

Muslim Response USA For Relief and Development

Financial Report

December 31, 2022

Muslim Response USA For Relief and Development
PO Box 2101
Post Office Rd, Manassas, VA 20112

Financial Report

December 31, 2022

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Compilation Report

June 30, 2023

To the Board of Trustees of Muslim Response USA
for Relief and Development (Muslim Response USA)

Manassas, VA

We have compiled the accompanying financial statements of Muslim Response USA (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.



Accounting, Tax and Financial Services, LLC

June 30, 2023

Muslim Response USA For Relief and Development

Statements of Financial Position

As of December 31,2022

	<u>Without donor restriction</u>	<u>With donor restriction</u>	<u>Total</u>	<u>2021</u>
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 146,445	\$ 33,794	\$ 180,238	\$ 245,142
Total Cash and Investments	\$ 146,445	\$ 33,794	\$ 180,238	\$ 245,142
Other Current Assets				
Other Current Assets	3,814	-	3,814	5,631
Total Current Assets	150,259	33,794	184,052	250,773
Total Assets	\$ 150,259	\$ 33,794	\$ 184,052	\$ 250,773
Liabilities				
Current Liabilities	100		100	24
Other Liabilities	5,667		5,667	959
SBA Loans	-		-	32,000
Total Liabilities	\$ 5,767	\$ -	\$ 5,767	38,686
Net Assets	\$ 144,492	\$ 33,794	\$ 178,285	\$ 212,087
Total Liabilities and Net Assets	\$ 150,259	\$ 33,794	\$ 184,052	\$ 250,773

The accompanying notes are an integral part of these financial statements

Muslim Response USA For Relief and Development

Statements of Activities

For the Year Ending December 31, 2022

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>	<u>2021</u>
Revenues and Support				
Direct Public Support	\$ 139,770	\$ 384,695	\$ 524,465	\$ 469,914
In Kind Donations	\$ 2,284,491		2,284,491	2,172,593
PPP Grants			-	12,189
Total Support and Contributions	\$ 2,424,261	\$ 384,695	\$ 2,808,956	\$ 2,654,696
Earned Revenues				
Total Support and Revenue	\$ 2,424,261	\$ 384,695	\$ 2,808,956	\$ 2,654,696
Net Assets Released from Restrictions	602,887	(602,887)	\$ -	-
Total Support and Revenue	\$ 3,027,148	\$ (218,192)	\$ 2,808,956	2,654,696
Expenses				
Program Services				
Program Services	\$ 2,581,509	\$ -	\$ 2,581,509	2,405,045
Total Program Services	\$ 2,581,509	\$ -	\$ 2,581,509	2,405,045
Supporting Services				
General and Administrative	\$ 185,150	\$ -	\$ 185,150	106,113
Fundraising Expense	74,847		74,847	12,887
Total Supporting Services	\$ 259,997	\$ -	\$ 259,997	\$ 119,000
Total Expenses	\$ 2,841,506	\$ -	\$ 2,841,506	\$ 2,524,045
Excess of Revenue & Support				
Over Expenses Before Other Income	\$ 185,641.96	\$ (218,191.69)	\$ (32,549.73)	130,651
Change in Net Assets	\$ 185,642	\$ (218,192)	\$ (32,550)	130,651
Beginning of the Year	\$ (35,383)	\$ 253,174	# 217,791	83,943
Prior Period Adjustment		(1,189)	(1,189)	
End of the Year	\$ 150,259	\$ 33,793	\$ 184,052	\$ 214,594

The accompanying notes are an integral part of these financial statements

Muslim Response USA For Relief and Development

Statements of Cash Flows

For the Year Ending December 31, 2022

	<u>2022</u>
Cash Flows from Operating Activities	
Change in Net Assets	\$ (32,550)
Change in Operating Assets and Liabilities	
Change in Current Assets	1,817
Change in Liabilities	5,743
Net Cash Provided by Operating Activities	<u>\$ (24,990)</u>
Cash Flows from Investing Activities	
Net Cash Provided by Investing Activities	<u>\$ -</u>
Cash Flows from Financing Activities	
Adjustment	(7,914)
SBA and PPP Loan	<u>(32,000)</u>
Net Cash Provided by Financing Activities	<u>(39,914)</u>
Net Increase in Cash	<u>\$ (64,904)</u>
Cash	
Beginning of the year	245,142
End of the Year	<u>\$ 180,238</u>

The accompanying notes are an integral part of these financial statements

Muslim Response USA For Relief and Development
Statements of Functional Expenses
For the Year Ending December 31, 2022

	<u>Program Services</u>							<u>Support Services</u>			Total Expense	2021	
	Emergency Relief	Feed the Fasting	Food Aid	Qurbani Program	WASH Program	Orphan Support Program	All Other Programs	Total Program Services	Fundraising Expense	Administrative			Total Support Services
Advertising	3,000	34,000						37,000	74,847		74,847	111,847	64,904
Bank Service Charges							9,967	9,967		39	39	10,006	9,622
Communication Expense							2,020	2,020		317	317	2,337	892
Copying and Printing								-			-	-	
Dues and Subscriptions						326	10,331	10,657		5,943	5,943	16,600	5,143
Employee Expense							2,029	2,029		126,525	126,525	128,554	54,043
GIK, Handling & Related Fees	12,200							12,200			-	12,200	
Fundraising Expense Publication & Mailer				7,707				7,707		9,288	9,288	16,995	8,498
In-Kind Assistant to Individuals	2,284,491							2,284,491			-	2,284,491	2,176,588
Interest Expense								-		2,138	2,138	2,138	
Insuranc								-		806	806	806	829
Other Expenses	26						1,100	1,126		1,409	1,409	2,535	185
Office Supplies								-		577	577	577	3,351
Office Expenses								-		4,379	4,379	4,379	
Postage and Delivery	593				5		1,303	1,901		73	73	1,973	6,516
Professional Fee	16,930	29,266					10,375	56,571		21,249	21,249	77,819	59,300
Program Services Expense	32,597	20,313	5,130	45,929	22,540	20,874	6,260	153,643			-	153,643	133,214
Travel & Meeting							998	998		7832	7,832	8,830	
Conferences, Conventions & Meetings	841						360	1,201		4,576	4,576	5,777	
Total	\$ 2,350,678	\$ 83,579	\$ 5,130	\$ 53,636	\$ 22,871	\$ 20,874	\$ 44,742	\$ 2,581,509	\$ 74,847	\$ 185,150	\$ 259,997	\$ 2,841,506	2,348,294

The accompanying notes are an integral part of these financial statements

Muslim Response USA for Relief and Development
For the Year ended December 31, 2022

NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Muslim Response USA for Relief and Development is a not-for-profit organization established in 2018. Organization's mission is to provide material and financial assistance to relieve the sufferings of *any* and all persons affected by disasters, conflicts, disease, and hunger, irrespective of race, creed or ethnicity.

To support schools and other learning centers for the purpose of providing quality education to any and all students in need, irrespective of race, creed or ethnicity; to improve the quality and efficiency of healthcare systems so that the health needs of poor vulnerable and marginalized communities are met, irrespective of race, creed or ethnicity; to work with the government, nonprofit organizations and other stakeholders for developing cost effective models for participatory community development, poverty alleviation and provision of basic social services; to support or assist in any other humanitarian relief, educational, religious and or charitable activities that may be within the means of, and as may come before the Corporation

1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared using the accrual basis of accounting in accordance with the accounting principles generally accepted in the United State of America (GAAP).

Financial Statement Presentation

The classification of a not-for profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor imposed restrictions that amounts each of the classes of net assets – with donor restriction and without donor restrictions - be displayed in a statement of financial position and that the amounts of changes in each of those classes of net assets de displayed in a statement of activities.

These classes of net assets are defined as follows:

With Donor Restrictions – This class consists of net assets resulting from contribution and other inflow of assets whose use by the organization is limited by the donor imposed stipulation that either expire by the passage of time or can be fulfilled and removed by the action of the organization. When such stipulations are fulfilled, such donor restricted net assets are classified to net assets without donor restrictions. Net assets resulting from contributions whose use is limited by donor imposed restriction are classified as net assets with donor restriction.

Without donor restrictions – Contributions and other inflow of assets that are not subject to donor-imposed restrictions.

As of December 31, 2022 the organization's net assets were classified as without donor restrictions and with donor restrictions net assets.

Restricted revenue whose restrictions are met within the same year as received (that is, when the purpose restriction is accomplished) are reported as with donor restriction revenue and as net assets released from restriction in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may vary.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the organization considers all highly liquid investments with an original maturity of six months or less to be cash equivalents.

Concentration of Risk

The Organization maintains its cash deposits in accounts at various financial institutions which, at times may exceed the federally insured limit. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution.

At December 31, 2022, the Organization had \$-0- in excess of the FDIC insured limit.

Accounts and Pledge Receivable

The organization's accounts receivable balance as of December 31, 2022 was \$ 3,813. The organization has determined that accounts receivables are fully collectible, therefore, no allowance for accounts receivables is considered necessary at December 31, 2022.

Revenue Recognition

The organization recognizes contributions from direct public support when funds are actually received. The organization does not recognize pledges as the contributors are under no obligation to pay or continue their support. It is the understanding, of the donor and the organization, that the amounts designated by the donors are neither conditional nor restricted funds but unrestricted.

Functional Expense Allocation

The cost of providing for the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain expenses have been allocated among the programs and supporting services benefited.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information. With respect to the statement of activities, the prior year information is presented in total, not by net asset class. With respect to the statement of functional expenses, the prior year expenses are presented by expense classification in total rather than by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with the generally accepted accounting principles. Accordingly, such information should be read in conjunction with Muslim Response USA’s financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Contributed Services:

The organization receives a substantial amount of services donated by its donors in carrying out the organization’s ministry. These services are not reflected in the financial statements of the organization, because they do not meet the criteria for recognition under ASC 958-10, “Not-for-Profit Entities.”

Accounts Payable

The organization recognizes expenses as the vendor invoices are received. Accounts Payable balance as of December 31, 2022 was \$5,667.

Loan Payable

The organization received \$32,000 from Small Business Association (SBA) on May 28, 2020. The balance of principal \$32,000 was paid during 2022.

Income Taxes

The organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except to the extent of any unrelated business income. The organization has unrelated business income of \$-0- for the fiscal year 2022.

2. In-Kind Donations – Contributed Non-Financial Assets

Organization recognized contributed non-financial assets within its revenue. For the years ended December 31, contributed nonfinancial assets recognized within the statement of activities included:

Pharmaceuticals	\$2,284,491
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Contributed pharmaceuticals were restricted by donors to use outside the United States and were utilized in international health services and natural disaster services. In valuing contributed pharmaceuticals otherwise legally permissible for sale in the United States, the Organization used the Federal Lower Limit based on the weighted average of the most recently reported monthly Average Manufacturer Prices (AMP) that approximate wholesale prices in the United States (that is, the principal market).

3. Liquidity and Availability of Resources

The organization regularly monitors liquidity required to meet its operating needs and other contractual commitments.

Cash and other financial assets available within one year at December 31, 2022:

Cash and Cash Equivalent	\$ 180,238
Pledges Receivable	3,814
Total Financial Assets	\$ 184,052
Less: Unavailable for General expenditures within one year, due to Donor-imposed restrictions	\$ 5,767
Financial Assets Available for General Use Within One Year	<u>\$ 178,285</u>