--------|-----|----|
| 3a(i)  | X   |    |
| 3a(ii) |     | X  |
| 3b     |     |    |

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

| Description of property  | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--------------------------|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land                  |                                      |                                 |                              |                |
| b Buildings              |                                      |                                 |                              |                |
| c Leasehold improvements |                                      |                                 |                              |                |
| d Equipment              |                                      | 583,697.                        | 558,422.                     | 25,275.        |
| e Other                  |                                      | 7,706.                          | 7,705.                       | 1.             |

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)  25,276.

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

| (a) Description of security or category<br>(including name of security) | (b) Book value | (c) Method of valuation:<br>Cost or end-of-year market value |
|---|----------------|--|
| (1) Financial derivatives .....   |                |  |
| (2) Closely-held equity interests .....                                 |                |  |
| (3) Other .....   |                |  |
| (A)   |                |  |
| (B)   |                |  |
| (C)   |                |  |
| (D)   |                |  |
| (E)   |                |  |
| (F)   |                |  |
| (G)   |                |  |
| (H)   |                |  |
| (I)   |                |  |
| <b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶ |                |  |

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

| (a) Description of investment type                                      | (b) Book value | (c) Method of valuation:<br>Cost or end-of-year market value |
|---|----------------|--|
| (1)   |                |  |
| (2)   |                |  |
| (3)   |                |  |
| (4)   |                |  |
| (5)   |                |  |
| (6)   |                |  |
| (7)   |                |  |
| (8)   |                |  |
| (9)   |                |  |
| (10)  |                |  |
| <b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶ |                |  |

**Part IX Other Assets.** See Form 990, Part X, line 15.

| (a) Description  | (b) Book value |
|--|----------------|
| (1)  |                |
| (2)  |                |
| (3)  |                |
| (4)  |                |
| (5)  |                |
| (6)  |                |
| (7)  |                |
| (8)  |                |
| (9)  |                |
| (10)   |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶ |                |

**Part X Other Liabilities.** See Form 990, Part X, line 25.

| 1. (a) Description of liability  | (b) Book value |  |
|--|----------------|--|
| (1) Federal income taxes   |                |  |
| (2)  |                |  |
| (3)  |                |  |
| (4)  |                |  |
| (5)  |                |  |
| (6)  |                |  |
| (7)  |                |  |
| (8)  |                |  |
| (9)  |                |  |
| (10)   |                |  |
| (11)   |                |  |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶ |                |  |

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).



**Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements**

|    |  |    |            |
|----|--|----|------------|
| 1  | Total revenue (Form 990, Part VIII, column (A), line 12)                                 | 1  | 3,266,748. |
| 2  | Total expenses (Form 990, Part IX, column (A), line 25)                                  | 2  | 3,659,507. |
| 3  | Excess or (deficit) for the year. Subtract line 2 from line 1                            | 3  | -392,759.  |
| 4  | Net unrealized gains (losses) on investments   | 4  | 2,019.     |
| 5  | Donated services and use of facilities   | 5  |            |
| 6  | Investment expenses  | 6  |            |
| 7  | Prior period adjustments   | 7  |            |
| 8  | Other (Describe in Part XIV.)  | 8  | -44,462.   |
| 9  | Total adjustments (net). Add lines 4 through 8   | 9  | -42,443.   |
| 10 | Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9 | 10 | -435,202.  |

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

|   |   |    |            |
|---|---|----|------------|
| 1 | Total revenue, gains, and other support per audited financial statements        | 1  | 3,332,817. |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12:             |    |            |
| a | Net unrealized gains on investments   | 2a | 2,019.     |
| b | Donated services and use of facilities  | 2b | 64,050.    |
| c | Recoveries of prior year grants   | 2c |            |
| d | Other (Describe in Part XIV.)   | 2d |            |
| e | Add lines 2a through 2d   | 2e | 66,069.    |
| 3 | Subtract line 2e from line 1  | 3  | 3,266,748. |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1:            |    |            |
| a | Investment expenses not included on Form 990, Part VIII, line 7b                | 4a |            |
| b | Other (Describe in Part XIV.)   | 4b |            |
| c | Add lines 4a and 4b   | 4c | 0.         |
| 5 | Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.) | 5  | 3,266,748. |

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

|   |  |    |            |
|---|--|----|------------|
| 1 | Total expenses and losses per audited financial statements                       | 1  | 3,768,019. |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25:                |    |            |
| a | Donated services and use of facilities   | 2a | 64,050.    |
| b | Prior year adjustments   | 2b |            |
| c | Other losses   | 2c |            |
| d | Other (Describe in Part XIV.)  | 2d |            |
| e | Add lines 2a through 2d  | 2e | 64,050.    |
| 3 | Subtract line 2e from line 1   | 3  | 3,703,969. |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1:               |    |            |
| a | Investment expenses not included on Form 990, Part VIII, line 7b                 | 4a |            |
| b | Other (Describe in Part XIV.)  | 4b | -44,462.   |
| c | Add lines 4a and 4b  | 4c | -44,462.   |
| 5 | Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) | 5  | 3,659,507. |

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART X, LINE 2: 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, 2012, THE FOUNDATION DOES NOT HAVE A**

**LIABILITY FOR UNRECOGNIZED TAX BENEFITS. THE FOUNDATION FILES INCOME TAX**

**Part XIV** Supplemental Information (continued)

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 2009.

PART XI, LINE 8 - OTHER ADJUSTMENTS:

FORIEGN EXCHANGE ADJUSTMENT -44,462.

PART XIII, LINE 4B - OTHER ADJUSTMENTS:

FOREIGN CURRENCY EXCHANGE -44,462.

**SCHEDULE F  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Statement of Activities Outside the United States**

▶ Complete if the organization answered "Yes" to Form 990,  
Part IV, line 14b, 15, or 16.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2011**

Open to Public  
Inspection

Name of the organization

Employer identification number

**NEAR EAST FOUNDATION**

**13-1624114**

**Part I General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

**1 For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? .....  Yes  No

**2 For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

**3 Activities per Region.** (The following Part I, line 3 table can be duplicated if additional space is needed.)

| (a) Region  | (b) Number of offices in the region | (c) Number of employees, agents, and independent contractors in region | (d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region) | (e) If activity listed in (d) is a program service, describe specific type of service(s) in region | (f) Total expenditures for and investments in region |
|---|-------------------------------------|--|---|--|--|
| EGYPT   | 1                                   | 5  | PROGRAM SERVICE   | SUPPORTED 4 EGYPTIAN COMMUNITY-BASED ORGANIZATIONS TO TRAIN HUNDREDS OF YOUTH CIVIC                | 517,224.   |
| JORDAN  | 1                                   | 5  | PROGRAM SERVICE   | PROVIDED VOCATIONAL TRAINING, LITERACY, AGRICULTURE, AND RURAL DEVELOPMENT SUPPORT.                | 52,309.  |
| MALI  | 1                                   | 21   | PROGRAM SERVICE   | INTRODUCING TECHNIQUES TO IMPROVE THE SUSTAINABILITY AND PROFITABILITY OF FOREST                   | 297,508.   |
| MOROCCO   | 2                                   | 16   | PROGRAM SERVICE   | INCREASED YOUTH CIVIC ENGAGEMENT; PROVIDED IMPROVED AGRICULTURAL WATER MANAGEMENT.                 | 492,755.   |
| SUDAN   | 3                                   | 32   | PROGRAM SERVICE   | TRAIN AND SUPPORT 1,200 SUDANESE EX-COMBATANTS IN SOUTH KORDOFAN, NORTH KORDOFAN, AND KHARTOUM     | 1,326,809.   |
| ARMENIA   | 1                                   | 1  | PROGRAM SERVICE   | SUPPORT RURAL ECONOMIC DEVELOPMENT IN AN EFFORT TO REDUCE POVERTY WITHIN THE REGION.               | 3,840.   |
| WEST BANK/GAZA  | 1                                   | 8  | PROGRAM SERVICE   | TRAIN OVER 300 PALESTINIANS AND ISRAELIS THROUGH CROSS-BORDER TRAININGS                            | 161,105.   |
| <b>3 a Sub-total</b> .....                              | 10                                  | 88   |   |  | 2,851,550.   |
| <b>b Total from continuation sheets to Part I</b> ..... | 0                                   | 0  |   |  | 0.   |
| <b>c Totals (add lines 3a and 3b)</b> .....             | 10                                  | 88   |   |  | 2,851,550.   |

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule F (Form 990) 2011

**SEE PART V FOR COLUMN (E) DESCRIPTIONS**

**Part II** Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Check this box if no one recipient received more than \$5,000  Part II can be duplicated if additional space is needed.

| 1 | (a) Name of organization | (b) IRS code section and EIN (if applicable) | (c) Region                   | (d) Purpose of grant   | (e) Amount of cash grant | (f) Manner of cash disbursement | (g) Amount of non-cash assistance | (h) Description of non-cash assistance | (i) Method of valuation (book, FMV, appraisal, other) |
|---|--------------------------|--|------------------------------|--|--------------------------|---------------------------------|-----------------------------------|--|---|
|   |                          |  | MIDDLE EAST AND NORTH AFRICA | INFRASTRUCTURE GRANT -- CONSTRUCTION, WORK, EQUIPMENT, & SUPPLIES. | 9,445                    | CHECK                           | 0                                 |  |   |
|   |                          |  | MIDDLE EAST AND NORTH AFRICA | COMMUNITY DEVELOPMENT  | 9,922                    | BANK TRANSFER                   | 0                                 |  |   |
|   |                          |  |                              |  |                          |                                 |                                   |  |   |
|   |                          |  |                              |  |                          |                                 |                                   |  |   |
|   |                          |  |                              |  |                          |                                 |                                   |  |   |
|   |                          |  |                              |  |                          |                                 |                                   |  |   |
|   |                          |  |                              |  |                          |                                 |                                   |  |   |

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter

3 Enter total number of other organizations or entities

**Part III** Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 16.

Part III can be duplicated if additional space is needed.

| (a) Type of grant or assistance | (b) Region | (c) Number of recipients | (d) Amount of cash grant | (e) Manner of cash disbursement | (f) Amount of non-cash assistance | (g) Description of non-cash assistance | (h) Method of valuation (book, FMV, appraisal, other) |
|---------------------------------|------------|--------------------------|--------------------------|---------------------------------|-----------------------------------|--|---|
|                                 |            |                          |                          |                                 |                                   |  |   |
|                                 |            |                          |                          |                                 |                                   |  |   |
|                                 |            |                          |                          |                                 |                                   |  |   |
|                                 |            |                          |                          |                                 |                                   |  |   |
|                                 |            |                          |                          |                                 |                                   |  |   |
|                                 |            |                          |                          |                                 |                                   |  |   |
|                                 |            |                          |                          |                                 |                                   |  |   |
|                                 |            |                          |                          |                                 |                                   |  |   |
|                                 |            |                          |                          |                                 |                                   |  |   |
|                                 |            |                          |                          |                                 |                                   |  |   |
|                                 |            |                          |                          |                                 |                                   |  |   |

Part IV Foreign Forms

- 1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* .....  Yes  No
- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)* .....  Yes  No
- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471)* .....  Yes  No
- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)* .....  Yes  No
- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see Instructions for Form 8865)* .....  Yes  No
- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)* .....  Yes  No

**Part V** Supplemental Information

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information.

**PART I, LINE 3, COLUMN (E):**

**REGION: EGYPT**

**(E) SPECIFIC TYPES OF SERVICES IN REGION: SUPPORTED 4 EGYPTIAN COMMUNITY-BASED ORGANIZATIONS TO TRAIN HUNDREDS OF YOUTH CIVIC LEADERS IN DEMOCRATIC PRINCIPLES, PROBLEM SOLVING, AND ORGANIZING STRATEGIES.**

**REGION: MALI**

**(E) SPECIFIC TYPES OF SERVICES IN REGION: INTRODUCING TECHNIQUES TO IMPROVE THE SUSTAINABILITY AND PROFITABILITY OF FOREST MANAGEMENT, LIVESTOCK, FISHING, AND AGRICULTURE IN 50 MALIAN COMMUNITIES**

**REGION: SUDAN**

**(E) SPECIFIC TYPES OF SERVICES IN REGION: TRAIN AND SUPPORT 1,200 SUDANESE EX-COMBATANTS IN SOUTH KORDOFAN, NORTH KORDOFAN, AND KHARTOUM TO START SMALL BUSINESSES AND REINTEGRATE INTO THEIR COMMUNITIES.**

**REGION: WEST BANK/GAZA**

**(E) SPECIFIC TYPES OF SERVICES IN REGION: TRAIN OVER 300 PALESTINIANS AND ISRAELIS THROUGH CROSS-BORDER TRAININGS AND EVENTS FOCUSED ON BUILDING COOPERATION THROUGH MUTUAL ECONOMIC BENEFIT IN THE OLIVE OIL SECTOR.**

**SCHEDULE M  
(Form 990)**

**Noncash Contributions**

OMB No. 1545-0047

**2011**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.  
▶ Attach to Form 990.

Name of the organization

**NEAR EAST FOUNDATION**

Employer identification number

**13-1624114**

**Part I Types of Property**

|  | (a)<br>Check if applicable | (b)<br>Number of contributions or items contributed | (c)<br>Noncash contribution amounts reported on Form 990, Part VIII, line 1g | (d)<br>Method of determining noncash contribution amounts |
|--|----------------------------|---|--|---|
| 1 Art - Works of art .....   |                            |   |  |   |
| 2 Art - Historical treasures .....                                 |                            |   |  |   |
| 3 Art - Fractional interests .....                                 |                            |   |  |   |
| 4 Books and publications .....                                     |                            |   |  |   |
| 5 Clothing and household goods .....                               |                            |   |  |   |
| 6 Cars and other vehicles .....                                    |                            |   |  |   |
| 7 Boats and planes .....   |                            |   |  |   |
| 8 Intellectual property .....                                      |                            |   |  |   |
| 9 Securities - Publicly traded .....                               |                            |   |  |   |
| 10 Securities - Closely held stock .....                           |                            |   |  |   |
| 11 Securities - Partnership, LLC, or trust interests .....         |                            |   |  |   |
| 12 Securities - Miscellaneous .....                                |                            |   |  |   |
| 13 Qualified conservation contribution - Historic structures ..... |                            |   |  |   |
| 14 Qualified conservation contribution - Other .....               |                            |   |  |   |
| 15 Real estate - Residential .....                                 |                            |   |  |   |
| 16 Real estate - Commercial .....                                  |                            |   |  |   |
| 17 Real estate - Other .....                                       |                            |   |  |   |
| 18 Collectibles .....  |                            |   |  |   |
| 19 Food inventory .....  |                            |   |  |   |
| 20 Drugs and medical supplies .....                                |                            |   |  |   |
| 21 Taxidermy .....   |                            |   |  |   |
| 22 Historical artifacts .....                                      |                            |   |  |   |
| 23 Scientific specimens .....                                      |                            |   |  |   |
| 24 Archeological artifacts .....                                   |                            |   |  |   |
| 25 Other ▶ ( <u>IN-KIND PROFE</u> )                                | X                          | 1   | 54,915.  | FAIR MARKET VALUE   |
| 26 Other ▶ ( <u>IN-KIND RENT</u> )                                 | X                          | 1   | 9,135.   | FAIR MARKET VALUE   |
| 27 Other ▶ ( _____ )   |                            |   |  |   |
| 28 Other ▶ ( _____ )   |                            |   |  |   |

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement ..... **29**

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? .....

b If "Yes," describe the arrangement in Part II.

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? .....

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? .....

b If "Yes," describe in Part II.

33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.

|     | Yes | No |
|-----|-----|----|
| 30a |     | X  |
| 31  |     | X  |
| 32a |     | X  |

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) (2011)



**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

**2011**

Open to Public  
Inspection

Name of the organization

NEAR EAST FOUNDATION

Employer identification number

13-1624114

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

MIDDLE EAST AND AFRICA THROUGH EDUCATION, GOVERNANCE, AND ECONOMIC  
DEVELOPMENT INITIATIVES.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

MANAGEMENT, LIVESTOCK, FISHING, AND AGRICULTURE IN 50 MALIAN  
COMMUNITIES

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:

ORGANIZATIONS TO TRAIN HUNDREDS OF YOUTH CIVIC LEADERS IN DEMOCRATIC  
PRINCIPLES, PROBLEM SOLVING, AND ORGANIZING STRATEGIES.

FORM 990, PART V, LINE 4B, LIST OF FOREIGN COUNTRIES:

MALI, MOROCCO, JORDAN, EGYPT,  
SUDAN, OTHER COUNTRY

FORM 990, PART VI, SECTION B, LINE 11: ONCE NEF MANAGEMENT HAS COMPLETED  
THE FORM 990 IN DRAFT, IN CONSULTATION WITH THE ORGANIZATION'S TAX  
PREPARERS, NEF MANAGEMENT WILL PROVIDE THE DRAFT FORM TO THE NEF AUDIT  
COMMITTEE AHEAD OF A MEETING OF THIS COMMITTEE. THE COMMITTEE WILL REVIEW  
THE DRAFT FORM AND PROVIDE ITS APPROVAL, SUBJECT TO APPROPRIATE REVISIONS.  
UPON SUCH APPROVAL, NEF MANAGEMENT WILL PROVIDE THE APPROVED FORM 990 TO  
THE FULL NEF BOARD AND SUBMIT THE APPROVED FORM TO THE IRS ACCORDANCE WITH  
THE REQUIRED DUE DATES FOR SUBMISSION.

FORM 990, PART VI, SECTION B, LINE 12C: DIRECTORS, OFFICERS, AND KEY

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2011)

132211  
01-23-12

Name of the organization

NEAR EAST FOUNDATION

Employer identification number

13-1624114

EMPLOYEES ARE REQUIRED TO COMPLETE QUESTIONNAIRE EACH YEAR, DISCLOSING ANY CONFLICTS OF INTERESTS. A RESPONSE IS REQUIRED AND ANY POTENTIAL CONFLICTS ARE INVESTIGATED AND BROUGHT TO THE ATTENTION OF THE CHAIRMAN, PRESIDENT, AND IF APPROPRIATE, LEGAL COUNSEL.

FORM 990, PART VI, SECTION B, LINE 15: THE PROCESS TO SET EXECUTIVE COMPENSATION (PRESIDENT, OFFICERS, & OTHER KEY EMPLOYEES) CONSISTS OF A REVIEW CONDUCTED BY THE ADMINISTRATIVE COMMITTEE OF THE BOARD AND REPORTED TO THE EXECUTIVE OF THE BOARD. LEGAL COUNSEL IS CONSULTED REGARDING TERMS AND CONDITIONS. RECRUITING AGENTS MAY ALSO BE CONSULTED TO DETERMINE APPROPRIATE SALARIES. COMPARABILITY MEASURES INCLUDE 990'S FOR COMPARABLE ORGANIZATIONS, RECRUITERS, AND ALSO SURVEYS ON NOT-FOR-PROFIT PAY PUBLISHED BY INSIDENGO.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE UPON REQUEST.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

|                                      |          |
|--------------------------------------|----------|
| NET UNREALIZED GAINS ON INVESTMENTS: | 2,019.   |
| FORIEGN EXCHANGE ADJUSTMENT          | -44,462. |
| TOTAL TO FORM 990, PART XI, LINE 5   | -42,443. |

PART XII, LINE 2C

THE OVERSIGHT OF THE INDEPENDENT ACCOUNTANTS IS THE RESPONSIBILITY OF THE MANAGEMENT COMMITTEE.

**SCHEDULE R**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2011**  
Open to Public Inspection

Name of the organization

**NEAR EAST FOUNDATION**

Employer identification number  
**13-1624114**

**Part I Identification of Disregarded Entities** (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

| (a)<br>Name, address, and EIN<br>of disregarded entity                       | (b)<br>Primary activity | (c)<br>Legal domicile (state or<br>foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>Direct controlling<br>entity |
|--|-------------------------|---|---------------------|---------------------------|-------------------------------------|
| NEFDEV LLC - 20-4608646<br>90 BROAD STREET, 15TH FLOOR<br>NEW YORK, NY 10004 | INACTIVE                | NEW YORK  | 0.                  | 0.                        | NEAR EAST FOUNDATION                |
|  |                         |   |                     |                           |                                     |
|  |                         |   |                     |                           |                                     |
|  |                         |   |                     |                           |                                     |
|  |                         |   |                     |                           |                                     |
|  |                         |   |                     |                           |                                     |
|  |                         |   |                     |                           |                                     |
|  |                         |   |                     |                           |                                     |
|  |                         |   |                     |                           |                                     |
|  |                         |   |                     |                           |                                     |

**Part II Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

| (a)<br>Name, address, and EIN<br>of related organization | (b)<br>Primary activity | (c)<br>Legal domicile (state or<br>foreign country) | (d)<br>Exempt Code<br>section | (e)<br>Public charity<br>status (if section<br>501(c)(3)) | (f)<br>Direct controlling<br>entity | (g)<br>Section 512(b)(13)<br>controlled<br>entity? |    |
|--|-------------------------|---|-------------------------------|---|-------------------------------------|--|----|
|  |                         |   |                               |   |                                     | Yes  | No |
|  |                         |   |                               |   |                                     |  |    |
|  |                         |   |                               |   |                                     |  |    |
|  |                         |   |                               |   |                                     |  |    |
|  |                         |   |                               |   |                                     |  |    |
|  |                         |   |                               |   |                                     |  |    |
|  |                         |   |                               |   |                                     |  |    |
|  |                         |   |                               |   |                                     |  |    |
|  |                         |   |                               |   |                                     |  |    |
|  |                         |   |                               |   |                                     |  |    |
|  |                         |   |                               |   |                                     |  |    |

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2011



**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

|   | Yes | No |
|---|-----|----|
| <b>a</b> Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity   |     |    |
| <b>b</b> Gift, grant, or capital contribution to related organization(s)                                |     |    |
| <b>c</b> Gift, grant, or capital contribution from related organization(s)                              |     |    |
| <b>d</b> Loans or loan guarantees to or for related organization(s)                                     |     |    |
| <b>e</b> Loans or loan guarantees by related organization(s)  |     |    |
| <b>f</b> Sale of assets to related organization(s)  |     |    |
| <b>g</b> Purchase of assets from related organization(s)  |     |    |
| <b>h</b> Exchange of assets with related organization(s)  |     |    |
| <b>i</b> Lease of facilities, equipment, or other assets to related organization(s)                     |     |    |
| <b>j</b> Lease of facilities, equipment, or other assets from related organization(s)                   |     |    |
| <b>k</b> Performance of services or membership or fundraising solicitations for related organization(s) |     |    |
| <b>l</b> Performance of services or membership or fundraising solicitations by related organization(s)  |     |    |
| <b>m</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)  |     |    |
| <b>n</b> Sharing of paid employees with related organization(s)   |     |    |
| <b>o</b> Reimbursement paid to related organization(s) for expenses                                     |     |    |
| <b>p</b> Reimbursement paid by related organization(s) for expenses                                     |     |    |
| <b>q</b> Other transfer of cash or property to related organization(s)                                  |     |    |
| <b>r</b> Other transfer of cash or property from related organization(s)                                |     |    |

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

|     | (a)<br>Name of other organization | (b)<br>Transaction type (a-r) | (c)<br>Amount involved | (d)<br>Method of determining amount involved |
|-----|-----------------------------------|-------------------------------|------------------------|--|
| (1) |                                   |                               |                        |  |
| (2) |                                   |                               |                        |  |
| (3) |                                   |                               |                        |  |
| (4) |                                   |                               |                        |  |
| (5) |                                   |                               |                        |  |
| (6) |                                   |                               |                        |  |





**NEAR EAST FOUNDATION AND SUBSIDIARY**

**Consolidated Financial Statements and  
Supplementary Information as of  
June 30, 2012  
Together with  
Independent Auditor's Report**

**Bonadio & Co., LLP**  
Certified Public Accountants



# NEAR EAST FOUNDATION AND SUBSIDIARY

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**INDEPENDENT AUDITOR'S REPORT**

March 27, 2013

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

We have audited the accompanying consolidated statement of financial position of Near East Foundation and Subsidiary (the "Foundation") as of June 30, 2012, and the related consolidated statement of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Near East Foundation and Subsidiary as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated March 27, 2013 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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**INDEPENDENT AUDITOR'S REPORT**  
(Continued)

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the consolidated financial statements. In addition, the accompanying schedule of direct program services by location for the year ended June 30, 2012 is presented for purpose of additional analysis and is also 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.

*Bonadio & Co., LLP*

**NEAR EAST FOUNDATION AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2012**

---

2012

**ASSETS**

|                                     |                     |
|-------------------------------------|---------------------|
| Cash and cash equivalents           | \$ 637,463          |
| Accounts and loans receivable       | 214,310             |
| Grants and contracts receivable     | 464,651             |
| Prepaid expenses                    | 7,745               |
| Investments, at fair value          | 2,703,005           |
| Security deposits                   | 8,000               |
| Investment in trusts held by others | 49,750              |
| Property and equipment, net         | <u>25,276</u>       |
| Total assets                        | <u>\$ 4,110,200</u> |

**LIABILITIES AND NET ASSETS**

**LIABILITIES:**

|                                       |                |
|---------------------------------------|----------------|
| Line of credit                        | \$ 82,222      |
| Accounts payable and accrued expenses | 453,880        |
| Deferred revenue                      | <u>457,778</u> |
| Total liabilities                     | <u>993,880</u> |

**NET ASSETS:**

|                                  |                     |
|----------------------------------|---------------------|
| Unrestricted                     | (219,796)           |
| Temporarily restricted           | 161,913             |
| Permanently restricted           | <u>3,174,203</u>    |
| Total net assets                 | <u>3,116,320</u>    |
| Total liabilities and net assets | <u>\$ 4,110,200</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, 2012**

|   | 2012                |                                   |                                   | <u>Total</u>        |
|---|---------------------|-----------------------------------|-----------------------------------|---------------------|
|   | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> |                     |
| <b>REVENUE AND OTHER SUPPORT:</b>                   |                     |                                   |                                   |                     |
| Contributions                                       | \$ 261,529          | \$ 8,000                          | \$ -                              | \$ 269,529          |
| Government grants and contracts                     | 888,627             | -                                 | -                                 | 888,627             |
| Private grants                                      | 1,985,361           | -                                 | -                                 | 1,985,361           |
| In-kind contributions                               | 95,128              | -                                 | -                                 | 95,128              |
| Investment income                                   | 4,483               | 2,019                             | -                                 | 6,502               |
| Program related income                              | 73,665              | -                                 | -                                 | 73,655              |
| Other income  | 14,005              | -                                 | -                                 | 14,005              |
| Net assets released from restrictions               | <u>50,736</u>       | <u>(50,736)</u>                   | <u>-</u>                          | <u>-</u>            |
| <b>Total revenue and other support</b>              | <b>3,373,534</b>    | <b>(40,717)</b>                   | <b>-</b>                          | <b>3,332,807</b>    |
| <b>EXPENSES:</b>                                    |                     |                                   |                                   |                     |
| Direct program services                             | 2,851,549           | -                                 | -                                 | 2,851,549           |
| Program administration                              | <u>573,753</u>      | <u>-</u>                          | <u>-</u>                          | <u>573,753</u>      |
| <b>Total program services</b>                       | <b>3,425,302</b>    | <b>-</b>                          | <b>-</b>                          | <b>3,425,302</b>    |
| Management and general                              | 245,424             | -                                 | -                                 | 245,424             |
| Fund-raising  | <u>97,293</u>       | <u>-</u>                          | <u>-</u>                          | <u>97,293</u>       |
| <b>Total expenses</b>                               | <b>3,768,019</b>    | <b>-</b>                          | <b>-</b>                          | <b>3,768,019</b>    |
| <b>CHANGE IN NET ASSETS</b>                         | <b>(394,485)</b>    | <b>(40,717)</b>                   | <b>-</b>                          | <b>(435,202)</b>    |
| <b>NET ASSETS - as previously reported</b>          | <u>174,689</u>      | <u>859,193</u>                    | <u>3,174,203</u>                  | <u>4,208,085</u>    |
| <b>PRIOR PERIOD ADJUSTMENT</b>                      | <u>-</u>            | <u>(656,563)</u>                  | <u>-</u>                          | <u>(656,563)</u>    |
| <b>NET ASSETS - beginning of year - as restated</b> | <u>174,689</u>      | <u>202,630</u>                    | <u>3,174,203</u>                  | <u>3,551,522</u>    |
| <b>NET ASSETS - end of year</b>                     | <u>\$ (219,796)</u> | <u>\$ 161,913</u>                 | <u>\$ 3,174,203</u>               | <u>\$ 3,116,320</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, 2012**

|   | Direct<br>Program<br>Services | Program<br>Administration | Total<br>Program<br>Services | Management<br>and General | Fund-Raising | Total        |
|---|-------------------------------|---------------------------|------------------------------|---------------------------|--------------|--------------|
| Salaries and wages  | \$ 594,445                    | \$ 212,465                | \$ 806,910                   | \$ 76,536                 | \$ 31,610    | \$ 915,056   |
| Fringe benefits   | 103,410                       | 68,983                    | 172,393                      | 29,120                    | 7,996        | 209,509      |
| Total salaries and related expenses                                     | 697,855                       | 281,448                   | 979,303                      | 105,656                   | 39,606       | 1,124,565    |
| <b>EXPENSES:</b>  |                               |                           |                              |                           |              |              |
| Agricultural expenses   | 20,075                        | -                         | 20,075                       | -                         | -            | 20,075       |
| Bad debt  | -                             | 700                       | 700                          | -                         | -            | 700          |
| Construction & project costs  | 14,483                        | -                         | 14,483                       | -                         | -            | 14,483       |
| Depreciation  | -                             | 26,321                    | 26,321                       | -                         | -            | 26,321       |
| Equipment   | 169,787                       | 4,376                     | 174,163                      | 1,608                     | 109          | 175,880      |
| Foreign exchange loss   | 6                             | 44,456                    | 44,462                       | -                         | -            | 44,462       |
| Grants  | 55,428                        | -                         | 55,428                       | -                         | -            | 55,428       |
| Miscellaneous   | 18,360                        | (6,780)                   | 11,580                       | 3,473                     | 577          | 15,630       |
| Occupancy (including in-kind of \$9,135)                                | 49,618                        | 25,575                    | 75,193                       | 8,559                     | 2,637        | 86,389       |
| Office supplies and expenses  | 10,697                        | 2,366                     | 13,063                       | 1,530                     | 2,451        | 17,044       |
| Postage and shipping  | 228                           | 739                       | 967                          | 382                       | 1,927        | 3,276        |
| Printing and publication  | 8,288                         | 1,357                     | 9,645                        | 361                       | 168          | 10,174       |
| Professional fees & outside services<br>(including in-kind of \$54,915) | 360,880                       | 144,063                   | 504,943                      | 91,835                    | 47,608       | 644,386      |
| Program development   | 9,468                         | -                         | 9,468                        | -                         | -            | 9,468        |
| Telephone and internet  | 19,495                        | 6,455                     | 25,950                       | 3,474                     | 1,379        | 30,803       |
| Training and technical support  | 1,357,054                     | -                         | 1,357,054                    | -                         | -            | 1,357,054    |
| Travel  | 59,827                        | 42,677                    | 102,504                      | 28,546                    | 831          | 131,881      |
|   | \$ 2,851,549                  | \$ 573,753                | \$ 3,425,302                 | \$ 245,424                | \$ 97,293    | \$ 3,768,019 |

The accompanying notes are an integral part of these statements.

## NEAR EAST FOUNDATION AND SUBSIDIARY

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2012

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|   | <u>2012</u>        |
|---|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                    |
| Net change in net assets  | \$ (435,203)       |
| Adjustments to reconcile change in net assets to net cash<br>from operating activities: |                    |
| Depreciation  | 26,321             |
| Bad debt  | 700                |
| Change in fair value of investments   | (142)              |
| Change in value of investments in trusts held by others                                 | 6,644              |
| Changes in:   |                    |
| Accounts and loans receivable   | (106,107)          |
| Grants and contracts receivable   | (304,576)          |
| Prepaid expenses  | 8,881              |
| Accounts payable and accrued expenses   | (95,707)           |
| Deferred revenue  | <u>279,976</u>     |
| Net cash flow from operating activities   | <u>(619,213)</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |                    |
| Purchases of fixed assets   | (503)              |
| Proceeds on sales of investments  | 2,437,985          |
| Purchase of investments   | <u>(2,199,602)</u> |
| Net cash flow from investing activities   | <u>237,880</u>     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>  |                    |
| Proceeds from line of credit  | <u>82,222</u>      |
| Net cash flow from financing activities   | <u>82,222</u>      |
| <b>CHANGE IN CASH AND CASH EQUIVALENTS</b>  | <u>(299,111)</u>   |
| <b>CASH AND CASH EQUIVALENTS - beginning of year</b>                                    | <u>936,574</u>     |
| <b>CASH AND CASH EQUIVALENTS - end of year</b>  | <u>\$ 637,463</u>  |

The accompanying notes are an integral part of these statements.

## NEAR EAST FOUNDATION AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2012

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#### 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 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 has 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. CDS is an Egyptian company that belongs to former NEF employees who set up CDS with support from NEF. 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.

##### **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.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **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 primarily of amounts loaned to individuals and 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 in July 2012.

### **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, 2012.

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.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **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 two trusts. 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. At the end of the trusts, the remaining assets will become available for the Foundation's use.

In addition, a donor established a funded trust under which specified distributions are to be made to a designated beneficiary over the trust's term. Upon the death of the beneficiary, the Foundation will receive a portion of the assets remaining in trust. Charitable remainder trusts are recorded as increases in temporarily restricted net assets at the fair value of the trust assets, less the present value of the estimated future payments to be made to the beneficiary.

### **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 \$500 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.

### **Endowment Funds**

Endowment funds represent funds that are not available for current use because they have been so restricted by donors, or designated by the Foundation's board of directors.

### **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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **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 \$54,915 for the year ended June 30, 2012. The value of the donated services was included as in-kind contributions in the consolidated financial statements and the corresponding program expenses for the year ended June 30, 2012.

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 year ended June 30, 2012, 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 or losses 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.

### **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, 2012, 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 2009.

## 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.

### 3. FAIR VALUE MEASUREMENTS (Continued)

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 bank savings account and money market funds are based on an open market. The fair values of U.S. government securities and investment in trusts held by others are valued at the closing price reported on an active market on which the individual securities are traded.

The Foundation assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with its accounting policy regarding the recognition of transfers between levels of the fair value hierarchy. There were no significant transfers among Levels 1, 2 and 3 during the year.

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value.

|                                     | Assets at Fair Value as of June 30, 2012 |                |                |                     |
|-------------------------------------|--|----------------|----------------|---------------------|
|                                     | <u>Level 1</u>                           | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>        |
| Money market funds                  | \$ 33,685                                | \$ -           | \$ -           | \$ 33,685           |
| Bank savings account                | 469,782                                  | -              | -              | 469,782             |
| Investment in trusts held by others | 49,750                                   | -              | -              | 49,750              |
| U.S. Government securities          | 2,199,538                                | -              | -              | 2,199,538           |
|                                     | <u>\$ 2,752,755</u>                      | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 2,752,755</u> |

#### 4. INVESTMENTS

Investments consist of the following at June 30:

|                            | <u>Cost</u>         | <u>2012</u><br><u>Fair Value</u> |
|----------------------------|---------------------|----------------------------------|
| Money market funds         | \$ 33,685           | \$ 33,685                        |
| Bank savings account       | 469,782             | 469,782                          |
| U.S. Government securities | <u>2,199,602</u>    | <u>2,199,538</u>                 |
|                            | <u>\$ 2,703,069</u> | <u>\$ 2,703,005</u>              |

Investment income consists of the following at June 30:

|                                 | <u>2012</u>     |
|---------------------------------|-----------------|
| Interest and dividend income    | \$ 1,354        |
| Unrealized gains on investments | <u>5,148</u>    |
|                                 | <u>\$ 6,502</u> |

#### 5. PROPERTY AND EQUIPMENT, NET

At June 30, 2012, property and equipment, net, consist of the following:

|                                | <u>2012</u>      |
|--------------------------------|------------------|
| Vehicles                       | \$ 463,297       |
| Office equipment               | 120,399          |
| Furniture and fixtures         | <u>7,705</u>     |
|                                | 591,401          |
| Less: accumulated depreciation | <u>(566,125)</u> |
|                                | <u>\$ 25,276</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 is at prime plus .75% (4% as of June 30, 2012) and it is secured by all assets of the Foundation. As of June 30, 2012, \$82,222 was borrowed against the line.

**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 July 2013. Future minimum lease payments under the operating leases over one year as of June 30, 2012 are as follows:

|      |    |               |
|------|----|---------------|
| 2013 | \$ | 46,736        |
| 2014 |    | <u>12,622</u> |
|      | \$ | <u>59,358</u> |

Rental expense under operating leases was \$86,389 for the year ended June 30, 2012.

**8. TEMPORARILY RESTRICTED NET ASSETS**

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

|                      |    |                |
|----------------------|----|----------------|
|                      |    | <u>2012</u>    |
| NEF – Mali           | \$ | 97,345         |
| NEF – NY and Morocco |    | <u>64,249</u>  |
|                      | \$ | <u>162,274</u> |

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

|                      |    |                 |
|----------------------|----|-----------------|
|                      |    | <u>2012</u>     |
| NEF – NY and Morocco |    | <u>(50,376)</u> |
|                      | \$ | <u>(50,376)</u> |

**9. PERMANENTLY RESTRICTED NET ASSETS**

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

|                                  |    |                  |
|----------------------------------|----|------------------|
|                                  |    | <u>2012</u>      |
| Francis K. Ross Charitable Trust | \$ | 62,414           |
| Violet J. Jacobs Endowment Fund  |    | 3,000,000        |
| Other                            |    | <u>111,789</u>   |
|                                  | \$ | <u>3,174,203</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 of 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, 2012:

|                                   | Temporarily<br><u>Restricted</u> | Permanently<br><u>Restricted</u> | <u>Total</u>        |
|-----------------------------------|----------------------------------|----------------------------------|---------------------|
| Balance, July 1, 2011             | \$ <u>202,631</u>                | \$ <u>3,174,203</u>              | \$ <u>3,376,834</u> |
| Investment returns:               |                                  |                                  |                     |
| Investment income                 | 2,019                            | -                                | 2,019               |
| Contributions                     | 8,000                            | -                                | 8,000               |
| Appropriated for expenditures     | (226)                            | -                                | (226)               |
| Approved transfer                 | <u>(50,150)</u>                  | <u>-</u>                         | <u>(50,150)</u>     |
| Change in endowment net<br>assets | <u>(40,357)</u>                  | <u>-</u>                         | <u>(40,357)</u>     |
| Balance, June 30, 2012            | \$ <u>162,274</u>                | \$ <u>3,174,203</u>              | \$ <u>3,336,477</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. Deficiencies of this nature that are reported in unrestricted net assets were \$633,472 at June 30, 2012. This deficiency resulted from unfavorable market fluctuations that occurred after the investment of new contributions and continued appropriation for purposes specified by the donor or activities that were deemed prudent by the Foundation. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as increases in unrestricted net assets.

**10. PRIOR PERIOD ADJUSTMENT**

The 2012 consolidated financial statements have been restated to correct an error in reporting. Management determined that accounts receivable and temporarily restricted revenue was overstated by \$656,563 as of June 30, 2011, due to the recording of contribution receivable and revenue prior to amounts being earned. Accordingly, an adjustment was made to the statement of activities and changes in net assets to decrease net assets – beginning of year by \$656,563.

**11. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through March 27, 2013 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 YEAR ENDING JUNE 30, 2012**

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|                | <u>2012</u>         |
|----------------|---------------------|
| Egypt          | \$ 517,224          |
| Jordan         | 52,309              |
| Mali           | 297,508             |
| Morocco        | 492,755             |
| Sudan          | 1,326,809           |
| Armenia        | 3,840               |
| West Bank/Gaza | <u>161,105</u>      |
|                | <u>\$ 2,851,550</u> |

The accompanying notes are an integral part of these statements.

**NEAR EAST FOUNDATION AND SUBSIDIARY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2012**

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| <u>Federal Grantor/Program Title</u>  | <u>CFDA Number</u> | <u>Award Number</u>  | <u>Federal</u>    |
|---|--------------------|----------------------|-------------------|
| U.S. AGENCY FOR INTERNATIONAL<br>DEVELOPMENT DIRECT PROGRAMS:<br>Olive Oil Without Borders: Palestinian-<br>Israeli Olive Oil Project | 98.001             | AID-294-A-11-00010   | \$ 132,322        |
| Agricultural Water Management Project -<br>Morocco  | 98.001             | 608-A-00-11-00004    | 237,970           |
| Enhancing Resilience to Climate<br>Change - Mali  | 98.001             | 688-A-00-09-00088-00 | 147,749           |
| PASSED THROUGH RTI INTERNATIONAL:<br>Local Governance Program 2 - Morocco   | 98.001             | EPP-I-00-04-00037-00 | <u>291,852</u>    |
| Total U.S. Agency for International<br>Development Direct Programs  |                    |                      | <u>\$ 809,893</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, 2012

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#### 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.

**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**

March 27, 2013

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

We have audited the consolidated financial statements of Near East Foundation and Subsidiary (the "Foundation") as of and for the year ended June 30, 2012, and have issued our report thereon dated March 27, 2013. We conducted our audit 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.

**Internal Control Over Financial Reporting**

Management of the Foundation is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

*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 consolidated financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

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**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)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's consolidated financial statements are free of 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 consolidated 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*.

This report is intended solely for the information and use of the audit committee, management, Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

*Bonadio & Co., LLP*

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT  
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

March 27, 2013

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

**Compliance**

We have audited Near East Foundation and Subsidiary (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, 2012. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Foundation's management. Our responsibility is to express an opinion on the Foundation's compliance based on our audit.

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. Our audit does not provide a legal determination on the Foundation's compliance with those requirements.

In our opinion, the Foundation complied, in all material respects, with the 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, 2012.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

(Continued)

**Internal Control Over Compliance**

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Foundation's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 a 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of the Foundation's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on the Foundation's compliance but not to provide an opinion on the effectiveness of the Foundation's internal control over compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Foundation's compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.

*Bonadio & Co., LLP*

**NEAR EAST FOUNDATION AND SUBSIDIARY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Consolidated Financial Statements**

Type of Independent Auditors' report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? \_\_\_\_\_ yes   √   no

Significant deficiencies identified that are  
not considered to be material weaknesses? \_\_\_\_\_ yes   √   none reported

Noncompliance material to consolidated 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 reported

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

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

Identification of major programs:

CFDA Numbers

Name of Federal Program

98.001

U.S. Agency for International Development:  
Foreign Assistance for Programs Overseas

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

Auditee qualified as low-risk auditee?   √   yes \_\_\_\_\_ no



**NEAR EAST FOUNDATION AND SUBSIDIARY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

---

**SECTION II – CONSOLIDATED FINANCIAL STATEMENT FINDINGS**

**Current-Year Findings**

None reported

**Prior-Year Findings**

None reported

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported