



AMAANAH REFUGEE SERVICES

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

TABLE OF CONTENTS

	Page
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statement of Assets, Liabilities and Net Assets	3
Statement of Revenue, Expenses and Other Changes in Net Assets	4
Schedule of Functional Expenses	5
Notes to Financial Statements	6

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Amaanah Refugee Services

We have reviewed the accompanying financial statements of Amaanah Refugee Services (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—cash basis as of December 31, 2021, and the related statement of revenues, expenses, and other changes in net assets—cash basis, and schedule of functional expenses – cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

HRSS LLP

Houston, Texas
July 12, 2022

AMAANAH REFUGEE SERVICES
Statement of Assets, Liabilities and Net Assets (Cash Basis)
December 31, 2021

Assets

Current assets	
Cash and cash equivalents	\$ 489,892
Total current assets	489,892
Non current assets	
Investments	115,090
Total non current assets	115,090
Total assets	\$ 604,982

Liabilities and Net Assets

Net assets	
Net assets without donor restrictions	581,754
Net assets with donor restrictions	23,228
Total net assets	604,982
Total liabilities and net assets	\$ 604,982

AMAANAH REFUGEE SERVICES

Statement of Revenue, Expenses and Other Changes in Net Assets (Cash Basis)

For the Year Ended December 31, 2021

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Revenue and other support			
Contributions	\$ 464,818	\$ -	\$ 464,818
Program income	-	422,181	422,181
Support services (zakat)	-	142,384	142,384
Dividend income	2,811	-	2,811
Unrealized gain on investments	6,285	-	6,285
Gain on extinguishment of loan	35,849	-	35,849
Net assets released from restrictions	772,608	(772,608)	-
Total revenue and other support	1,282,371	(208,043)	1,074,328
Expenses			
Program Services			
Youth education services	438,506	-	438,506
Woman's empowerment program	334,102	-	334,102
Total Program Services	772,608	-	772,608
Management and general expenses	125,917	-	125,917
Fund raising	7,125	-	7,125
Total expenses	905,650	-	905,650
Changes in net assets	376,721	(208,043)	168,678
Net Assets, December 31, 2020	205,033	231,271	436,304
Net Assets, December 31, 2021	\$ 581,754	\$ 23,228	\$ 604,982

See Accountants' Review Report

AMAANAH REFUGEE SERVICES
Schedule of Functional Expenses - Cash Basis
For the Year Ended December 31, 2021

	<u>PROGRAM SERVICES</u>		<u>SUPPORT SERVICES</u>		<u>Total</u>
	<u>Youth Educational Services</u>	<u>Women Empowerment Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	
Salaries and wages	\$ 133,928	\$ 51,021	\$ 3,405	\$ 5,659	\$ 194,013
Contract wages	212,838	-	-	-	212,838
Assistance program	60,169	106,439	-	-	166,608
Relief program	-	161,709	-	-	161,709
Marketing	-	-	31,464	-	31,464
Consulting fees	-	-	29,200	-	29,200
Professional fees	-	-	18,000	-	18,000
Payroll taxes	10,407	2,821	3,027	331	16,586
Payroll processing	-	-	15,935	-	15,935
Supplies	10,201	-	3,157	-	13,358
Home transformation	-	10,572	-	-	10,572
Dues and subscriptions	-	-	7,686	-	7,686
Administrative	5,366	-	-	-	5,366
Insurance	2,996	-	898	-	3,894
Advertising	-	-	3,380	-	3,380
Rent	-	-	3,245	-	3,245
Telephone and internet	-	-	2,457	-	2,457
Travel and meeting	168	-	1,951	-	2,119
Women empowerment PGM	-	1,540	-	-	1,540
Meals and entertainment	-	-	1,313	-	1,313
Printing	1,300	-	-	-	1,300
Tutor service	916	-	-	-	916
Training and development	-	-	408	-	408
Other expense	217	-	391	1,135	1,743
Total expenses	<u>\$ 438,506</u>	<u>\$ 334,102</u>	<u>\$ 125,917</u>	<u>\$ 7,125</u>	<u>\$ 905,650</u>

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business

Al Amaanah, Inc., was incorporated in the State of Texas as a non-profit corporation on June 18, 2008, but on February 23, 2012, it changed its name to Amaanah Refugee Services (“Organization” or “Amaanah”). Amaanah operates as a charitable and educational organization and is dedicated to empowering refugee women and youth to acclimate to their new home in Houston. Amaanah continues to support newly arrived immigrant and refugee youth through various programs. Amaanah is supported primarily through contributions from the Islamic community at large. The entity is managed by a board of directors consisting of eight elected members from the community.

Method of Accounting

The accompanying financial statements have been prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The cash basis differs from generally accepted accounting principles primarily because certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred, except for investments which are valued at fair value.

Basis of Presentation

The Organization reports its statement of assets and liabilities and net assets, and statement of changes in support, revenue, and expenses according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. The total net assets of the Organization as of December 31, 2021, was \$604,982.

Use of Estimates

The financial statements of the Organization have been prepared on the cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles and requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which requires the identification of arrangements that should be accounted for as leases by lessees. In general, for operating or financing lease arrangements exceeding a twelve-month term, a right-of-use asset and a lease obligation will be recognized on the balance sheet of the lessee while the income statement will reflect lease expense for operating leases and amortization/interest expense for financing leases. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2021, with early adoption permitted.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Public Support and Revenue

All contributions are generally available for unrestricted use in the year of receipt, unless specifically restricted by the donor. Funds are also donated for specific purposes such as program income or support services. Accordingly, such funds are classified as net assets with donor restrictions until the purpose is accomplished. Upon satisfaction of the purpose, the designated funds are reclassified as net assets without donor restrictions.

Fair Value Measurements

Amaanah follows the Fair Value Measurement framework that establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value.

Money market: Interest bearing account that pays higher interest rate than a savings account.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

Stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Income Taxes

Amaanah is a nonprofit organization as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal income taxes.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents. The Organization maintains its cash primarily in financial institutions that it considers to be of high quality. At times, certain balances in these financial institutions are in excess of federally insured limits. The possibility of loss exists if a financial institution holding excess cash deposits was to fail.

NOTE 2 – INVESTMENTS

Endowment investments consist of cash and cash equivalents with donor restrictions to financially support the refugees. These investments are held in an Ameritrade mutual funds, stocks and deposits accounts. Investment assets are carried at fair market value. Income received from these investments is recognized as investment income. As of December 31, 2021, total investment equaled \$115,090.

The following table sets forth by level, within the fair value hierarchy the balance as of December 31, 2021. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

	Asset at Fair Value as of December 31, 2021			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Money market	\$ 1,230	\$ -	\$ -	\$ 1,230
Mutual funds	111,646	-	-	111,646
Stocks	2,214	-	-	2,214
Investments at fair value	<u>\$ 115,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,090</u>

NOTE 3 – PPP LOAN

On May 6, 2020, the Organization received loan proceeds in the amount of \$35,849 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan balance is forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period. The Organization applied for loan forgiveness and was notified on March 15, 2021, that the full amount of the loan has been forgiven. This balance has been reported as gain on extinguishment of PPP loan.

NOTE 4 - DONATED SERVICES

The Organization receives donated services from unpaid volunteers who assist in fund raising and special projects. The Organization also receives donated services from board members. No amounts have been recognized in the statements of support, revenue, and expenses because the criteria for recognition under SFAS No. 116 have not been satisfied.

NOTE 5 – NET ASSETS RELEASED FROM RESTRICTIONS

As of December 31, 2021, the total net asset released from restrictions was \$772,608.

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2021, the total net asset with donor restrictions was \$23,228.

NOTE 7 – RISK AND UNCERTAINTIES

The ongoing crisis of COVID-19 continues to evolve and cause uncertainty. At the end of fiscal 2021, states and localities were in the midst of a vaccine distribution program; however, the continued spread and impact of COVID-19 persist. At this stage, there has been limited impact on the Organization’s business from COVID-19. The Organization will continue to follow the various government policies and advise and, in parallel, will do its utmost to continue its operations in the best and safest way possible without jeopardizing the health of its people.

AMAANAH REFUGEE SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 8 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 12, 2022, which is the date these financial statements were available for issuance. There were no subsequent events requiring recognition or disclosure in its statements as of and for the year ended December 31, 2021.