

Muslim Welfare Association

Financial Statements and Report

December 31, 2023

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Independent Auditor's Report

Muslim Welfare Association
Lincolnwood, IL, United States of America

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Muslim Welfare Association (the "Organization"), which comprise the statement of financial position as of December 31, 2023, and the related statement of financial position activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and the results of its changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Waqas Hussain, CPA

License No. 065048920

Niles, Illinois

November 14, 2024

Muslim Welfare Association
Statement of Financial Position
As of December 31, 2023

	2023
Assets	
Current Assets	
Cash	\$ 247,303
Total Assets	247,303
Liabilities and Net Assets	
Liabilities	
Current Liabilities	
Accounts payable and accrued liabilities	5,000
Total Current Liabilities	5,000
Total Liabilities	5,000
Net Assets	
Net assets without donor restrictions	242,303
Total Net Assets	242,303
Total Liabilities and Net Assets	\$ 247,303

See accompanying notes to the financial statements

	2023			
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue				
Contributions	\$ 595,432	\$ -	\$ 595,432	
Expenses				
Program services	347,887	-	347,887	
Management and general	8,698	-	8,698	
Total Expenses	356,585	-	356,585	
Change in Net Assets	238,847	-	238,847	
Change in Net Assets	238,847	-	238,847	
Net Assets, Beginning of Year	3,456	-	3,456	
Net Assets, End of Year	\$ 242,303	\$ -	\$ 242,303	

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Muslim Welfare Association
Statement of Functional Expenses
For the year ended December 31, 2023

2023				
	Program services	Management and general	Total	
Expenses				
Grants and other assistance	\$ 347,887	\$ -	\$	347,887
Bank and processing fees	-	286		286
Marketing	-	212		212
Organizational expense	-	3,200		3,200
Professional fees	-	5,000		5,000
Total Expenses	\$ 347,887	\$ 8,698	\$	356,585

See accompanying notes to the financial statements

Muslim Welfare Association
Statement of Cash Flows
For the year ended December 31, 2023

	2023
Cash Flows From Operating Activities	
Change in net assets	\$ 238,847
Change in assets and liabilities	
Accounts payable and accrued expenses	5,000
Net Cash Provided by Operating Activities	243,847
Net increase in Cash	243,847
Cash at beginning of year	3,456
Cash at End of Year	\$ 247,303

See accompanying notes to the financial statements

Notes to the Financial Statements

Muslim Welfare Association
Notes to the Financial Statements
For the year ended December 31, 2023

1. Nature of the Organization and Summary of Significant Accounting Policies

Organization and Basis of Presentation

Muslim Welfare Association (the "Organization") is a not-for-profit entity organized under Section 501(c)(3) of the Internal Revenue Code, dedicated to carrying out charitable initiatives that provide essential support and basic necessities to those in need. The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America on an accrual basis.

Net Assets

The Organization is required to report information regarding its financial position and activities according to classes of net assets as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the activities.

There were no donor-imposed restrictions of any nature as of December 31, 2023.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. There were no donor-imposed restrictions on contributions as of December 31, 2023.

Functional expenses

The cost of program and supporting services has been summarized on a functional basis in the statements of activities. The statements of functional expenses present the nature classification detail of expenses by function. Expenses that are identified with a specific program or support service are charged directly to the appropriate function.

Income Taxes

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal income taxes has been made.

2. Program Services

Muslim Welfare Association
Notes to the Financial Statements
For the year ended December 31, 2023

The Organization's primary program services in 2023 were aimed at supporting vulnerable populations through targeted charitable initiatives. Key programs included:

- **Orphanage Assistance:** Offered financial and material support to orphanages, helping improve living conditions and access to basic needs for resident children.
- **Orphans Relief Projects:** Focused on direct relief for orphans, including educational resources, health support, and basic care to promote well-being and growth.
- **Wells Project:** Supported the construction and maintenance of water wells in underserved communities to provide access to clean and safe drinking water.

These program services are fundamental to the Organization's mission, with related expenses comprising a significant portion of its annual charitable expenditures.

3. Subsequent Events

The Organization has evaluated subsequent events for recognition or disclosure through the date these financial statements were available to be issued. No subsequent events have occurred that require adjustment to or disclosure in these financial statements.