

IQRA FUND

**FINANCIAL STATEMENTS
WITH
ACCOUNTANT'S REPORT**

**YEAR ENDED
DECEMBER 31, 2012**

**Ghaffari Accountancy, Inc.
CERTIFIED PUBLIC ACCOUNTANTS**

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INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors
Iqra Fund
Menlo Park, California

We have reviewed the accompanying statement of financial position of Iqra Fund (a nonprofit organization) as of December 31, 2012, and the related statements of activities, cash flows and functional expenses for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Ghaffari Accountancy, Inc.

October 28, 2013
Oakland, California

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Statement of Financial Position At December 31, 2012

ASSETS

Current Assets:

Cash and cash equivalents (Note 2)	\$ 44,027
Prepaid expenses	6,396
Advances	<u>20,134</u>
Total Current Assets and Total Assets	<u>\$ 70,557</u>

LIABILITIES

Current liabilities:

Accounts payable and accrued expenses	<u>\$ 771</u>
Total Current Liabilities and Total Liabilities	<u>771</u>

NET ASSETS

Unrestricted	<u>69,786</u>
Total Net Assets	<u>69,786</u>
Total Liabilities and Net Assets	<u>\$ 70,557</u>

See Accompanying Notes and Accountant's Review Report

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Statement of Activities Year Ended December 31, 2012

SUPPORT AND REVENUE	
Foundation grants	\$ 120,000
Individual contributions	68,267
Board contributions	<u>5,500</u>
Total Support and Revenue	<u>193,767</u>
EXPENSES	
Program services	118,010
Management and general	3,757
Fundraising	<u>4,480</u>
Total Expenses	<u>126,247</u>
Change in net assets	67,520
Net assets at beginning of year	<u>2,266</u>
Net assets at end of year	<u><u>\$ 69,786</u></u>

See Accompanying Notes and Accountant's Review Report

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Statement of Cash Flows Year Ended December 31, 2012

Cash flows from operating activities:	
Change in net assets	\$ 67,520
Adjustments to reconcile change in net assets to net cash from operating activities:	
(Increase) decrease in operating assets:	
Prepays	(6,396)
Advances	(20,134)
Increase in operating liabilities:	
Accounts payable and accrued expenses	<u>771</u>
Net cash provided by operating activities	<u>41,761</u>
Net increase in cash and cash equivalents	41,761
Cash and cash equivalents at beginning of year	<u>2,266</u>
Cash and cash equivalents at end of year	<u><u>\$ 44,027</u></u>

See Accompanying Notes and Accountant's Review Report

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Statement of Functional Expenses Year ended December 31, 2012

	Supporting Services			Total
	Program Services	Management and general	Fundraising	
Grants to others	\$ 4,237	\$ -	\$ -	\$ 4,237
Scholarships	20,688	-	-	20,688
Student lodging	13,517	-	-	13,517
Student supplies	16,580	-	-	16,580
Student travel	1,067	-	-	1,067
Other student support	561	-	-	561
Salaries	37,054	-	-	37,054
Accounting fees	-	337	-	337
Other professional fees	-	2,395	-	2,395
Supplies	4,669	-	1,836	6,505
Software	71	18	30	119
Telecommunications	115	-	-	115
Occupancy	1,125	-	-	1,125
Insurance	797	199	332	1,328
Donor appreciation	-	-	676	676
Travel	15,889	447	1,006	17,342
Postage & shipping	1,067	267	444	1,778
Taxes & fees	347	37	62	446
Subscriptions	226	57	94	377
	\$ 118,010	\$ 3,757	\$ 4,480	\$ 126,247
Total	\$ 118,010	\$ 3,757	\$ 4,480	\$ 126,247

See Accompanying Notes and Accountant's Review Report

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Notes to Financial Statements
Year Ended December 31, 2012

Note 1 – Organization

Iqra Fund (the Organization) is a nonprofit public benefit organization organized in 2011. The primary purpose of the Organization is to provide educational 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 activities are funded through private grants and contributions. The Organization's offices are in Menlo Park, California and its program activities are operated primarily in Gilgit-Baltistan, Pakistan region.

Note 2 – Summary of Significant Accounting Policies

Significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

- a. **Method of Accounting** – The financial statements of the Organization have been prepared using the accrual method of accounting which involves the recognition of revenues and gains when earned and expenses and losses when incurred.
- b. **Cash and Cash Equivalents** – For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.
- c. **Income Tax Status** – The Organization is a public charity exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code, whereby only unrelated business income, as defined by Section 512(a)(1) of the Internal Revenue Code and similar code section of the California Revenue and Taxation Code, is subject to income tax. Management believes that all of the Organization's activities were directly related to its exempt purpose, thus the accompanying financial statements do not include any provision for income taxes. Iqra Fund's annual informational returns are subject to examination by IRS, generally three years after they were filed.
- d. **Basis of Presentation** – Net assets, 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 unrestricted, temporarily restricted or permanently restricted. The Organization did not have any temporarily or permanently restricted net assets at

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Notes to Financial Statements
Year Ended December 31, 2012

December 31, 2012. The Organization's *unrestricted net assets* represent net assets that are not subject to donor-imposed stipulations.

- e. **Restricted Resources** – The Organization reports gifts of cash and other assets as restricted support if they are received with donor 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Gifts of fixed assets are recorded as unrestricted support unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when donated or acquired long-lived assets are placed in service.

- f. **Allocation of Expenses** – All expenses were identifiable directly to various activities of the Organization and thus assigned to the benefited activity directly.
- g. **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. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Note 3 – Concentrations

During the year ended December 31, 2012, 52% of revenue and support was from one private foundation.

Note 4 – Subsequent Events

The Organization has evaluated subsequent events through October 28, 2013 the date which the financial statements were available to be issued.