

Amoud Foundation
Financial Statements
For the year ended December 31, 2024
Independent Auditor's Report

Contents

Independent Auditor's Report	3-4
Consolidated Statement of Financial Position	5
Consolidated Statement of Activities and Changes in Net Assets	6
Consolidated Statement of Cash Flow.....	7
Consolidated Statement of Functional Expenses.....	8
Notes to Financial Statements	9-12

Independent Auditor's Report

To The Board of Directors of
Amoud Foundation

Opinion

We have audited the accompanying consolidated financial statements of Amoud Foundation (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2024 and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amoud Foundation as of December 31, 2024 and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles in United States of America.

Basis of Opinion

We conducted our audits accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Amoud Foundation 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 the organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities 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 auditor's 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 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 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 Amoud Foundation '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 the organization'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.

Raya CPA & Consulting Services, LLC.

Chantilly, Virginia

January 2, 2026

Amoud Foundation
Statement of Financial Position
December 31, 2024

	<u>2024</u>
Assets	
Current asset	
Cash	\$ 11,279,002
Pledge receivable	5,035
Total current asset	<u>11,284,037</u>
Fixed Assets	
Building	250,000
Computer and equipment	35,906
Accumulated depreciation	(35,906)
Fixed asset - net	<u>250,000</u>
Other assets	
Endowment investment in Somalia	242,000
Loan to ICI	100,000
Saturna Investment	371,999
Total other assets	<u>713,999</u>
Total assets	<u><u>\$ 12,248,036</u></u>
Liabilities and net assets	
Current liabilities	
Payroll liability	\$ 15,451
Total current liabilities	<u>15,451</u>
Net assets	12,232,585
Total liabilities and net assets	<u><u>\$ 12,248,036</u></u>

The accompanying notes are an integral part of these financial statements

Amoud Foundation
Statement of Activities and Changes in Net Assets
Year ended December 31, 2024

	2024		
	Without donor restrictions	With donor restrictions	Total
Revenues and Support			
Donations	\$ 807,216	\$ 10,360,905	\$ 11,168,121
In-kind donation	792,000	-	\$ 792,000
Gain on investment	31,359	-	31,359
Net assets released from restrictions	7,884,708	(7,884,708)	-
Total revenues	<u>9,515,283</u>	<u>2,476,197</u>	<u>11,991,480</u>
Total expenses	<u>8,676,709</u>	-	<u>8,676,709</u>
Change in net assets	838,574	2,476,197	3,314,771
Net asset, beginning of the year	8,917,814	-	8,917,814
Net asset, ending of the year	<u>\$ 9,756,388</u>	<u>\$ -</u>	<u>\$ 12,232,585</u>

The accompanying notes are an integral part of these financial statements

Amoud Foundation
Statement of Cash Flow
Years ended December 31, 2024

	<u>2024</u>
Operating Activities	
Change in net assets	\$ 3,314,772
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	20,573
Loan to ICI	(100,000)
Gain on investment	31,359
Decrease in payroll liability	<u>(145,424)</u>
Net cash provided by operating activities	3,121,280
Investing Activities	
Purchase of land in Somaliland	(242,000)
Decrease in Saturna investment	16,642
Sale of Merrill Lynch investment	250,000
Signage Point investment	<u>(250,000)</u>
Net cash used by investing activities	(225,358)
Net increase in cash for the period	2,895,922
Cash at the beginning of the period	<u>8,383,080</u>
Cash at the end of the period	<u><u>\$ 11,279,002</u></u>

The accompanying notes are an integral part of these financial statements

Amoud Foundation
Statement of Functional Expenses
Year ended December 31, 2024

	2024			
	Program Services	Supporting Services		Total
		Management & General	Fundraising	
Program facilitation expenses	\$ 5,989,267	\$ -	\$ -	\$ 5,989,267
In-kind donation	\$ 792,000	-	\$ -	\$ 792,000
Payroll and payroll taxes	28,086	252,771	-	280,857
Advertising	866,658	-	-	866,658
Maintenance	57,256	-	-	57,256
Utilities	17,858	-	-	17,858
Merchant fees	248,869	-	-	248,869
Travel	55,163	-	-	55,163
Depreciation	20,573	-	-	20,573
Donation	136,345	-	-	136,345
Field offices expense	71,070	-	-	71,070
Accounting	20,564	-	-	20,564
Mailing services	29,484	-	-	29,484
Staff development	24,122	-	-	24,122
Fundraising expense	-	-	15,720	15,720
Other	5,090	45,813	-	50,903
	<u>\$ 8,362,405</u>	<u>\$ 298,584</u>	<u>\$ 15,720</u>	<u>\$ 8,676,709</u>

The accompanying notes are an integral part of these financial statements

1. Organization's Background

Amoud Foundation (The "Organization") is an exempt (501) (c) (3), established in 1998 as a non-profit organization, located in Irving, Texas. The organization's mission is to relief the suffering of the poor in Horn of Africa by supporting the establishment of hospitals, educational facilities, orphanages, community wells, and providing other relief services such as, emergency food and shelters to victims of famine and natural disasters.

2. Summary of Significant Accounting Policies

- Basis of preparation

The preparation of financial statement of Amoud Foundation conforms to the accounting principles generally accepted in the United States of America and is based on the accrual basis of accounting, where revenues and expenses are recorded as they are earned or incurred.

- Basis of presentation

Amoud Foundation follows the Not-for-Profit Topic of the FASB Accounting Standards Codification (the Codification). Under this topic, the organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets are reported based on the presence or absence of donor-imposed restrictions as follow:

- Net assets without donor restrictions – net assets that are not subject to donor-imposed stipulations and include both undesignated and Board -designated amounts.
- Net assets with donor restrictions – net assets subject to donor-imposed restrictions that may or will be met either by actions of the Organization through the passage of time or must be maintained permanently by the Organization. Pledges and charitable remainder trusts receivables that are not otherwise restricted are considered to be restricted until the fund are received.

Use of an estimate

The preparation of financial statements in accordance 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 disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

- Property, Plant and Equipment

Property is stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance and routine repairs are charged to expense as incurred, expenditures for improvements and major repairs that materially extend the useful lines of assets are capitalized and depreciated based on the following:

Buildings & improvements	39 years
Computers and equipment	3 years
Furniture and fixtures	3 years

Depreciation expense for the years ended December 31, 2024 was \$20,573. In August 2024, the Organization purchased a residential property located at 3657 Noor Drive, Irving, Texas 75062, for a total purchase price of \$250,000. The property was designated as an organizational asset and placed into service as a rental property in 2025, at which time depreciation commenced in accordance with applicable accounting standards. The house was purchased from Signage Point Property investment that is 50% owned by the president of the Organization.

- **Cash**

Cash and cash equivalent include cash on hand and checking held with banks. The Organization maintains its cash in bank deposit accounts and money market accounts, which at times may exceed federally insured limits of \$250,000. As of December 31, 2024, the uninsured balance was \$9,478,501. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on cash and cash equivalent.

- **Revenues**

The Organization’s main source of revenue is the donation and contributions by its community members. It recognizes contributions: a) without donor restrictions as revenue in the period received or when the unconditional promise to give is made. It also reports contributions as support if they are received with donor or grantor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished; b) are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions.

- **Tax Exempt Status**

Amoud Foundation is exempt from federal income tax under section (501) (c) (3) of Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes. Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The Organization has no uncertain tax position that qualifies for recognition or disclosure in the financial statements.

3. Liquidity

The Organization’s financial assets available for general expenditures within one year of the date of the statement of financial position are as follows as of December 31, 2024:

Cash	\$ 11,279,002
Less: assets unavailable for general expenditures within one year:	-
Total financial assets available for general expenditures within one year:	<u><u>\$ 11,279,002</u></u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Management is focused on sustaining financial liquidity throughout the year. This is accomplished by monitoring and reviewing cash flow needs on an ongoing basis to ensure that there is cash available to meet its obligations.

4. Notes Receivable

The Organization holds promissory note of \$100,000 with Islamic Center of Irving in Texas representing interest free loan provided to support the center endowment fund. The note is payable on demand and may be called by the lender at any time. No interest is charged, and there is no stated maturity date.

5. Program Expenses

For the year ended December 31, 2024, the Organization incurred the following program expenses:

Ramadan program	1,431,146
Water wells and truck	1,006,293
Education	908,194
Qurbani/Udhiya	736,763
Orphanages	408,821
Healthcare	354,772
Mosque project	311,133
Sadaqa	267,626
Food packages	123,870
Zakah	43,000
Others	397,649
Total	<u>5,989,267</u>

6. In kind donations

The Organization receives contributions of noncash assets, primarily books, which are used in program activities. In-kind contributions are recognized as revenue and expense at their estimated fair value at the date of donation, in accordance with applicable accounting standards. Fair value of donated books is determined based on current market prices for similar items, considering condition and usability.

During the year ended December 31, 2024, the Organization recognized in-kind contributions of books with an estimated fair value of \$792,000, which are included in contribution revenue and program expenses in the accompanying financial statements.

7. Fair value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2** Observable inputs to the valuation methodology, other than Level 1 inputs, such as:
- Quoted prices for similar assets/liabilities in active markets;
 - Quoted prices for identical or similar assets in non-active markets;
 - Inputs other than quoted prices that are observable for the asset/liability; and,
- Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The investments were recorded at fair value as of December 31, 2024, based on the following levels of hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity investments	\$ 371,999	\$ -	\$ -	\$ 371,999

8. Related Party Transactions

The Organization had an outstanding investment totaling \$250,000 in Signage Point Properties, a related party in which the Organization's President owns 50%. In August 2024, Signage Point Properties re-titled one of its real estate assets to the Organization. The property was classified as an organizational asset and placed into service for rental activities in 2025.

9. Subsequent Event

The management has evaluated the subsequent events in consideration of the financial statements through January 2, 2026 the date the financial statements were available to be issued. The Organization has no material recognizable subsequent events.