

IQRA FUND

FINANCIAL STATEMENTS

December 31, 2013 (Audited) and 2012 (Reviewed)



AMATICS
CPA GROUP

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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 statement of financial position as of December 31, 2013, 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.

Auditors' 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 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 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, 2013, and the changes in its net assets 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 2012 financial statements were reviewed by other accountants, and their report thereon, dated October 28, 2013, stated they 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 America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

Amatics CPA Group

Bozeman, Montana
July 10, 2014

**IQRA FUND
STATEMENTS OF FINANCIAL POSITION**

ASSETS

	December 31	
	2013 (Audited)	2012 (Reviewed)
CURRENT ASSETS		
Cash and cash equivalents	\$ 86,439	\$ 44,027
Advances and prepaid expenses	14,121	26,530
	100,560	70,557
PROPERTY AND EQUIPMENT, net of accumulated depreciation	25,827	-
Totals	\$ 126,387	\$ 70,557

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 1,203	\$ -
Other liabilities	1,613	771
	2,816	771
UNRESTRICTED NET ASSETS	123,571	69,786
Totals	\$ 126,387	\$ 70,557

See independent auditors' report and notes to financial statements.

IQRA FUND
STATEMENT OF ACTIVITIES
Year ended December 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total (Audited)
REVENUE AND SUPPORT				
Foundation grants	\$ 177,050	\$ -	\$ -	\$ 177,050
Individual contributions	171,378	-	-	171,378
Board contributions	43,120	-	-	43,120
In-kind contributions	14,500	-	-	14,500
In-kind contributions - fundraising events	8,863	-	-	8,863
Total revenue and support	414,911	-	-	414,911
EXPENSES				
Programs:				
Direct services	255,412	-	-	255,412
Supporting services:				
Fundraising	70,929	-	-	70,929
Administration	47,888	-	-	47,888
Total expenses	374,229	-	-	374,229
OTHER INCOME				
Interest	9	-	-	9
Other	13,094	-	-	13,094
Total other income	13,103	-	-	13,103
CHANGE IN NET ASSETS				
	53,785	-	-	53,785
Net assets at beginning of year	69,786	-	-	69,786
NET ASSETS AT END OF YEAR	\$ 123,571	\$ -	\$ -	\$ 123,571

See independent auditors' report and notes to financial statements.

IQRA FUND
STATEMENT OF ACTIVITIES
Year ended December 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total (Reviewed)
REVENUE AND SUPPORT				
Foundation grants	\$ 120,000	\$ -	\$ -	\$ 120,000
Individual contributions	68,267	-	-	68,267
Board contributions	5,500	-	-	5,500
Total revenue and support	193,767	-	-	193,767
EXPENSES				
Programs:				
Direct services	118,011	-	-	118,011
Supporting services:				
Fundraising	4,479	-	-	4,479
Administration	3,757	-	-	3,757
Total expenses	126,247	-	-	126,247
CHANGE IN NET ASSETS				
	67,520	-	-	67,520
Net assets at beginning of year	2,266	-	-	2,266
NET ASSETS AT END OF YEAR	\$ 69,786	\$ -	\$ -	\$ 69,786

See independent auditors' report and notes to financial statements.

IQRA FUND
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2013

	<u>Programs</u>	<u>Supporting Services</u>		<u>Total (Audited)</u>
	<u>Direct Services</u>	<u>Fundraising</u>	<u>Administration</u>	
Accounting	\$ 388	\$ 180	\$ 16,716	\$ 17,284
Bank fees	219	1,377	534	2,130
Board expense	2,065	-	-	2,065
Depreciation	2,348	-	-	2,348
Dues and subscriptions	155	-	-	155
Education and health	317	-	-	317
Event expense	3,863	12,309	-	16,172
Food	316	172	-	488
Insurance	667	181	415	1,263
Legal	3,296	2,313	8,954	14,563
Marketing	-	20,696	-	20,696
Office supplies	14,702	871	259	15,832
Personnel	98,755	14,132	18,680	131,567
Postage and delivery	501	-	301	802
Printing and reproduction	3,422	-	-	3,422
Professional fees	10,172	-	-	10,172
Rent	2,302	249	645	3,196
Research	1,805	-	-	1,805
Staff development	14,320	-	-	14,320
Student lodging	9,611	-	-	9,611
Student supplies	18,706	-	-	18,706
Student travel	486	-	-	486
Supplies	2,417	-	-	2,417
Taxes	2,367	1,417	1,151	4,935
Telecommunications	1,085	19	51	1,155
Travel	33,968	17,013	182	51,163
Tuition	27,090	-	-	27,090
Utilities	69	-	-	69
	<u>69</u>	<u>-</u>	<u>-</u>	<u>69</u>
Total expenses	<u>\$ 255,412</u>	<u>\$ 70,929</u>	<u>\$ 47,888</u>	<u>\$ 374,229</u>

See independent auditors' report and notes to financial statements.

IQRA FUND
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2012

	<u>Programs</u>	<u>Supporting Services</u>		<u>Total (Reviewed)</u>
	<u>Direct Services</u>	<u>Fundraising</u>	<u>Administration</u>	
Accounting	\$ -	\$ -	\$ 337	\$ 337
Bank fees	230	-	-	230
Donor appreciation	-	675	-	675
Dues and subscriptions	226	94	57	377
Education and health	8,257	-	-	8,257
Food	1,136	-	-	1,136
Grants to others	4,237	-	-	4,237
Insurance	797	332	199	1,328
Office supplies	70	30	18	118
Personnel	37,054	-	-	37,054
Postage and delivery	1,067	444	267	1,778
Professional fees	-	-	2,395	2,395
Rent	1,125	-	-	1,125
Scholarship expense	500	-	-	500
Staff development	766	-	-	766
Student lodging	13,517	-	-	13,517
Student supplies	8,323	-	-	8,323
Student travel	1,067	-	-	1,067
Supplies	4,717	1,836	-	6,553
Taxes	116	62	37	215
Telecommunications	115	-	-	115
Travel	14,503	1,006	447	15,956
Tuition	20,188	-	-	20,188
	<u>\$ 118,011</u>	<u>\$ 4,479</u>	<u>\$ 3,757</u>	<u>\$ 126,247</u>
Total expenses	<u>\$ 118,011</u>	<u>\$ 4,479</u>	<u>\$ 3,757</u>	<u>\$ 126,247</u>

See independent auditors' report and notes to financial statements.

IQRA FUND
STATEMENTS OF CASH FLOWS

	Years ended December 31	
	2013	2012
	(Audited)	(Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 53,785	\$ 67,520
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,348	-
(Increase) decrease in current assets:		
Advances and prepaid expenses	12,409	(26,530)
Increase (decrease) in current liabilities:		
Accounts payable	1,203	-
Other liabilities	842	771
	70,587	41,761
CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchases of equipment, furniture, and buildings	(28,175)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	42,412	41,761
Cash and cash equivalents at beginning of year	44,027	2,266
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 86,439	\$ 44,027

See independent auditors' report and notes to financial statements.

IQRA FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

IQRA Fund (the Organization) 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:

1. 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.
2. 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.
3. 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.

Intentions to Give:

Contributions are recognized when the donor makes a promise to give to IQRA Fund that is, in substance, unconditional. The Organization is a recipient of multiple intentions to give. Intentions to give are not recorded in the financial statements.

IQRA FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 over 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, 2012 balances to conform to the December 31, 2013 presentation.

2. 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 checking, savings and money market 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, 2013 and 2012, cash and cash equivalent balances did not exceed federally insured limits.

3. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2013 and 2012 consist of the following:

	2013	2012
Office equipment	28,175	-
Less accumulated depreciation	(2,348)	-
	\$ 25,827	\$ -

IQRA FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

4. OTHER INCOME

Other income represents various uncategorized amounts received by the Organization.

5. SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through July 10, 2014, the date on which the financial statements were available to be issued.

6. 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, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Fundraising expense	\$ 8,863	\$ -
Professional fees	14,500	-
	<u>\$ 23,363</u>	<u>\$ -</u>