

ICNA RELIEF USA PROGRAMS  
87-91 144TH STREET  
JAMAICA, NY 11435

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2008

Mohammad Saleem Nabi, CPA

## ICNA RELIEF USA PROGRAMS

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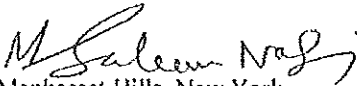
**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
ICNA Relief USA Programs  
87-91 144<sup>th</sup> Street  
Jamaica, NY 11435

I have audited the accompanying statement of financial position of ICNA Relief USA Programs (a non profit organization), as of December 31, 2008, and the related statement of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects the financial position of ICNA Relief USA programs as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

  
Manhasset Hills, New York  
September 07, 2009

**ICNA RELIEF USA PROGRAMS**  
Statement of Financial Position  
December 31, 2008

**ASSETS**

CURRENT ASSETS	
Cash	\$ 1,017,374
Sundry receivable	2,500
Prepaid rent	<u>18,000</u>
TOTAL CURRENT ASSETS	<u>1,037,874</u>
FIXED ASSETS	
Furniture, fixtures and equipment	14,529
Less: Accumulated depreciation	<u>(4,171)</u>
TOTAL FIXED ASSETS	10,358
OTHER ASSETS	
Deferred rent expense	<u>34,124</u>
TOTAL ASSETS	<u><u>\$ 1,082,356</u></u>

**NET ASSETS**

NET ASSETS	
Unrestricted	\$ 1,008,790
Temporarily restricted	<u>73,566</u>
TOTAL NET ASSETS	<u><u>\$ 1,082,356</u></u>

See accompanying notes.

**ICNA RELIEF USA PROGRAMS**  
Statement of Activities  
For The Year Ended December 31, 2008

<b>UNRESTRICTED NET ASSETS</b>	
Unrestricted public supports and revenues	\$ 1,033,654
Grant income Note 3	558,887
Net assets released from restrictions	
Restrictions satisfied by payments	111,127
<b>TOTAL UNRESTRICTED PUBLIC SUPPORTS AND REVENUES</b>	<u>1,703,668</u>
<b>Expenses</b>	
Program services	1,497,475
Supporting services	-
Management and general expenses	282,946
Fund -raising expenses	<u>57,555</u>
<b>TOTAL EXPENSES</b>	<u>1,837,976</u>
<b>DECREASE IN UNRESTRICTED NET ASSETS</b>	(134,308)
<b>TEMPORARILY RESTRICTED NET ASSETS</b>	
Temporarily restricted public supports and revenues	167,898
Net assets released from restrictions	<u>(111,127)</u>
<b>INCREASE IN TEMPORARILY RESTRICTED NET ASSETS</b>	<u>56,771</u>
<b>DECREASE IN NET ASSETS</b>	(77,537)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,159,893</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 1,082,356</u></u>

See accompanying notes.

**ICNA RELIEF USA PROGRAMS**  
Statement of Cash Flows  
For The Year Ended December 31, 2008

**Cash flow from operating activities**

Decrease in net assets	\$ (77,537)
Adjustment to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities	
Depreciation	3,765
Increase in sundry receivable	(952)
Increase in prepaid rent	(18,000)
Decrease in other assets	40,876
Decrease in sundry payable	<u>(12,350)</u>
Net cash used by operating activities	<u>(64,198)</u>

**Cash flow from investing activities**

Purchase of furniture, fixtures and equipment	<u>(3,155)</u>
Net cash used by investing activities	<u>(3,155)</u>

NET DECREASE IN CASH (67,353)

Cash, beginning of year 1,084,727

Cash, end of year \$ 1,017,374

See accompanying notes.

**ICNA RELIEF USA PROGRAMS**  
Statement of Functional Expenses  
For The Year Ended December 31, 2008

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fund Raising</u>	<u>Total</u>
Payroll and taxes	\$ 180,653	\$ 132,969	\$ 18,431	\$ 332,053
Employee benefits	21,192	27,180	-	48,372
Grants and allocations Note 3	585,180			585,180
Community assistance	400,678	-	-	400,678
Professional fees	-	6,500	-	6,500
Dues and subscriptions	-	525	-	525
Contractual services	131,220	66,346	-	197,566
Consultancy	38,957	-	-	38,957
Telephone	3,626	2,833	-	6,459
Insurance	1,266	992	-	2,258
Utilities	3,922	3,922	-	7,844
Occupancy	9,554	23,200	-	32,754
Conventions and conferences	24,336	-	2,299	26,635
Advertising	10,590	-	35,620	46,210
Printing and publication	27,988	-	-	27,988
Postage and shipping	2,956	739	-	3,695
Supplies	15,841	733	-	16,574
Repairs and maintenance	5,351	-	-	5,351
Traveling and transportation	34,165	4,953	1,205	40,323
Depreciation	-	3,765	-	3,765
Bank charges	-	4,736	-	4,736
Miscellaneous	-	3,553	-	3,553
	<u>\$ 1,497,475</u>	<u>\$ 282,946</u>	<u>\$ 57,555</u>	<u>\$ 1,837,976</u>

See accompanying notes.

**ICNA RELIEF USA PROGRAMS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR THEN ENDED DECEMBER 31, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities:

The ICNA Relief USA Programs (herein referred to as ICNA Relief), was organized as a non-profit organization in the state of New York on February 22, 2005 and received their exemption status as a Public Charity under section 501 (c) (3) of Internal Revenue Code, effective as of that date.

ICNA Relief was formed to provide food, medicines, clothing, shelter and other humanitarian help to the needy, poor, sick, disabled and destitute individuals within the United States. The Organization also provides temporary shelter to the women who stay in the rented facility. Residents at shelter are provided with food, counseling services to help them obtain permanent housing, employment, and financial assistance. Contributions come from the general public; the Organization has not received any governmental funding.

Promises to Give:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. There was no Pledges Receivable outstanding as of December 31, 2008. It is common practice for donors to authorize monthly donations via direct debits from their credit cards. These types of donations may be cancelled by the donor at any time, and as such, accruals are not made for these donations; they are accounted for as an increase in net assets at the time the donation is deposited in ICNA Relief's bank account.

Restricted and unrestricted revenue and support:

Contributions that are restricted by the donor are reported as increase in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increase in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. ICNA Relief did not have any permanently restricted funds at any time during 2008. Donors are entitled, with limitation to itemize their donations for income tax purposes.



Donated property and equipment:

Donation of property and use of property are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The value of donated property and use of property was \$26,000 in 2008. The donation consisted of food and grocery items for the meal program. Also in 2008, the Organization received donated materials in the amount of approximately \$1,970,000 from the Federal Emergency Management Agency (FEMA) for onward distribution to the victims of Hurricane Ike in Galveston, Texas. The Organization distributed the donated materials to the Ike victims. No amounts have been recognized in the statement of activities since the criteria for recognition under SFAS No. 116 have not been satisfied.

Property and Equipment:

It is Organization's policy to capitalize all expenditures in excess of \$1,000 for property and equipment at cost. Depreciation is provided over the estimated useful life of the respective assets on a straight-line basis. Routine repairs and maintenance are expensed as incurred

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 could differ from those estimates.

Financial Statement Presentation:

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Income Taxes:

ICNA Relief is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as a Public Charity.

## NOTE 2 – FUND ACCOUNTING

To ensure observance of limitations and restriction placed on the use of resources available to Organization, the accounting books and records of ICNA Relief are maintained in accordance with the principles of fund accounting. Resources for various purposes are therefore, classified for accounting and reporting purposes into funds established according to their nature and purpose.

## NOTE 3 – RELATED PARTY TRANSACTIONS

The following transaction were conducted during 2008 with Islamic Circle of North America (ICNA), a not for profit section 501(c) (3) Organization. Some of the board members of ICNA have voting interest in the Organization.

On January 1, 2008, the Organization leased ground floor office space for administrative use and women shelter on 2<sup>nd</sup> floor from ICNA. The lease, expiring December 31, 2018, requires the Organization to pay annual rent in the amount of \$18,000 and to pay property taxes and all expenses related to the general maintenance of the property, such as insurance and utilities. During 2007 and 2008 the Organization incurred \$200,000 and \$ 26,000 respectively for the renovation of the property. In 2007 and 2008 ICNA reimbursed \$125,000 and \$30,876 respectively to the Organization. Per lease agreement, the remaining unreimbursed costs of the renovation will be adjusted against the annual rent. The unreimbursed costs are being reflected on the balance sheet under Other Assets as Deferred Rent Expense with the current portion as prepaid rent.

For the year ended December 31, 2008, the Organization received grant from ICNA in the amount of \$558,887.

For the year ended December 31, 2008, the Organization made grant to ICNA in the amount of \$559,292.

## NOTE 4 - CONCENTRATION OF CREDIT RISK

The Organization has funds on deposit at Bank of America. As of December 31, 2008, the Organization's deposits exceed federal depository insurance coverage by approximately \$789,102.