

IQRA FUND
AUDITED FINANCIAL STATEMENTS
December 31, 2015 and 2014



AMATICS
CPA GROUP

IQRA FUND CONTENTS

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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, 2015 and 2014, 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, 2015 and 2014, 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 29, 2016

**IQRA FUND
STATEMENTS OF FINANCIAL POSITION**

| | December 31 | |
|---|--------------------|-------------|
| | 2015 | 2014 |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 129,638 | \$ 75,799 |
| Advances and prepaid expenses | 36,272 | 20,395 |
| | 165,910 | 96,194 |
| PROPERTY AND EQUIPMENT , net of accumulated depreciation | 11,954 | 16,435 |
| Total assets | \$ 177,864 | \$ 112,629 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 965 | \$ 1,148 |
| Other liabilities | 14,869 | 1,818 |
| | 15,834 | 2,966 |
| UNRESTRICTED NET ASSETS | 162,030 | 109,663 |
| Total liabilities and net assets | \$ 177,864 | \$ 112,629 |

See independent auditors' report and notes to financial statements.

IQRA FUND
STATEMENT OF ACTIVITIES
Year ended December 31, 2015

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|----------------------------------|---------------------|-----------------------------------|-----------------------------------|-------------------|
| REVENUE AND SUPPORT | | | | |
| 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 |
| EXPENSES | | | | |
| Program | 346,062 | - | - | 346,062 |
| Fundraising | 62,403 | - | - | 62,403 |
| Administration | 48,704 | - | - | 48,704 |
| Total expenses | 457,169 | - | - | 457,169 |
| OTHER INCOME | | | | |
| Interest income | 902 | - | - | 902 |
| Other income | 5 | - | - | 5 |
| Total other income | 907 | - | - | 907 |
| CHANGE IN NET ASSETS | | | | |
| | 52,367 | - | - | 52,367 |
| Net assets at beginning of year | 109,663 | - | - | 109,663 |
| NET ASSETS AT END OF YEAR | \$ 162,030 | \$ - | \$ - | \$ 162,030 |

See independent auditors' report and notes to financial statements.

IQRA FUND
STATEMENT OF ACTIVITIES
Year ended December 31, 2014

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|----------------------------------|---------------------|-----------------------------------|-----------------------------------|-------------------|
| REVENUE AND SUPPORT | | | | |
| 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 |
| EXPENSES | | | | |
| Program | 335,884 | - | - | 335,884 |
| Fundraising | 40,202 | - | - | 40,202 |
| Administration | 46,644 | - | - | 46,644 |
| Total expenses | 422,730 | - | - | 422,730 |
| OTHER INCOME | | | | |
| Interest income | 1,682 | - | - | 1,682 |
| Other income | (501) | - | - | (501) |
| Total other income | 1,181 | - | - | 1,181 |
| CHANGE IN NET ASSETS | | | | |
| | (13,908) | - | - | (13,908) |
| Net assets at beginning of year | 123,571 | - | - | 123,571 |
| NET ASSETS AT END OF YEAR | \$ 109,663 | \$ - | \$ - | \$ 109,663 |

See independent auditors' report and 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 | - | - | 2,152 |
| 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>2,119</u> | <u>386</u> | <u>258</u> | <u>2,763</u> |
| Total expenses | <u>\$ 346,062</u> | <u>\$ 62,403</u> | <u>\$ 48,704</u> | <u>\$ 457,169</u> |

See independent auditors' report and notes to financial statements.

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

| | <u>Program</u> | <u>Fundraising</u> | <u>Administration</u> | <u>Total</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 | 36,633 | 16,641 | 2,378 | 55,652 |
| Tuition | 25,505 | - | - | 25,505 |
| Utilities | 1,359 | 335 | 285 | 1,979 |
| | <u>\$ 335,884</u> | <u>\$ 40,202</u> | <u>\$ 46,644</u> | <u>\$ 422,730</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
STATEMENTS OF CASH FLOWS**

| | Years ended December 31 | |
|---|--------------------------------|-------------|
| | 2015 | 2014 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 52,367 | \$ (13,908) |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 10,374 | 9,392 |
| (Increase) decrease in current assets: | | |
| Advances and prepaid expenses | (15,877) | (6,274) |
| Increase (decrease) in current liabilities: | | |
| Accounts payable | (183) | (55) |
| Other liabilities | 13,051 | 205 |
| | 59,732 | (10,640) |
| CASH FLOWS USED BY INVESTING ACTIVITIES | | |
| Purchases of equipment | (5,893) | - |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 53,839 | (10,640) |
| Cash and cash equivalents at beginning of year | 75,799 | 86,439 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$ 129,638 | \$ 75,799 |

See independent auditors' report and notes to financial statements.

IQRA FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

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.

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 also a recipient of intentions to give. In accordance with generally accepted accounting principles, intentions to give are not recorded in the accompanying financial statements.

IQRA FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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 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, 2015 and 2014, cash balances did not exceed federally insured limits.

IQRA FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

3. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2015 and 2014 consist of the following:

| | <u>2015</u> | <u>2014</u> |
|-------------------------------|------------------|------------------|
| Office equipment | \$ 28,175 | \$ 28,175 |
| Vehicle | 5,892 | - |
| | <u>34,067</u> | <u>28,175</u> |
| Less accumulated depreciation | <u>(22,113)</u> | <u>(11,740)</u> |
| | <u>\$ 11,954</u> | <u>\$ 16,435</u> |

4. 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, 2015 and 2014:

| | <u>2015</u> | <u>2014</u> |
|------------------------|-----------------|---------------|
| Event expense | \$ 2,302 | \$ - |
| Insurance | - | 171 |
| Dues and subscriptions | <u>-</u> | <u>588</u> |
| | <u>\$ 2,302</u> | <u>\$ 759</u> |

5. SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through July 29, 2016, the date on which the financial statements were available to be issued.