



**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Jusoor

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 2
Basic Financial Statements:	
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Functional Expenses.....	5 - 6
Statements of Cash Flows.....	7
Notes to Financial Statements	8 - 13



INDEPENDENT AUDITORS' REPORT

**Board of Directors
Jusoor
Menlo Park, California**

Opinion

We have audited the accompanying financial statements of Jusoor (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jusoor as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jusoor and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Jusoor's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility for the Audit of the Financial Statements

Our 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 auditors' report that includes our 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, we:

- Exercise professional judgement 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 Jusoor'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jusoor's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

DeLeon & Stang

DeLeon & Stang, CPAs and Advisors
Frederick, Maryland
May 6, 2022

Jusoor
Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
ASSETS		
Cash and equivalents	\$6,932,626	\$ 883,108
Prepaid expenses and other assets	7,500	7,500
Property and equipment, net of accumulated depreciation	26,621	63,496
TOTAL ASSETS	\$6,966,747	\$ 954,104

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable and accrued expenses	\$ 15,000	\$ 22,650
Paycheck Protection Program Loan	-	12,500
Total liabilities	15,000	35,150

Net (Deficit) Assets:

Without donor restrictions	6,541,292	(1,338)
Without donor restrictions, Board designated	84,732	186,983
Total without donor restrictions	6,626,024	185,645
With donor restrictions	325,723	733,309
Total net assets	6,951,747	918,954
TOTAL LIABILITIES AND NET ASSETS	\$6,966,747	\$ 954,104

Jusoor
Statements of Activities
For the Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:						
Contributions:						
Individual	\$ 192,154	\$ 642,487	\$ 834,641	\$ 177,448	\$ 466,138	\$ 643,586
Corporate	21,484	342,356	363,840	955	367,994	368,949
Foundation	6,000,228	892,441	6,892,669	252,403	874,319	1,126,722
Total contributions	6,213,866	1,877,284	8,091,150	430,806	1,708,451	2,139,257
Other income	37,552	-	37,552	12,981	-	12,981
Contributions of nonfinancial assets	18,000	-	18,000	64,733	-	64,733
Net assets released from restrictions	2,284,870	(2,284,870)	-	1,003,076	(1,003,076)	-
Total revenue and support	8,554,288	(407,586)	8,146,702	1,511,596	705,375	2,216,971
Expenses:						
Program services	1,497,316	-	1,497,316	1,003,076	-	1,003,076
Supporting services	616,593	-	616,593	415,048	-	415,048
Total expenses	2,113,909	-	2,113,909	1,418,124	-	1,418,124
Change in net assets	6,440,379	(407,586)	6,032,793	93,472	705,375	798,847
Net assets, beginning of year	185,645	733,309	918,954	92,173	27,934	120,107
Net assets, end of year	<u>\$ 6,626,024</u>	<u>\$ 325,723</u>	<u>\$6,951,747</u>	<u>\$ 185,645</u>	<u>\$ 733,309</u>	<u>\$ 918,954</u>

See Accompanying Notes to the Financial Statements

Jusoor
Statements of Functional Expenses
For the Years Ended December 31, 2021 and 2020

2021

	Program Services				Supporting Services				Total	
	Entrepreneurship Training and Support	Higher Education Scholarships	Refugee Primary Education	Community Engagement	Total Program Services	General and Administrative	Other Supporting Services	Fundraising		Total Supporting Services
Management salaries, Non-US based personnel	\$ 61,890	\$ 29,551	\$ 63,351	14,764	169,556	\$ 203,124	61,392	\$ 67,160	\$ 331,676	\$ 501,232
Professional fees	203,200	10,660	11,606	-	225,466	51,677	31,953	68,100	151,730	377,196
Scholarships and student fees in the US	-	248,812	29,925	-	278,737	-	-	1,668	1,668	280,405
Facility and utilities	10,510	-	217,000	-	227,510	15,674	35,834	1,175	52,683	280,193
Teachers salaries, Non-US based personnel	-	-	269,311	-	269,311	-	-	-	-	269,311
Transportation	-	113	113,816	-	113,929	1,035	-	7,668	8,703	122,632
Other expenses	60,000	-	22,991	-	82,991	-	5,383	15,959	21,342	104,333
Management salaries, US based personnel	6,517	2,899	6,671	1,555	17,642	20,386	6,464	7,072	33,922	51,564
Depreciation	-	-	36,875	-	36,875	-	-	-	-	36,875
Rent	-	-	47,000	-	47,000	-	-	-	-	47,000
Supplies	-	-	19,221	-	19,221	-	-	171	171	19,392
Bank service charges	-	-	1,496	-	1,496	13,634	93	-	13,727	15,223
Repairs and maintenance	-	-	7,582	-	7,582	-	-	-	-	7,582
Printing, postage, and shipping	-	-	-	-	-	-	-	971	971	971
Total	\$ 342,117	\$ 292,035	\$ 846,845	\$ 16,319	\$ 1,497,316	\$ 305,530	\$ 141,119	\$ 169,944	\$ 616,593	\$ 2,113,909

(Continued)

See Accompanying Notes to the Financial Statements

Jusoor
Statements of Functional Expenses (Continued)
For the Years Ended December 31, 2021 and 2020

	2020					2020			Total
	Program Services				Total	Supporting Services		Total	
	Entrepreneurship Training and Support	Higher Education Scholarships	Refugee Primary Education	Other Programs	Program Services	General and Administrative	Fundraising	Supporting Services	
Management salaries, Non-US based personnel	\$ 25,532	\$ 33,245	\$ 55,389	\$ 5,721	\$ 119,887	\$ 213,692	\$ 38,716	\$ 252,408	\$ 372,295
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

See Accompanying Notes to the Financial Statements

Jusoor
Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	2021	2020
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 6,032,793	\$ 798,847
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of Paycheck Protection Program Loan	(12,500)	-
Depreciation	36,875	37,405
Increase in operating assets:		
Prepaid expenses and other assets	-	(7,500)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(7,650)	22,650
Net cash provided by operating activities	6,049,518	851,402
<u>Cash Flows From Financing Activities:</u>		
Proceeds from Paycheck Protection Program Loan	-	12,500
Net cash provided by financing activities	-	12,500
Net increase in cash and cash equivalents	6,049,518	863,902
Cash and cash equivalents at beginning of year	883,108	19,206
Cash and cash equivalents at end of year	\$ 6,932,626	\$ 883,108

Jusoor
Notes to the Financial Statements
December 31, 2021 and 2020

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, 2021 and 2020 was \$325,723 and \$733,309, 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, 2021 and 2020

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, 2021 or 2020.

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.

Contributed Nonfinancial Assets

Contributed nonfinancial assets 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, 2021 and 2020

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 2018 and onward are open to examination.

Reclassifications

Certain reclassifications have been made to the 2020 financial statements' presentation to correspond to the current year's format.

Subsequent Events

The financial statements have been evaluated by management for subsequent events requiring disclosure through May 6, 2022, 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>2021</u>	<u>2020</u>
Furniture and equipment	\$ 156,414	\$ 156,414
Playground	47,949	47,949
	204,363	204,363
Accumulated depreciation	<u>(177,742)</u>	<u>(140,867)</u>
	<u>\$ 26,621</u>	<u>\$ 63,496</u>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$36,875 and \$37,405, respectively.

Jusoor
Notes to the Financial Statements (Continued)
December 31, 2021 and 2020

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 for both 2021 and 2020.
- *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 November 2019 the lease agreement was amended, 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. This lease was subsequently renewed for an additional year, with the same terms.

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

<u>Years Ending December 31,</u>	
2022	<u>\$ 27,500</u>
Total	<u>\$ 27,500</u>

Total rent expense for the years ended December 31, 2021 and 2020 was \$47,000 and \$48,300, respectively.

NOTE 5- CONTRIBUTED NONFINANCIAL ASSETS

During the years ended December 31, 2021 and 2020, the Organization received nonfinancial in the form of donated facilities and supplies, which are reflected at fair market value. Contributed nonfinancial assets on the statements of activities consisted of rent expense totaling \$18,000 for the year ended December 31, 2021. For the year ended December 31, 2020, contributed nonfinancial assets consisted of \$33,000 for rent expense and supplies totaling \$31,733.

Jusoor
Notes to the Financial Statements (Continued)
December 31, 2021 and 2020

NOTE 6- PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, Jusoor received a \$12,500 Paycheck 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 other income.

NOTE 7- LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Organization’s financial assets as of December 31, 2021 and 2020, 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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial assets		
Cash and equivalents	\$ 6,932,626	\$ 883,108
Subtotal	6,932,626	883,108
Less: Net assets with donor restrictions	<u>(325,723)</u>	<u>(733,309)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,606,903</u>	<u>\$ 149,799</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, 2021 and 2020 \$6,555,982 and \$588,383 was uninsured, respectively.

Jusoor
Notes to the Financial Statements (Continued)
December 31, 2021 and 2020

NOTE 8- SIGNIFICANT CONCENTRATIONS OF CREDIT RISK (Continued)

For the years ended December 31, 2021 and 2020, contributions from several donors aggregated \$7,030,559, representing approximately 87% of total revenue and support, and \$1,331,097, representing approximately 61% of total revenue and support, respectively. The major donors for the years ended December 31, 2021 and 2020 were from the following sources:

2021		
	Revenue	
Silicon Valley Community Foundation	\$6,000,000	74%
Spark	530,559	7%
Amr Salahieh	500,000	6%
Total major donors	<u>\$7,030,559</u>	<u>87%</u>
Total revenue	<u>\$8,146,702</u>	

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>	