

**IQRA FUND**  
**AUDITED FINANCIAL STATEMENTS**  
**December 31, 2016 and 2015**



**AMATICS**  
**CPA GROUP**

**IQRA FUND  
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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Iqra Fund  
Bozeman, Montana

We have audited the accompanying financial statements of Iqra Fund (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the 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 Organization'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 Organization'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 Iqra Fund, as of December 31, 2016 and 2015, 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.

*Amatics CPA Group*

Bozeman, Montana  
October 29, 2017



**IQRA FUND  
STATEMENTS OF FINANCIAL POSITION**

	<b>December 31</b>	
	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 48,205	\$ 129,638
Accounts receivable	67,239	4,000
Advances and prepaid expenses	9,534	32,272
	124,978	165,910
<b>PROPERTY AND EQUIPMENT</b> , net of accumulated depreciation	3,732	11,954
Total assets	\$ 128,710	\$ 177,864
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,319	\$ 965
Other liabilities	13,323	14,869
	14,642	15,834
<b>NET ASSETS</b>		
Unrestricted	41,829	162,030
Temporarily restricted	72,239	-
	114,068	162,030
Total liabilities and net assets	\$ 128,710	\$ 177,864

See the accompanying notes to financial statements.

**IQRA FUND**  
**STATEMENT OF ACTIVITIES**  
**Year ended December 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>				
Foundation grants	\$ 146,638	\$ 30,000	\$ -	\$ 176,638
Individual contributions	223,445	34,986	-	258,431
Board contributions	17,975	5,000	-	22,975
Corporate contributions	1,950	2,253	-	4,203
Special events revenue	9,199	-	-	9,199
In-kind contributions	<u>4,040</u>	<u>-</u>	<u>-</u>	<u>4,040</u>
Total revenue and support	<u>403,247</u>	<u>72,239</u>	<u>-</u>	<u>475,486</u>
<b>EXPENSES</b>				
Program	423,815	-	-	423,815
Fundraising	44,805	-	-	44,805
Administration	<u>55,487</u>	<u>-</u>	<u>-</u>	<u>55,487</u>
Total expenses	<u>524,107</u>	<u>-</u>	<u>-</u>	<u>524,107</u>
<b>OTHER INCOME</b>				
Interest income	463	-	-	463
Other income	<u>196</u>	<u>-</u>	<u>-</u>	<u>196</u>
Total other income	<u>659</u>	<u>-</u>	<u>-</u>	<u>659</u>
<b>CHANGE IN NET ASSETS</b>				
	(120,201)	72,239	-	(47,962)
Net assets at beginning of year	<u>162,030</u>	<u>-</u>	<u>-</u>	<u>162,030</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 41,829</u>	<u>\$ 72,239</u>	<u>\$ -</u>	<u>\$ 114,068</u>

See the accompanying notes to financial statements.

**IQRA FUND**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2015

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>				
Foundation grants	\$ 140,317	\$ -	\$ -	\$ 140,317
Individual contributions	287,282	-	-	287,282
Board contributions	48,250	-	-	48,250
Corporate contributions	27,692	-	-	27,692
Special events revenue	2,786	-	-	2,786
In-kind contributions	2,302	-	-	2,302
Total revenue and support	508,629	-	-	508,629
<b>EXPENSES</b>				
Program	346,062	-	-	346,062
Fundraising	62,403	-	-	62,403
Administration	48,704	-	-	48,704
Total expenses	457,169	-	-	457,169
<b>OTHER INCOME</b>				
Interest income	902	-	-	902
Other income	5	-	-	5
Total other income	907	-	-	907
<b>CHANGE IN NET ASSETS</b>				
Net assets at beginning of year	109,663	-	-	109,663
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 162,030</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 162,030</b>

See the accompanying notes to financial statements.

**IQRA FUND**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year ended December 31, 2016**

	<u>Program</u>	<u>Fundraising</u>	<u>Administration</u>	<u>Total</u>
Accounting	\$ 2,130	\$ -	\$ 23,553	\$ 25,683
Bank fees	776	1,754	727	3,257
Depreciation	5,628	1,447	1,147	8,222
Dues and subscriptions	260	310	-	570
Event expense	-	10,035	-	10,035
Food	1,222	-	-	1,222
Insurance	1,151	-	1,715	2,866
Legal	219	-	-	219
Marketing	-	1,800	2,000	3,800
Office supplies	10,607	1,342	436	12,385
Personnel	252,504	18,814	7,484	278,802
Postage and delivery	398	372	60	830
Printing and reproduction	82	998	95	1,175
Professional fees	77	-	8,674	8,751
Rent	5,789	-	6,970	12,759
Staff development	18,326	-	-	18,326
Student lodging	20,304	-	-	20,304
Student supplies	37,107	-	-	37,107
Student travel	701	-	-	701
Supplies	194	-	-	194
Taxes	6,464	1,847	2,109	10,420
Teacher training	11,518	-	-	11,518
Telecommunications	1,743	7	138	1,888
Travel	29,292	5,805	157	35,254
Tuition	15,225	-	-	15,225
Utilities	2,098	274	222	2,594
	<u>\$ 423,815</u>	<u>\$ 44,805</u>	<u>\$ 55,487</u>	<u>\$ 524,107</u>
Total expenses	<u>\$ 423,815</u>	<u>\$ 44,805</u>	<u>\$ 55,487</u>	<u>\$ 524,107</u>

See the accompanying notes to financial statements.

**IQRA FUND**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year ended December 31, 2015**

	<u>Program</u>	<u>Fundraising</u>	<u>Administration</u>	<u>Total</u>
Accounting	\$ 1,358	\$ -	\$ 20,858	\$ 22,216
Bank fees	4,072	1,859	1,076	7,007
Board expense	30	-	-	30
Depreciation	5,896	2,730	1,748	10,374
Dues and subscriptions	-	195	15	210
Event expense	-	11,718	-	11,718
Food	1,991	-	107	2,098
Insurance	551	-	1,328	1,879
Legal	466	-	560	1,026
Marketing	-	1,008	-	1,008
Office supplies	11,666	1,723	1,145	14,534
Personnel	183,288	25,469	11,561	220,318
Postage and delivery	233	216	239	688
Printing and reproduction	417	3,655	339	4,411
Professional fees	282	-	-	282
Rent	6,538	-	6,900	13,438
Research	324	-	-	324
Staff development	9,218	-	-	9,218
Student lodging	13,000	-	-	13,000
Student supplies	44,404	-	-	44,404
Student travel	519	-	-	519
Supplies	2,152	-	-	2,153
Taxes	5,004	2,040	1,410	8,454
Teacher training	6,937	-	-	6,937
Telecommunications	2,209	82	211	2,502
Travel	28,303	11,322	949	40,574
Tuition	15,085	-	-	15,085
Utilities	2,119	386	258	2,763
	<u>346,062</u>	<u>62,403</u>	<u>48,704</u>	<u>457,169</u>
Total expenses	<u>\$ 346,062</u>	<u>\$ 62,403</u>	<u>\$ 48,704</u>	<u>\$ 457,169</u>

See the accompanying notes to financial statements.



**IQRA FUND  
STATEMENTS OF CASH FLOWS**

	<b>Years ended December 31</b>	
	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (47,962)	\$ 52,367
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	8,222	10,374
(Increase) decrease in current assets:		
Receivables	(63,239)	(4,000)
Advances and prepaid expenses	22,738	(11,877)
Increase (decrease) in current liabilities:		
Accounts payable	354	(183)
Other liabilities	(1,546)	13,051
	(81,433)	59,732
<b>CASH FLOWS USED BY INVESTING ACTIVITIES</b>		
Purchases of equipment	-	(5,893)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(81,433)	53,839
Cash and cash equivalents at beginning of year	129,638	75,799
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 48,205	\$ 129,638

See the accompanying notes to financial statements.

**IQRA FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016 and 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization:**

Iqra Fund is a nonprofit public benefit organization organized in 2011. The primary purpose of the Organization is to provide opportunities for women and girls to improve their quality of life through education. The Organization provides the critical social services and funding necessary to break the financial, social, cultural, political, geographic and historical barriers that prevent girls from going to school, staying in school, and receiving a quality education. The Organization's offices were moved from Menlo Park, California to Bozeman, Montana in early 2014. The program activities are operated primarily in the Gilgit-Baltistan, Pakistan region.

**Basis of Accounting:**

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America, as codified by the Financial Accounting Standards Board. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate unrestricted net assets for specific purposes or programs.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that permanently restrict the use of the assets to be maintained by the Organization in perpetuity. Generally, the donors of these assets permit the Organization to use income earned on related investments for general or specific purposes.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Contributions:**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When temporary restrictions expire, temporarily restricted net assets are reported in the statement of activities as net assets released from restriction. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization records the support as unrestricted.

**Functional Expenses:**

Most expenses are charged directly to direct services, to fundraising, or to administrative based on specific identification; however, some indirect expenses are allocated.

**IQRA FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016 and 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents:**

For the purposes of the statements of cash flows, Iqra Fund considers all unrestricted and temporarily restricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. At year end, Iqra Fund held cash in checking accounts. Account balances held in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank, per depositor. As of December 31, 2016 and 2015, cash balances did not exceed federally insured limits.

**Accounts Receivable:**

Accounts receivable consists of amounts promised to the Organization in December by individuals and corporations and received in January. Accounts receivable are stated at the amount management expects to collect from outstanding balances. All receivables are due to be collected in less than one year from the date of the financial statements. Management has evaluated the receivables and believes all are collectible, so no valuation allowance is considered necessary.

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses, depending on the form of benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The Organization is also a recipient of intentions to give. In accordance with generally accepted accounting principles, intentions to give are not reported in the accompanying financial statements.

**Property and Equipment:**

Donations of property and equipment are recorded as support at their estimated fair value at the gift date. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets are to be maintained, Iqra Fund reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Iqra Fund reclassifies temporarily restricted net assets to unrestricted net assets at that time. Purchased property and equipment over \$5,000 and expected to have a useful life of greater than twelve months are capitalized and depreciated using the straight-line method.

**Income Taxes:**

Iqra Fund is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore no provision for federal income taxes has been included in the accompanying financial statements. Iqra Fund has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(a)(vi). The Organization's information returns (Form 990) are open to examination by the IRS, generally, for three years after they were filed or the due date of the return, whichever is later.

**Financial Statement Presentation:**

Certain reclassifications have been made to the December 31, 2015 balances to conform to the December 31, 2016 presentation.

**IQRA FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016 and 2015**

**2. PROPERTY AND EQUIPMENT**

Property and equipment as of December 31, 2016 and 2015 consist of the following:

	<u>2016</u>	<u>2015</u>
Office equipment	\$ 28,175	\$ 28,175
Vehicle	<u>5,892</u>	<u>5,892</u>
	34,067	34,067
Less accumulated depreciation	<u>(30,335)</u>	<u>(22,113)</u>
	<u>\$ 3,732</u>	<u>\$ 11,954</u>

**3. IN-KIND CONTRIBUTIONS**

Iqra Fund records various types of in-kind support including services, property and equipment. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The following in-kind donations were recognized as expenses or capitalized for the years ended December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Event expense (fundraising)	\$ 3,290	\$ 2,302
Professional fees (administration)	<u>750</u>	<u>-</u>
	<u>\$ 4,040</u>	<u>\$ 2,302</u>

**4. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of December 31, 2016 and 2015 were restricted for the following purposes:

	<u>2016</u>	<u>2015</u>
Scholarships	\$ 25,000	\$ -
Professional development	5,000	-
Receivables, restricted for subsequent year's activities	<u>42,239</u>	<u>-</u>
	<u>\$ 72,239</u>	<u>\$ -</u>

**5. SUBSEQUENT EVENTS**

Date of Management Evaluation

Management has evaluated subsequent events through October 29, 2017, the date on which the financial statements were available to be issued.