

Amaanah Refugee Services

Financial Statements for the
Year Ended December 31, 2016 (Audited)
with comparative totals for
December 31, 2015 (Reviewed)



Bennoch & Tipton LLC
CERTIFIED PUBLIC ACCOUNTANTS

AMAANAH REFUGEE SERVICES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Amaanah Refugee Services
Houston, Texas

We have audited the accompanying financial statements of Amaanah Refugee Services (the Organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses and cash flows for the year 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.

Auditor's Responsibility

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 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 auditor's 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.

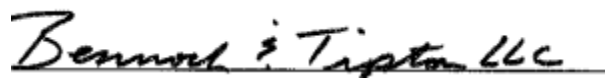
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amaanah Refugee Services as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The 2015 financial statements were reviewed by us, and our report thereon, dated May 18, 2016, stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of



Bennoch & Tipton LLC
Certified Public Accountants
Houston, Texas

May 19, 2017

AMAANAH REFUGEE SERVICES
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016 (with comparative totals for 2015)

	Audited 2016	Reviewed 2015
ASSETS		
Cash and cash equivalents	\$ 52,599	\$ 25,060
Restricted cash	100,964	317,965
Promises to give	31,536	10,000
Property and equipment, net	<u>16,311</u>	<u>15,844</u>
TOTAL ASSETS	<u>\$ 201,410</u>	<u>\$ 368,869</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 21,174	\$ 6,294
Accrued expenses	<u>13,102</u>	<u>3,416</u>
Total Liabilities	<u>34,276.00</u>	<u>9,710.00</u>
Net Assets		
Unrestricted	20,904	31,194
Temporarily restricted	102,966	297,965
Permanently restricted	<u>43,264</u>	<u>30,000</u>
Total Net Assets	<u>167,134</u>	<u>359,159</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 201,410</u>	<u>\$ 368,869</u>

The accompanying notes are an integral part of these financial statements
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AMAANAH REFUGEE SERVICES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016 (with comparative totals for 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Audited 2016 Total	Reviewed 2015 Total
Public Support and Revenues					
Contributions	\$ 172,500	\$ 387,409	\$ 13,264	\$ 573,173	\$ 407,363
In-kind contributions	333,509	-	-	333,509	369,893
Fundraising events, less direct benefit to donors of \$88,197	<u>291,483</u>	<u>-</u>	<u>-</u>	<u>291,483</u>	<u>412,821</u>
Total Public Support and Revenues	<u>797,492</u>	<u>387,409</u>	<u>13,264</u>	<u>1,198,165</u>	<u>1,190,077</u>
Net assets released from temporary restrictions	<u>582,408</u>	<u>(582,408)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Public Support and Revenues, and releases from temporary restrictions	<u>1,379,900</u>	<u>(194,999)</u>	<u>13,264</u>	<u>1,198,165</u>	<u>1,190,077</u>
Program Expenses					
Awesome Academy	393,666	-	-	393,666	268,923
Client Events	91,722	-	-	91,722	83,038
Client Services	319,179	-	-	319,179	400,267
The Attic	233,985	-	-	233,985	74,362
Universal Soccer League	44,912	-	-	44,912	14,114
Volunteers	<u>58,150</u>	<u>-</u>	<u>-</u>	<u>58,150</u>	<u>32,206</u>
Total Program Services	<u>1,141,614</u>	<u>-</u>	<u>-</u>	<u>1,141,614</u>	<u>872,910</u>
Supporting Services:					
Management and general	86,033	-	-	86,033	80,234
Fundraising	<u>162,543</u>	<u>-</u>	<u>-</u>	<u>162,543</u>	<u>99,021</u>
Total Supporting Services	<u>248,576</u>	<u>-</u>	<u>-</u>	<u>248,576</u>	<u>179,255</u>
Total Expenses	<u>1,390,190</u>	<u>-</u>	<u>-</u>	<u>1,390,190</u>	<u>1,052,165</u>
Change in Net Assets	(10,290)	(194,999)	13,264	(192,025)	137,912
Net Assets, Beginning of Year, as previously stated 12/31/2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,061</u>
Prior period adjustment	-	-	-	-	(28,814)
Net Assets, Beginning of Year, as restated 12/31/2015	<u>31,194</u>	<u>297,965</u>	<u>30,000</u>	<u>359,159</u>	<u>221,247</u>
NET ASSETS, END OF YEAR	<u>\$ 20,904</u>	<u>\$ 102,966</u>	<u>\$ 43,264</u>	<u>\$ 167,134</u>	<u>\$ 359,159</u>

The accompanying notes are an integral part of these financial statements

AMAANAH REFUGEE SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Program	Supporting Services			Audited Total
		Management & General	Fundraising	Total Supporting	
Advertising	\$ -	\$ 20,116	\$ 46,937	\$ 67,053	\$ 67,053
Bank fees	-	670	1,564	2,234	2,234
Contracted services	53,636	43,209	12,624	55,833	109,469
Depreciation	4,263	726	1,695	2,421	6,684
Employee benefits	40,675	436	1,017	1,453	42,128
Furniture and equipment	-	-	-	-	-
Insurance	674	913	2,129	3,042	3,716
Meals and entertainment	-	978	2,282	3,260	3,260
Miscellaneous	-	10	22	32	32
Payroll taxes	27,102	955	2,227	3,182	30,284
Postage and shipping	-	-	-	-	-
Printing	55	-	-	-	55
Professional fees	-	1,620	3,780	5,400	5,400
Client services	579,471	-	-	-	579,471
Rental and utilities	36,310	1,048	2,445	3,493	39,803
Repairs and maintenance	-	-	-	-	-
Reimbursements	1012	3053	7124	10,177	11,189
Salaries and wages	332,487	4,017	59,373	63,390	395,877
Supplies	63,217	6,849	15,981	22,830	86,047
Telephone	2,712	0	0	-	2,712
Training	-	1,304	3,042	4,346	4,346
Travel	-	129	301	430	430
TOTAL FUNCTIONAL EXPENSES	<u>\$1,141,614</u>	<u>\$ 86,033</u>	<u>\$ 162,543</u>	<u>\$ 248,576</u>	<u>\$ 1,390,190</u>

The accompanying notes are an integral part of these financial statements
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AMAANAH REFUGEE SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Program	Supporting Services			Reviewed Total
		Management & General	Fundraising	Total Supporting	
Advertising	\$ -	\$ 19,754	\$ -	\$ 19,754	\$ 19,754
Bank fees	-	10,070	-	10,070	10,070
Contracted services	53,572	2,700	6,749	9,449	63,021
Depreciation	2,163	367	861	1,228	3,391
Employee benefits	7,849	1,500	3,115	4,615	12,464
Furniture and equipment	1,541	2,720	-	2,720	4,261
Insurance	3,016	512	1,200	1,712	4,728
Meals and entertainment	1,140	-	1,362	1,362	2,502
Miscellaneous	4,056	688	1,615	2,303	6,359
Payroll taxes	11,434	2,040	4,723	6,763	18,197
Postage and shipping	59	-	-	-	59
Printing	1,294	-	3,589	3,589	4,883
Professional fees	-	4,647	-	4,647	4,647
Refugee services	542,643	-	-	-	542,643
Rent and utilities	24,210	4,107	9,636	13,743	37,953
Repairs and maintenance	4,702	-	-	-	4,702
Reimbursements	7,308	-	-	-	7,308
Salaries and wages	155,921	26,457	62,050	88,507	244,428
Supplies	39,843	87	3,385	3,472	43,315
Telephone	4,912	-	614	614	5,526
Training	4,635	4,585	-	4,585	9,220
Travel	2,612	-	122	122	2,734
TOTAL FUNCTIONAL EXPENSES	\$ 872,910	\$ 80,234	\$ 99,021	\$ 179,255	\$ 1,052,165

The accompanying notes are an integral part of these financial statements
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AMAANAH REFUGEE SERVICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016 (with comparative totals for 2015)

	Audited 2016	Reviewed 2015
Cash Flows From Operating Activities		
Change in net assets	<u>\$ (192,025)</u>	<u>\$ 137,912</u>
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	6,684	3,391
Change in operating assets and liabilities		
Promises to give receivable	(21,536)	(10,000)
Prepaid expenses	-	9,708
Accrued expenses	9,687	-
Accounts payable	<u>14,880</u>	<u>7,110</u>
Net Cash from Operating Activities	<u>(182,310)</u>	<u>148,121</u>
Cash Flows From Investing Activities		
Purchases of furniture and equipment	<u>(7,151)</u>	<u>-</u>
Net Cash from Investing Activities	<u>(7,151)</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	(189,461)	148,121
Cash and Cash Equivalents, Beginning of Year	<u>343,024</u>	<u>194,904</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 153,563</u></u>	<u><u>\$ 343,025</u></u>
As Presented on the Statement of Financial Position		
Cash and cash equivalents	\$ 52,599	\$ 25,060
Restricted cash	<u>100,964</u>	<u>317,965</u>
Total cash and cash equivalents and restricted cash	<u><u>\$ 153,563</u></u>	<u><u>\$ 343,025</u></u>

The accompanying notes are an integral part of these financial statements
(7)

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Business – Amaanah Refugee Services (the “Organization”), a Texas nonprofit organization, was started in 2006 as a community outreach program by several students to provide refugee services. They realized the unmet needs of thousands of refugees in their community by providing food, clothing, and furniture. Two years later, in 2008, the Organization was incorporated as a Texas nonprofit public benefit corporation. The Organization is organized under Chapter 22 of the Texas Business Organization Code for charitable purposes.

The Organization’s purpose is dedicated to serving the refugee community, in cooperation with community based resettlement agencies, providing ancillary and community-based services in the best way possible. Ultimately, the vision of the Organization is to make the refugee resettlement process fun, memorable, and life-changing for refugees and the communities in which they resettle. Using personal relationships as the foundation for all services, they hope to improve the resettlement system to one that produces individuals who are an inspiration to society.

The Organization operates an in-kind store, after-school program, a comprehensive case management service for single-mothers within the refugee population, sports program, and general assistance collaborating with other nonprofit organizations to provide rental, utility, furniture, and transportation. These programs focus on refugees and their families with the purpose of building a new life in a new land.

The Organization is supported through contributions received from individuals, foundations, trusts and corporate institutions.

Basis of Accounting – The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation – The Organization’s financial statements are presented in accordance with Financial Accounting Standards Board’s (FASB) Accounting Standards Codification (ASC) 958-205-45-4, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-205-45-4, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets – These are resources that are not subject to donor-imposed stipulations and can be used for the general operations of the Organization. As of December 31, 2016 and 2015, the Organization had \$20,904 and \$31,194, respectively, of unrestricted resources.

Temporarily restricted net assets – These are resources that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. As of December 31, 2016 and 2015, the Organization had \$102,966 and \$297,965, respectively, of temporarily restricted net assets.

AMAANAH REFUGEE SERVICES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 (with comparative totals for 2015)

Permanently restricted net assets – These are resources that are subject to donor restrictions requiring that the principal be held in perpetuity and any income thereon be used by the Organization. As of December 31, 2016 and 2015, the Organization had \$43,264 and \$30,000, respectively, of permanently restricted net assets.

In addition, the Organization is required by FASB ASC 958-205-45-4 to present a statement of cash flows.

Generally, grants are recognized as revenues when earned. Grants that operate on a reimbursement basis are recognized on the accrual basis as revenues only to the extent of disbursements and commitments that are allowable for reimbursement. Revenues from contributions, donations and other sources are recognized as unrestricted or temporarily restricted revenues when received or unconditionally promised by a third party. Revenues from special events are recognized when the events are held. Interest income is recognized when earned based on passage of time. Program income and other income are recognized when received.

Contributions and Promises to Give – In accordance with FASB ASC 958-605-45-3, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give cash or other assets are not recognized as revenues until received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions are met in the fiscal year in which the contributions were recognized. All other donor-restricted contributions would be reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

The Organization uses the allowance method to determine uncollectible promises to give receivable. The allowance is based on management's analysis of specific promises made. Promises to give receivable as of December 31, 2016 and 2015 amounted to \$31,536 and \$10,000, respectively, and is deemed fully collectible by management.

Contributed Services – The Organization recognizes contributed services at their fair value if the services provide value to the Organization and require specialized skills, are provided by individuals possessing those skills, and would have been purchased if not provided by contributors, as established by FASB ASC 958-605-25-26.

Donations – Donations are recorded as contributions at fair value at the date of donation. Such donations are reported as unrestricted net assets unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of

AMAANAH REFUGEE SERVICES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 (with comparative totals for 2015)

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 expirations of donor restrictions when the donated or acquired assets are placed in service as restricted by the donor.

The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Cash and Cash Equivalents – The Organization considers all monies in banks and highly liquid investments with maturities of three months or less from the date of purchase to be cash and cash equivalents. The carrying values of any cash and cash equivalents are deemed to approximate their fair values because of the short maturities of those financial instruments.

Property and Equipment – The Organization capitalizes all expenditures for property and equipment in excess of \$2,500. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. Property and equipment items are depreciated using the straight-line method based on their estimated useful lives ranging from 5 to 7 years. Maintenance and repairs are charged to operations when incurred. Major improvements and renewals that extend the life of the asset are capitalized.

Functional Allocation of Expenses – Expenses are categorized in the Statement of Activities as program services, fundraising and management and general. The Organization's expenses are allocated on a functional basis among these benefited categories.

Program service expenses include direct and indirect (allocated) expenses for the various programs offered by the Organization. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Other expenses, that are common to several functions, are allocated to program services by various reasonable bases.

Fundraising expenses represent cost incurred in connection with fundraising efforts. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes – The Organization is a nonprofit corporation that is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code ("Code") and comparable State law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Organization did not conduct any unrelated business activities in the current fiscal year. Therefore, the Organization has made no provision for federal income taxes in the accompanying financial statements.

The Organization applies the provisions of FASB ASC Topic 740, *Income Taxes*, (formerly FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes* - an Interpretation of FASB Statement No. 109), which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 (with comparative totals for 2015)

FIN 48 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosures and transition.

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

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 certain estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. The significant estimates included in the financial statements are the estimates of useful lives used for depreciating property and equipment items.

Restricted Cash – Temporarily restricted cash is held in separate bank accounts and are restricted for Zakat and Islamic Relief Zakat. In addition, the Organization has permanently restricted funds held as an endowment amounting to \$40,264. Total restricted cash amounted to \$100,964 and \$317,965 for the years ended December 31, 2016 and 2015, respectively.

Advertising – Advertising is expensed as incurred. Total advertising costs expensed was \$67,053 and \$19,754 for the years ended December 31, 2016 and 2015, respectively.

NOTE 2 – PROGRAMS AND SUPPORTING SERVICES

The costs of providing the various programs and other activities are shown in the accompanying statement of functional expenses. The following programs and supporting services are included in the accompanying financial statements:

Amaanah's Attic – Amaanah's Attic, an in-kind store, serves as a dignified avenue through which refugees can receive donations. Individuals and families can shop at the store for new and gently used clothing free of charge. Household items, accessories, and shoes are also available to the clients.

Awesome Academy – The Awesome Academy is an afterschool program for refugee students. The Organization partners with a variety of agencies to provide these children with academic assistance, social development, and enrichment activities. During the academic year, the program operates for several hours after the school day is over. In the summer, programming is available during the day.

Guide – Guide is the Organization's general assistance program for refugees in Houston. In close partnership with nonprofits around Houston, the Organization provides services such as rental, utility, furniture, transportation and other forms of assistance. This program will be discontinued in 2016.

AMAANAH REFUGEE SERVICES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 (with comparative totals for 2015)

Transformed – Transformed is a comprehensive case management service for single-mothers within the refugee population. The Organization works with these women-led households for several months at a time to achieve stability and self-sufficiency in their lives.

Universal Soccer League – The Universal Soccer League (USL) is a soccer league for young refugee men. The league serves as a social integration tool for refugee youth facing the pressures of building a new life in a new land.

NOTE 3 – CONCENTRATION OF CREDIT RISKS

The Organization maintains its cash balances in a local bank. These balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2016 and 2015, the Organization had uninsured amounts of approximately \$0 and \$93,000, respectively.

NOTE 4 – PROPERTY AND EQUIPMENT

As of December 31, 2016 and 2015, property and equipment consisted of the following:

	Audited 2016	Reviewed 2015
	<u> </u>	<u> </u>
Vehicles	\$ 8,000	\$ 8,000
Furniture and equipment	34,092	26,940
	<u>42,092</u>	<u>34,940</u>
Less: Accumulated depreciation	(25,781)	(19,096)
	<u> </u>	<u> </u>
Property and equipment, net	<u>\$ 16,311</u>	<u>\$ 15,844</u>

Depreciation expense charged to operations for the years ended December 31, 2016 and 2015 was \$6,491 and \$3,391, respectively.

NOTE 5 – NET ASSETS

Unrestricted net assets amounted to \$20,904 and \$31,194 as of December 31, 2016 and 2015, respectively, and are available to support the programs and activities of the Organization.

Temporarily restricted net assets amounted to \$102,966 and \$297,965 as of December 31, 2016 and 2015, and are restricted for the following purpose:

AMAANAH REFUGEE SERVICES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 (with comparative totals for 2015)

	Audited 2016	Reviewed 2015
Zakat	\$ 70,199	\$ 247,965
Awesome Academy	10,000	-
Transformed	12,767	-
The Citizens Foundation	10,000	-
Islamic Relief Zakat	-	50,000
	<hr/>	<hr/>
Total	<u>\$ 102,966</u>	<u>\$ 297,965</u>

Permanently restricted net assets amounted to \$43,264 and \$30,000 as of December 31, 2016 and 2015, respectively, and are permanently restricted as an endowment to support the operations and missions of the Organization (see Note 9).

NOTE 6 – OPERATING LEASE

The Organization leases office space under a non-cancelable operating lease. The lease expired on August 31, 2016 and was renewed for an additional year expiring on August 31, 2017. The terms of the lease are monthly rental payments of \$4,296. Rental expense for the years ended December 31, 2016 and 2015 was \$57,216 and \$37,953, respectively.

Future minimum lease payments under the operating lease are \$34,365 for the year ended December 31, 2017.

NOTE 7 – PRIOR PERIOD ADJUSTMENT

In 2015, the Organization noted certain errors in the prior year’s financial statements; loans receivable and employee advances remained on the books but payment had been received in the prior years; temporarily and permanently restricted contributions were classified as unrestricted; prepaid expenses were recorded on the books and the expenses were never recognized in the proper period. The Organization corrected these errors by adjusting the beginning net assets as of December 31, 2015. The prior period adjustment is as follows:

AMAANAH REFUGEE SERVICES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 (with comparative totals for 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Reviewed Total</u>
Net assets - beginning of year, as previously stated	\$ 250,061	\$ -	\$ -	\$ 250,061
Reclass of temporarily/permanently restricted net assets	(106,271)	76,271	30,000	-
Loans receivable	(15,550)	-	-	(15,550)
Prepaid expenses	(8,316)	-	-	(8,316)
Employee advances	(4,948)	-	-	(4,948)
Net assets - beginning of year, as restated	<u>114,976</u>	<u>76,271</u>	<u>30,000</u>	<u>221,247</u>
Change in net assets	<u>(83,782)</u>	<u>221,694</u>	<u>-</u>	<u>137,912</u>
Net assets - end of year	<u>\$ 31,194</u>	<u>\$ 297,965</u>	<u>\$ 30,000</u>	<u>\$ 359,159</u>

NOTE 8 – CONCENTRATION OF FUNDRAISING REVENUE

For the year ended December 31, 2016, approximately forty-four percent (44%), or \$379,680, of the Organization's contribution revenue came from one fundraising event.

For the year ended December 31, 2015, approximately forty-seven percent (47%), or \$413,000, of the Organization's contribution revenue came from one fundraising event.

NOTE 9 – ENDOWMENT

In 2014, the board established a donor restricted endowment fund to help support the operations and missions of the Organization. Permanently restricted net assets are resources whose use is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. At December 31, 2016 and 2015, the portion of the Organization's donor-restricted endowment funds that the Organization is committed to maintaining in perpetuity amounted to \$43,264 and \$30,000, respectively, and are classified in the permanently restricted net asset class. The unspent appreciation of the Organization's donor-restricted endowment funds is also reported as temporarily restricted net assets to be used for the donor-imposed restrictions. As of December 31, 2016, there was no appreciation of the endowment fund, and therefore no amounts in temporarily restricted net assets.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 19, 2017; the date financial statements were available to be issued. No change to the financial statements for the year ended December 31, 2016 is deemed necessary as a result of this evaluation.