

Airline Ambassadors International, Inc.

Financial Statements

Year Ended December 31, 2021

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ALI AMINI, CMA, CPA
4620 North Park Avenue, 1501 W
Chevy Chase, Maryland 20815
Independent Auditor's Report

To the Board of Directors of Airline Ambassadors International, Inc.

Opinion

I have audited the accompanying financial statements of Airline Ambassadors International, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows and of functional expenses for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Airline Ambassadors International, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Airline Ambassadors International, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Airline Ambassadors International, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Airline Ambassadors International, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Airline Ambassadors International, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

Ali Amini, CMA, CPA



Chevy Chase, Maryland

November 15, 2022

Airline Ambassadors International, Inc.
Statement of Financial Position
December 31, 2021

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 137,052
Accounts Receivable	13,314
Accounts Receivable, employee	<u>447</u>
Total Current Assets	<u>150,813</u>

TOTAL ASSETS \$ 150,813

LIABILITIES and NET ASSETS

Current Liabilities

Credit card payable	\$ 1,174
Payroll taxes	<u>460</u>
Total Current Liabilities	<u>1,634</u>

Net assets unrestricted 149,179

TOTAL LIABILITIES and NET ASSETS \$ 150,813

See accompanying notes

Airline Ambassadors International, Inc.
Statement of Activities
Year ended December 31, 2021

Unrestricted Net Assets	
Direct public support	\$ 209,777
In-kind donations	163,423
Interest, dividend and capital gain income	<u>275</u>
Total revenues	<u>373,475</u>
Expenses	
Program	306,140
Management and general	40,218
Fundraising	<u>14,578</u>
Total expenses	<u>360,936</u>
Increase in unrestricted net assets	12,539
Net assets unrestricted, beginning of the year	<u>136,640</u>
Net assets unrestricted, end of the year	<u>\$ 149,179</u>

See accompanying notes

Airline Ambassadors International, Inc.
Statement of Cash Flows
Year ended December 31, 2021

Cash flows from operating activities	
Increase in net assets	\$ 12,539
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Decrease in accounts receivable	6,479
Decrease in credit card payable	(2,024)
Increase in payroll taxes	44
Decrease in prepaid expenses	239
Increase in accounts Receivable, employee	(447)
Decrease in accrued expenses	<u>(548)</u>
Net cash provided by operating activities	<u>16,282</u>
Net increase in cash and cash equivalents	16,282
Cash and cash equivalents, beginning of period	<u>120,770</u>
Cash and cash equivalents, ending of period	<u>\$ 137,052</u>

Supplemental Disclosures of Cash Flow Information:

Cash paid during the year for bank fees and finance charges	\$ 8,317
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See accompanying notes

Airline Ambassadors International, Inc.
Statement of Functional Expenses
Year ended December 31, 2021

	Program Expenses	Management and General Expenses	Fundraising	Total
Officer salaries	\$ 11,250	\$ 3,750	\$ -	\$ 15,000
Payroll taxes	1,232	411	-	1,643
In-kind expenses	163,423	-	-	163,423
Program expenses	119,735	-	-	119,735
Accounting	-	15,741	-	15,741
Fundraising	-	-	14,578	14,578
Contractor expenses	10,500	-	-	10,500
Bank fees and finance charges	-	8,317	-	8,317
Office expenses and supplies	-	3,223	-	3,223
Telephone, Telecommunications	-	2,110	-	2,110
Miscellaneous expenses	-	2,055	-	2,055
Advertising	-	1,439	-	1,439
Insurance	-	1,308	-	1,308
Website	-	1,236	-	1,236
Registrations and dues	-	628	-	628
	<u>\$ 306,140</u>	<u>\$ 40,218</u>	<u>\$ 14,578</u>	<u>\$ 360,936</u>

See accompanying notes

Nature of Activities

Airline Ambassadors International, Inc. is a 501(c)(3) non-profit corporation affiliated with the United Nations and recognized by the U.S. Congress. It began as a network of airline employees using their pass privileges to help others and has expanded into a network of students, medical professionals, families and retirees who volunteer as "Ambassadors of Goodwill" in their home communities and abroad. The major programs of the organization are Children's Medical Escort, Human Trafficking Awareness and Training and Humanitarian Missions. The Organization provides humanitarian aid to children and families in need as well as relief and development to under-privileged communities worldwide. The Organization escorts children with medical needs, hand-deliver humanitarian aid to orphanages, clinics, and remote communities, raise public awareness and involve youth in humanitarian efforts around the world.

Revenue recognition

Transactions in which each party directly receives commensurate value are reciprocal transactions and are recognized once the performance obligation is satisfied. Contributions, nonreciprocal transactions, and support are recognized when the donor/grantor makes a promise to give to the Organization that is, in substance, unconditional and without restrictions. Those with conditions or barriers in any form are recognized as revenue when condition is met. Contributions that are restricted by the donor/grantor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in restricted net assets depending on the nature of the restrictions. When a restriction expires, the restricted net assets are classified to unrestricted net assets.

The revenue of the company is mainly comprised of direct public support. After the receipt of the donations by the company, at that point the revenue is recognized.

Accounting Basis

The change in net assets is determined on accrual basis. Accrual basis of accounting recognizes revenue when earned rather than when cash is received and recognizes expenses when incurred rather than when paid.

Donated Material, Facilities and Services

The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of services that assist the Organization, but not all these services meet the criteria for recognition in the financial statements. In-kind material, facilities and services and other contributed nonfinancial assets are valued at fair value.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents are the cash at the bank. All liquid investments available for current use with initial maturity of three months or less are considered cash equivalents.

Accounts Receivable

Accounts receivable consists of mainly the direct public support and membership dues not yet deposited to bank. Expected credit losses on accounts receivable and other commitments to extend credit held by the Organization are written off as credit losses by use of an allowance account.

Furniture and Equipment

The Organization capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with specific restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports the expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives.

Net Asset Restriction Classification

Net Asset Restriction Classification. The Organization has adopted accounting standards which require that the Organization distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. These standards require that resources be classified for reporting purposes into two net asset categories according to externally (donor) imposed restrictions. The two net asset categories are as follows:

Net assets without donor restrictions. Net assets not subject to donor-imposed stipulations.

Net assets with donor restrictions. Net assets subject to donor-imposed stipulations that require the donated assets to be maintained permanently by the Organization. Generally, the donors of these assets would permit the Organization to use all, or part of the income earned on the corpus for

general or specific purposes. The Organization does not currently have any net assets with donor restrictions.

In-kind donations

For the year ended December 31, 2021, in-kind donations consisted of the following.

Professional services	\$6,500
Supplies	152,069
Facilities	<u>4,854</u>
	<u>\$163,423</u>

Advertising Expense

Advertising expense was \$1,439 for the year ended December 31, 2021.

Functional Allocation of Expenses

Direct expenses have been allocated to the applicable program for which the expense was incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as a public charity. For federal tax purposes the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

Related Party Transactions

For the year ended December 31, 2021, the Organization received from the president of the Organization donations in the amount of \$9,567. Also, the Organization paid the president salary in the amount of \$15,000. Also, the organization had other transactions with related parties in the amount of \$447.

Liquidity and Availability of Financial Assets

The Organization's financial assets available to meet cash needs for expenditures within one year of the statement of financial position date consist of a checking account with a balance of \$137,052 as of December 31, 2021. In addition to financial assets available to meet general expenditures over the next twelve months, the Organization anticipates collecting sufficient revenue to cover operating needs and contractual commitments.

Subsequent Events

Management has reviewed the financial statements as of November 15, 2022, which is the date the financial statements were available to be issued and no events occurred that required recording or disclosure in the 2021 financial statements.