



**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Jusoor

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INDEPENDENT AUDITORS' REPORT

Board of Directors

Jusoor

Menlo Park, California

We have audited the accompanying financial statements of Jusoor (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Jusoor
Independent Auditors' Report (Continued)
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of Jusoor as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

DeLeon & Stang

DeLeon & Stang, CPAs and Advisors
Gaithersburg, Maryland
April 14, 2021

Jusoor
Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash and equivalents	\$ 883,108	\$ 19,206
Prepaid expenses and other assets	7,500	-
Property and equipment, net of accumulated depreciation	63,496	100,901
TOTAL ASSETS	\$ 954,104	\$ 120,107

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable and accrued expenses	\$ 22,650	\$ -
Payroll protection program loan	12,500	-
Total liabilities	35,150	-

Net (Deficit) Assets:

Without donor restrictions	(1,338)	91,825
Without donor restrictions, Board designated	186,983	348
Total without donor restrictions	185,645	92,173
With donor restrictions	733,309	27,934
Total net assets	918,954	120,107
TOTAL LIABILITIES AND NET ASSETS	\$ 954,104	\$ 120,107

Jusoor
Statements of Activities
For the Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:						
Contributions:						
Individual	\$ 177,448	\$ 466,138	\$ 643,586	\$ 94,281	\$ 337,261	\$ 431,542
Corporate	955	367,994	368,949	24,861	588,606	613,467
Foundation	252,403	874,319	1,126,722	43,524	436,533	480,057
Total contributions	430,806	1,708,451	2,139,257	162,666	1,362,400	1,525,066
In-kind contributions	64,733	-	64,733	23,669	-	23,669
Other income	12,981	-	12,981	-	-	-
Net assets released from restrictions	1,003,076	(1,003,076)	-	1,395,549	(1,395,549)	-
Total revenue and support	1,511,596	705,375	2,216,971	1,581,884	(33,149)	1,548,735
Expenses:						
Program services	1,003,076	-	1,003,076	1,395,549	-	1,395,549
Supporting services	415,048	-	415,048	305,505	-	305,505
Total expenses	1,418,124	-	1,418,124	1,701,054	-	1,701,054
Change in net assets	93,472	705,375	798,847	(119,170)	(33,149)	(152,319)
Net assets, beginning of year	92,173	27,934	120,107	211,343	61,083	272,426
Net assets, end of year	\$ 185,645	\$ 733,309	\$ 918,954	\$ 92,173	\$ 27,934	\$ 120,107

See Accompanying Notes to the Financial Statements

Jusoor
Statements of Functional Expenses
For the Years Ended December 31, 2020 and 2019

	2020								Total
	Program Services				Supporting Services				
	Entrepreneurship Training and Support	Higher Education Scholarships	Refugee Primary Education	Other Programs	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Management salaries, Non-US based personnel	\$ 25,532	\$ 33,245	\$ 55,389	5,721	\$ 119,887.00	\$ 213,692	\$ 38,716	\$ 252,408	\$ 372,295.00
Teachers salaries, Non-US based personnel	-	-	225,196	-	225,196	-	-	-	225,196
Professional fees	69,701	3,945	31,332	2,390	107,368	66,324	17,038	83,362	190,730
Facility and utilities	4,894	-	91,151	25,000	121,045	6,521	18,932	25,453	146,498
Scholarships and student fees in the US	-	105,825	603	-	106,428	-	-	-	106,428
Transportation	-	843	85,964	-	86,807	146	-	146	86,953
Other expenses	34,340	-	33,777	-	68,117	9,518	2,773	12,291	80,408
Supplies	-	10,340	33,744	-	44,084	-	-	-	44,084
Rent	-	-	48,300	-	48,300	-	-	-	48,300
Depreciation	-	-	37,405	-	37,405	-	-	-	37,405
Management salaries, US based personnel	-	-	-	-	-	30,045	-	30,045	30,045
Repairs and maintenance	-	-	24,414	-	24,414	-	-	-	24,414
Bank service charges	154	-	3,360	-	3,514	10,409	-	10,409	13,923
Printing, postage, and shipping	-	-	9,601	-	9,601	934	-	934	10,535
Food and entertainment	-	-	910	-	910	-	-	-	910
Total	\$ 134,621	\$ 154,198	\$ 681,146	\$ 33,111	\$ 1,003,076	\$ 337,589	\$ 77,459	\$ 415,048	\$ 1,418,124

(Continued)

Jusoor
Statements of Functional Expenses (Continued)
For the Years Ended December 31, 2020 and 2019

	2019							
	Program Services				Supporting Services			
	Entrepreneurship Training and Support	Higher Education Scholarships	Refugee Primary Education	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Management salaries, Non-US based personnel	\$ 30,625	\$ 51,864	\$ 68,724	\$ 151,213	\$ 116,827	\$ 29,281	\$ 146,108	\$ 297,321
Teachers salaries, Non-US based personnel	-	-	279,269	279,269	-	-	-	279,269
Transportation	912	185	246,655	247,752	6,643	1,684	8,327	256,079
Other expenses	175,316	-	24,760	200,076	-	14,675	14,675	214,751
Scholarships and student fees in the US	-	171,251	10,293	181,544	-	-	-	181,544
Professional fees	29,267	1,448	30,208	60,923	34,201	10,881	45,082	106,005
Facility and utilities	14,841	-	66,789	81,630	5,747	11,736	17,483	99,113
Rent	-	-	63,400	63,400	-	-	-	63,400
Management salaries, US based personnel	-	-	-	-	60,845	-	60,845	60,845
Repairs and maintenance	-	-	50,913	50,913	-	-	-	50,913
Depreciation	-	-	37,649	37,649	-	-	-	37,649
Bank service charges	79	-	9,925	10,004	12,337	-	12,337	22,341
Living stipend	-	21,276	-	21,276	-	-	-	21,276
Supplies	15	-	8,237	8,252	-	-	-	8,252
Printing, postage, and shipping	-	-	1,648	1,648	427	221	648	2,296
Total	\$ 251,055	\$ 246,024	\$ 898,470	\$ 1,395,549	\$ 237,027	\$ 68,478	\$ 305,505	\$ 1,701,054

See Accompanying Notes to the Financial Statements
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Jusoor
Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	2019
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 798,847	\$ (152,319)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	37,405	37,649
Increase in operating assets:		
Prepaid expenses and other assets	(7,500)	-
Increase in operating liabilities:		
Accounts payable and accrued expenses	22,650	-
Net cash provided by (used in) operating activities	851,402	(114,670)
<u>Cash Flows From Financing Activities:</u>		
Proceeds from payroll protection program loan	12,500	-
Net cash provided by financing activities	12,500	-
Net increase (decrease) in cash and cash equivalents	863,902	(114,670)
Cash and cash equivalents at beginning of year	19,206	133,876
Cash and cash equivalents at end of year	\$ 883,108	\$ 19,206

Jusoor
Notes to the Financial Statements
December 31, 2020 and 2019

NOTE 1- ORGANIZATION AND OPERATIONS

Jusoor (the "Organization") is a nonprofit organization incorporated in 2011 under the laws of the State of Michigan. Jusoor was established by Syrian expatriates to support the country's development by helping youth realize their potential through programs in the fields of education, career development, and global community engagement. The Organization has been granted an exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Description of Net Assets

Net assets are classified based on the existence or absence of donor imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* – Net assets that are currently available for operating purposes under the direction of management and the board of directors or designated by the board for specific use.
- *Net Assets With Donor Restrictions* – Net assets that are stipulated by donors for specific operating purposes or for the acquisition of property and equipment or are time restricted. These include donor restrictions requiring the net assets to be held in perpetuity or for a specific term with investment return specified for a specific purpose. Net assets with donor restrictions at December 31, 2020 and 2019 was \$733,309 and \$27,934, respectively.

Cash and Cash Equivalents

The Organization considers all highly liquid instruments with original maturities of three months or less to be cash and cash equivalents.

Jusoor
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges Receivable and Allowance for Doubtful Accounts

Pledges receivable consist of contributions promised and not received as of the end of the year. Pledges receivable are stated at the amount management expects to collect on the outstanding balance. Management provides for probable uncollectible amounts through an increase in bad debt expense and an increase in allowance for doubtful accounts based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a decrease in the allowance for doubtful accounts and a decrease in pledges receivable. No allowance for doubtful accounts was required at December 31, 2020 or 2019.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Property and equipment are stated at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives (generally three to five years) of the asset. The cost of maintenance is expensed as incurred.

Contributions

Contributions are recorded as with or without donor restrictions, depending upon the existence and/or nature of donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. Within net assets with donor restrictions, amounts are reclassified to net assets without donor restrictions when the restrictions expire by passage of time or the fulfillment of the stipulated purpose.

In-kind Contributions

In-kind contributions consist of property converted to a school facility, various pieces of property and equipment, and other supplies from individuals and corporate donors. These contributions are recorded at their estimated fair market value at the date the donation is made. The terms of these school facilities is further discussed in Note 5.

Expense Allocation

The Organization allocates its expenses on a functional basis among various programs and other activities. Expenses that can be identified with specific programs or supporting services are recorded directly according to their natural expenditure classification. Shared costs are allocated based on various identifiable bases (i.e. allowable occupancy costs are allocated based on the percentage of space occupied).

Jusoor
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign Operations

A large portion of the Jusoor's activity occurs in foreign countries. As a result, the transactions of those operations that are denominated in foreign currency are remeasured into U.S. dollars, and any resulting gains or losses are included in earnings.

Income Taxes

Jusoor is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable income tax regulations of the State of Michigan. No provision for income taxes has been established, as the Organization has no unrelated business activity. The Organization has determined that there are no uncertain tax positions which require accrual or disclosure.

The Organization's tax filings are subject to audit by various taxing authorities, generally for three years after filing, hence the Organization's tax returns for the years 2017 and onward are open to examination.

Subsequent Events

The financial statements have been evaluated by management for subsequent events requiring disclosure through April 15, 2021, the date the financial statements were available to be issued.

NOTE 3- PROPERTY AND EQUIPMENT

Property and equipment consisted on the following at December 31,:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 156,414	\$ 156,414
Playground	47,949	47,949
	204,363	204,363
Accumulated depreciation	(140,867)	(103,462)
	<u>\$ 63,496</u>	<u>\$ 100,901</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$37,405 and \$37,649, respectively.

Jusoor
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

NOTE 4- OPERATING LEASES

The Organization maintains three (3) facilities located in Lebanon, used for their educational programs. The lease description of each facility is as follows:

- *Bekaa Center:* In January 2015, the Organization entered into a twelve (12) month lease agreement with Saad Jad Aloun. The lease requires yearly rental fees of \$30,000. The lease has been subsequently renewed every year for an additional twelve (12) month term through December 31, 2021. Base rent for the lease was subsequently reduced to \$20,000 per year for the year ended December 31, 2021
- *Tent School:* The Organization operates a tent school in collaboration with Sawa for Aid and Development (Sawa). Sawa has agreed to provide the facilities to the Organization without charge. In-kind costs for the facility are approximately \$18,000 per year.
- *Beirut Center:* The Organization was granted the use of this facility, provided the Organization pays a yearly rental fee of \$21,000 and utilities fees. In June 2018, the Beirut Center changed location, decreasing monthly installments to \$1,300, then amended the agreement in November 2019, further lowering the monthly installments to \$1,050. In November 2020, the lease was amended, lowering monthly installments to \$750. The lease agreement expires October 31, 2021.

Future minimum lease payments required under the above leases are as follows:

<u>Years Ending December 31,</u>	
2021	<u>\$ 27,500</u>
Total	<u><u>\$ 27,500</u></u>

Total rent expense for the years ended December 31, 2020 and 2019 was \$48,300 and \$63,400, respectively.

NOTE 5- IN-KIND CONTRIBUTIONS

During the years ended December 31, 2020 and 2019, the Organization received in-kind contributions in the form of donated facilities and supplies, which is reflected at its fair market value. In-kind contributions on the statement of activities consisted of rent expense totaling \$33,000 and supplies totaling \$31,733 for the year ended December 31, 2020, and \$18,000 in rent expense and \$5,669 in supplies for the year ended December 31, 2019.

Jusoor
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

NOTE 6- PAYROLL PROTECTION PROGRAM LOAN

In April 2020, Jusoor received a \$12,500 Payroll Protection Program Loan (note) through the Small Business Administration. Under terms of this note, all or a portion of the loan, including accrued interest, may be forgiven if proceeds are used for qualifying expenses and if certain staffing levels are maintained. Jusoor expects this note to be fully forgiven. However, any unforgiven amounts are payable over an twenty four month period beginning at the time any unforgiven amounts are determined by the Small Business Administration. Interest on the unforgiven balance accrues at 1% annually. In March 2021, the loan was forgiven in full and reclassified as grant revenue.

NOTE 7- LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Organization's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general expenditure within one year, if any. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, assets held for others, endowments and accumulated earnings net of appropriations within one year and board designated endowments. These board designations could be drawn upon if the board approves that action.

Financial assets available to meet cash needs for general expenditures within one year as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Financial assets		
Cash and equivalents	\$ 883,108	\$ 19,206
Subtotal	883,108	19,206
Less: Net assets with donor restrictions	<u>(733,309)</u>	<u>(27,934)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 149,799</u>	<u>\$ (8,728)</u>

In addition to financial assets available to meet general expenditures over the next 12 months, Jusoor operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

NOTE 8- SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances at various financial institutions. Accounts at each institution in the United States are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2020, \$588,383 was uninsured. At December 31, 2019, no amount was uninsured.

Jusoor
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

NOTE 8- SIGNIFICANT CONCENTRATIONS OF CREDIT RISK (Continued)

For the years ended December 31, 2020 and 2019, contributions from several donors aggregated \$1,331,097, representing approximately 61% of total revenue and support, and \$866,496, representing approximately 57% of total revenue and support, respectively. The major donors for the year ended December 31, 2020 were from the following sources:

2020		
	Revenue	
LDS Charities	\$ 573,701	26%
Spark	390,944	18%
Chalhoub Group	366,452	17%
Total major donors	<u>\$ 1,331,097</u>	<u>61%</u>
Total revenue	<u>\$ 2,216,971</u>	

2019		
	Revenue	
Chalhoub Group	\$ 460,174	30%
Amr Salahieh	150,000	10%
LDS Charities	256,322	17%
Total major donors	<u>\$ 866,496</u>	<u>57%</u>
Total revenue	<u>\$ 1,548,735</u>	

NOTE 9- UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) a pandemic. The pandemic has caused business disruption through mandated and voluntary closings of businesses for non-essential services and triggered volatility in financial markets and a significant negative impact on the global economy. Jusoor's management has concluded that while it is reasonably possible that COVID-19 could have a negative impact on Jusoor's results of operations, the specific impact is not readily determinable. However, there are no comparable recent events which may provide guidance as to the effect of the spread of the pandemic. As a result, the ultimate impact of the COVID-19 outbreak is highly uncertain and subject to change. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.