

**IQRA FUND**  
**AUDITED FINANCIAL STATEMENTS**  
**December 31, 2017 and 2016**



**AMATICS**  
**CPA GROUP**

**IQRA FUND  
CONTENTS**

<b>AUDITED FINANCIAL STATEMENTS</b>	<b><u>Page</u></b>
Independent auditors' report	3
Statements of financial position	4
Statements of activities	5 - 6
Statements of functional expenses	7 - 8
Statements of cash flows	9
Notes to financial statements	10 - 13



## **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, 2017 and 2016, 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, 2017 and 2016, 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  
September 7, 2018



**IQRA FUND  
STATEMENTS OF FINANCIAL POSITION**

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 43,365	\$ 48,205
Accounts receivable	99,107	67,239
Advances and prepaid expenses	14,600	9,534
Restricted cash - Provident Fund	29,593	-
	186,665	124,978
<b>PROPERTY AND EQUIPMENT</b> , net of accumulated depreciation	2,553	3,732
Total assets	\$ 189,218	\$ 128,710
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 10,481	\$ 1,319
Other liabilities	6,140	13,323
Provident Fund liabilities	29,593	-
	46,214	14,642
<b>NET ASSETS</b>		
Unrestricted	9,564	41,829
Temporarily restricted	133,440	72,239
	143,004	114,068
Total liabilities and net assets	\$ 189,218	\$ 128,710

See the accompanying notes to financial statements.

**IQRA FUND**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>				
Foundation grants	\$ 134,460	\$ 93,491	\$ -	\$ 227,951
Individual contributions	112,409	50,199	-	162,608
Board contributions	33,830	955	-	34,785
Corporate contributions	17,795	2,541	-	20,336
Special events revenue	34,395	-	-	34,395
In-kind contributions	2,139	-	-	2,139
Satisfaction of program restrictions	<u>85,985</u>	<u>(85,985)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>421,013</u>	<u>61,201</u>	<u>-</u>	<u>482,214</u>
<b>EXPENSES</b>				
Program	381,556	-	-	381,556
Fundraising	29,165	-	-	29,165
Administration	<u>42,718</u>	<u>-</u>	<u>-</u>	<u>42,718</u>
Total expenses	<u>453,439</u>	<u>-</u>	<u>-</u>	<u>453,439</u>
<b>OTHER INCOME</b>				
Interest income	1	-	-	1
Other income	<u>160</u>	<u>-</u>	<u>-</u>	<u>160</u>
Total other income	<u>161</u>	<u>-</u>	<u>-</u>	<u>161</u>
<b>CHANGE IN NET ASSETS</b>	(32,265)	61,201	-	28,936
Net assets at beginning of year	<u>41,829</u>	<u>72,239</u>	<u>-</u>	<u>114,068</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 9,564</u>	<u>\$ 133,440</u>	<u>\$ -</u>	<u>\$ 143,004</u>

See the accompanying notes to financial statements.

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

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<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	4,040	-	-	4,040
Total revenue and support	403,247	72,239	-	475,486
<b>EXPENSES</b>				
Program	423,815	-	-	423,815
Fundraising	44,805	-	-	44,805
Administration	55,487	-	-	55,487
Total expenses	524,107	-	-	524,107
<b>OTHER INCOME</b>				
Interest income	463	-	-	463
Other income	196	-	-	196
Total other income	659	-	-	659
<b>CHANGE IN NET ASSETS</b>				
	(120,201)	72,239	-	(47,962)
Net assets at beginning of year	162,030	-	-	162,030
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 41,829</b>	<b>\$ 72,239</b>	<b>\$ -</b>	<b>\$ 114,068</b>

See the accompanying notes to financial statements.

**IQRA FUND**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year ended December 31, 2017**

	<u>Program</u>	<u>Fundraising</u>	<u>Administration</u>	<u>Total</u>
Accounting	\$ 2,176	\$ -	\$ 22,246	\$ 24,422
Bank fees	1,996	2,304	1,772	6,072
Board expense	-	-	391	391
Depreciation	510	95	573	1,178
Dues and subscriptions	76	-	-	76
Event expense	-	6,814	-	6,814
Food	2,131	-	-	2,131
Insurance	60	-	1,328	1,388
Marketing	8,852	5,937	514	15,303
Office equipment and supplies	7,766	1,462	1,653	10,881
Personnel	261,292	5,776	6,969	274,037
Postage and delivery	202	776	-	978
Printing and reproduction	342	2,577	254	3,173
Professional fees	1,479	-	2,992	4,471
Rent	7,835	-	1,865	9,700
Staff development	5,078	-	-	5,078
Student lodging	12,014	-	-	12,014
Student supplies	3,836	-	-	3,836
Supplies	6,344	-	-	6,344
Taxes	2,034	383	1,074	3,491
Teacher training	19,802	-	-	19,802
Telecommunications	1,120	1	131	1,252
Travel	21,535	2,911	190	24,636
Tuition	12,017	-	-	12,017
Utilities	3,059	129	766	3,954
	<u>381,556</u>	<u>29,165</u>	<u>42,718</u>	<u>453,439</u>
Total expenses	<u>\$ 381,556</u>	<u>\$ 29,165</u>	<u>\$ 42,718</u>	<u>\$ 453,439</u>

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
	<hr/>	<hr/>	<hr/>	<hr/>
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  
STATEMENTS OF CASH FLOWS**

	<b>Years ended December 31</b>	
	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 28,936	\$ (47,962)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,178	8,222
(Increase) decrease in current assets:		
Receivables	(31,868)	(63,239)
Advances and prepaid expenses	(5,066)	22,738
Increase (decrease) in current liabilities:		
Accounts payable	9,162	354
Other liabilities	(7,182)	(1,546)
Provident Fund liabilities	29,593	-
Net cash provided (used) by operating activities	24,753	(81,433)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	24,753	(81,433)
Cash and cash equivalents at beginning of year	48,205	129,638
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 72,958	\$ 48,205
<b>CASH AND CASH EQUIVALENTS IS COMPRISED OF:</b>		
Cash and cash equivalents	\$ 43,365	\$ 48,205
Restricted cash - Provident Fund	29,593	-
	\$ 72,958	\$ 48,205

See the accompanying notes to financial statements.

**IQRA FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017 and 2016**

**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 are located in Bozeman, Montana. 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, 2017 and 2016**

**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, 2017 and 2016, 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.

**Provident Fund:**

Iqra Fund operates a provident fund (Pakistan defined contribution plan) for all confirmed teachers and Pakistan employees. Monthly contributions are made to the fund by both the teachers/employees and Iqra Fund in the amount of 5% of the monthly salary. At the time of retirement, or resignation within contract compliance, teachers and employees are entitled to their provident fund amounts. Additionally, teachers and employees may request partial disbursements from their funds for medical or financial emergencies, with certain requirements. These funds are subject to investment rules and regulation of the Securities and Exchange Commission of Pakistan (SECP). Obligations for contributions to the provident fund are recognized as expenses and incurred as liabilities when incurred.

**IQRA FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017 and 2016**

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

**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. PROPERTY AND EQUIPMENT**

Property and equipment as of December 31, 2017 and 2016 consist of the following:

	<u>2017</u>	<u>2016</u>
Office equipment	\$ 28,175	\$ 28,175
Vehicle	<u>5,892</u>	<u>5,892</u>
	34,067	34,067
Less accumulated depreciation	<u>(31,514)</u>	<u>(30,335)</u>
	<u>\$ 2,553</u>	<u>\$ 3,732</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 for the years ended December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Event expense (fundraising)	\$ 1,329	\$ 3,290
Professional fees (administration)	<u>810</u>	<u>750</u>
	<u>\$ 2,139</u>	<u>\$ 4,040</u>

**IQRA FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017 and 2016**

**4. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consists of assets with time and/or purpose restrictions as follows at December 31, 2017 and 2016:

	<b>2017</b>	<b>2016</b>
Subject to expenditure for specific purpose:		
Digital learning program	\$ 1,534	\$ -
Professional development	-	5,000
Scholarships and tuition	30,941	25,000
USAID grant	58,561	-
Subject to the passage of time:		
Receivables that are not restricted by donors, but are unavailable for expenditure until paid	42,404	42,239
	\$ 133,440	\$ 72,239

**5. SUBSEQUENT EVENTS**

Date of Management Evaluation

Management has evaluated subsequent events through September 7, 2018, the date on which the financial statements were available to be issued.