

**IQRA FUND**  
**AUDITED FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**



**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 statements of financial position as of December 31, 2014 and 2013, 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 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, 2014 and 2013, 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

July 27, 2015

**IQRA FUND  
STATEMENTS OF FINANCIAL POSITION**

**ASSETS**

	<b>December 31</b>	
	<b>2014</b>	<b>2013</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 75,799	\$ 86,439
Advances and prepaid expenses	20,395	14,121
	96,194	100,560
<b>PROPERTY AND EQUIPMENT, net of accumulated depreciation</b>	16,435	25,827
Totals	\$ 112,629	\$ 126,387

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,148	\$ 1,203
Other liabilities	1,818	1,613
	2,966	2,816
<b>UNRESTRICTED NET ASSETS</b>	109,663	123,571
Totals	\$ 112,629	\$ 126,387

See independent auditors' report and notes to financial statements.

**IQRA FUND**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2014

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>				
Foundation grants	\$ 143,750	\$ -	\$ -	\$ 143,750
Individual contributions	225,362	-	-	225,362
Board contributions	28,100	-	-	28,100
Corporate contributions	9,670	-	-	9,670
In-kind contributions	759	-	-	759
Total revenue and support	407,641	-	-	407,641
<b>EXPENSES</b>				
Programs:				
Direct services	335,884	-	-	335,884
Supporting services:				
Fundraising	40,202	-	-	40,202
Administration	46,644	-	-	46,644
Total expenses	422,730	-	-	422,730
<b>OTHER INCOME (EXPENSE)</b>				
Interest	1,682	-	-	1,682
Other	(501)	-	-	(501)
Total other income	1,181	-	-	1,181
<b>CHANGE IN NET ASSETS</b>				
Net assets at beginning of year	(13,908)	-	-	(13,908)
Net assets at beginning of year	123,571	-	-	123,571
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 109,663</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 109,663</b>

See independent auditors' report and notes to financial statements.

**IQRA FUND**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2013

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>				
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
<b>EXPENSES</b>				
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
<b>OTHER INCOME (EXPENSE)</b>				
Interest	9	-	-	9
Other	13,094	-	-	13,094
Total other income	13,103	-	-	13,103
<b>CHANGE IN NET ASSETS</b>				
Net assets at beginning of year	69,786	-	-	69,786
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 123,571</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 123,571</b>

See independent auditors' report and notes to financial statements.

**IQRA FUND**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended December 31, 2014

	<u>Programs</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Direct Services</u>	<u>Fundraising</u>	<u>Administration</u>	
Accounting	\$ 626	\$ 195	\$ 23,512	\$ 24,333
Bank fees	3,220	2,666	304	6,190
Depreciation	5,250	1,750	2,392	9,392
Dues and subscriptions	-	-	668	668
Event expense	-	512	-	512
Food	1,384	129	159	1,672
Insurance	1,547	317	322	2,186
Legal	497	-	22	519
Marketing	-	496	-	496
Office supplies	9,333	1,460	1,493	12,286
Personnel	154,889	13,635	8,765	177,289
Postage and delivery	124	41	387	552
Printing and reproduction	482	474	4	960
Professional fees	-	471	689	1,160
Rent	2,697	88	3,680	6,465
Staff development	13,442	-	-	13,442
Student lodging	21,725	-	-	21,725
Student supplies	32,375	-	-	32,375
Student travel	435	-	-	435
Supplies	1,359	-	-	1,359
Taxes	3,587	905	1,374	5,866
Teacher training	17,300	-	-	17,300
Telecommunications	2,115	87	210	2,412
Travel	36,634	16,641	2,378	55,653
Tuition	25,505	-	-	25,505
Utilities	1,358	335	285	1,978
	<u>1,358</u>	<u>335</u>	<u>285</u>	<u>1,978</u>
Total expenses	<u>\$ 335,884</u>	<u>\$ 40,202</u>	<u>\$ 46,644</u>	<u>\$ 422,730</u>

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</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  
STATEMENTS OF CASH FLOWS**

	<b>Years ended December 31</b>	
	<b>2014</b>	<b>2013</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (13,908)	\$ 53,785
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	9,392	2,348
(Increase) decrease in current assets:		
Advances and prepaid expenses	(6,274)	12,409
Increase (decrease) in current liabilities:		
Accounts payable	(55)	1,203
Other liabilities	205	842
	(10,640)	70,587
<b>CASH FLOWS USED BY INVESTING ACTIVITIES</b>		
Purchases of equipment	-	(28,175)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(10,640)	42,412
Cash and cash equivalents at beginning of year	86,439	44,027
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 75,799	\$ 86,439

See independent auditors' report and notes to financial statements.

**IQRA FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**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.

**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, 2014 and 2013**

**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, 2013 balances to conform to the December 31, 2014 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 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, 2014 and 2013, cash and cash equivalent balances did not exceed federally insured limits.

**3. PROPERTY AND EQUIPMENT**

Property and equipment as of December 31, 2014 and 2013 consist of the following:

	<u>2014</u>	<u>2013</u>
Office equipment	\$ 28,175	\$ 28,175
Less accumulated depreciation	<u>(11,740)</u>	<u>(2,348)</u>
	<u>\$ 16,435</u>	<u>\$ 25,827</u>

**IQRA FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**4. OTHER INCOME (EXPENSE)**

Other income (expense) represents various uncategorized amounts received by the Organization.

**5. SUBSEQUENT EVENTS**

Date of Management Evaluation

Management has evaluated subsequent events through July 27, 2015, 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, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Fundraising expense	\$ -	\$ 8,863
Insurance	171	-
Dues and subscriptions	588	-
Professional fees	<u>-</u>	<u>14,500</u>
	<u>\$ 759</u>	<u>\$ 23,363</u>