

**Financial Statements
Year Ended
December 31, 2009**

American Charities for Palestine

American Charities for Palestine

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Report of Independent Auditors

Board of Directors
American Charities for Palestine

We have audited the accompanying statement of financial position of the **American Charities for Palestine** (a nonprofit organization) as of December 31, 2009, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the management of the **American Charities for Palestine**. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **American Charities for Palestine** as of December 31, 2009, 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses on page 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dalal & Company

Alexandria, Virginia
January 5, 2010

American Charities for Palestine

Statement of Financial Position

December 31, 2009

Assets	
Current assets	
Cash and cash equivalents	\$ 33,828
Property and equipment	
Office equipment	1,672
Less - accumulated depreciation	<u>(167)</u>
Property and equipment - net	<u>1,505</u>
	<u>\$ 35,333</u>
Liabilities and Net Assets	
Current liabilities	\$ -
Net assets	
Unrestricted	<u>35,333</u>
	<u>\$ 35,333</u>

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

American Charities for Palestine

Statement of Activities

Year Ended December 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue			
Contributions	\$ 20,435	\$ 50,000	\$ 70,435
Net assets released from restriction	150,000	(150,000)	-
Total revenue	<u>170,435</u>	<u>(100,000)</u>	<u>70,435</u>
Expenses			
Program services	155,000	-	155,000
Support services			
General and administrative	33,470	-	33,470
Fundraising	5,877	-	5,877
Total expenses	<u>194,347</u>	<u>-</u>	<u>194,347</u>
Change in net assets	(23,912)	(100,000)	(123,912)
Net assets - beginning of year	<u>59,245</u>	<u>100,000</u>	<u>159,245</u>
Net assets - end of year	<u>\$ 35,333</u>	<u>\$ -</u>	<u>\$ 35,333</u>

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

American Charities for Palestine

Statement of Cash Flows

Year Ended December 31, 2009

Cash flows from operating activities	
Change in net assets	\$ (123,912)
Adjustments to reconcile to net cash from operating activities:	
Depreciation	<u>167</u>
Net cash from operating activities	<u>(123,745)</u>
Cash flows from investing activities	
Acquisition of property and equipment	<u>(1,672)</u>
Net change in cash and cash equivalents	<u>(125,417)</u>
Cash and cash equivalents - beginning of year	<u>159,245</u>
Cash and cash equivalents - end of year	<u>\$ 33,828</u>

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