

MUSLIMS FOR PROGRESSIVE VALUES

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITORS' REPORT

YEAR ENDED DECEMBER 31, 2017

MUSLIMS FOR PROGRESSIVE VALUES

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YEAR ENDED DECEMBER 31, 2017

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Independent Auditors' Report

To the Board of Trustees and Management of
Muslims for Progressive Values
Los Angeles, California

We have audited the accompanying financial statements of Muslims for Progressive Values (a California Non-Profit Corporation), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 auditor's 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 entity'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 entity'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 Muslims for Progressive Values as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

SRG, LLP

SRG, LLP
February 6, 2018

MUSLIMS FOR PROGRESSIVE VALUES

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

Assets

Current assets

Cash and cash equivalents	\$	163,714
Contributions receivable		6,407
Prepaid expenses		<u>5,750</u>

Total current assets	\$	<u><u>175,871</u></u>
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Liabilities and Net Assets

Current liabilities

Accounts payable and accrued expenses	\$	<u>14,539</u>
Total current liabilities		<u>14,539</u>

Net assets

Unrestricted		66,925
Temporarily restricted		<u>94,407</u>
Total net assets		<u>161,332</u>

Total liabilities and net assets	\$	<u><u>175,871</u></u>
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STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and support			
Foundation grants	\$ 210,705	\$ 88,000	\$ 298,705
Corporate contributions	42,121	-	42,121
Direct contributions	26,395	6,407	32,802
Special events	7,799	-	7,799
Interest income	31	-	31
Net assets released from restrictions for:			
Time	25,000	(25,000)	-
Programs	8,000	(8,000)	-
Total revenues and support	<u>320,051</u>	<u>61,407</u>	<u>381,458</u>
Expenses			
Program services	221,694	-	221,694
Management and general	24,851	-	24,851
Fundraising	26,018	-	26,018
Total expenses	<u>272,563</u>	<u>-</u>	<u>272,563</u>
Change in net assets	47,488	61,407	108,895
Net assets, beginning of year	<u>19,437</u>	<u>33,000</u>	<u>52,437</u>
Net assets, end of year	<u>\$ 66,925</u>	<u>\$ 94,407</u>	<u>\$ 161,332</u>

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STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2017

	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and payroll taxes	\$ 44,473	\$ 11,570	\$ 25,639	\$ 81,682
Grants	48,795	-	-	48,795
Outside services	36,201	-	-	36,201
Travel and lodging	35,376	-	-	35,376
Conferences and coventions	29,016	-	-	29,016
Insurance	7,108	1,777	-	8,885
Legal and professional	-	8,742	-	8,742
Promotion	6,182	-	-	6,182
Computer and internet	3,438	645	215	4,298
Telephone and utilities	2,616	491	164	3,271
Printing and publications	2,741	-	-	2,741
Meals and entertainment	2,180	242	-	2,422
Postage	1,067	119	-	1,186
Office	938	234	-	1,172
Dues and subscriptions	928	-	-	928
Bank charges	-	860	-	860
Parking and occupancy	478	120	-	598
Equipment rental	98	11	-	109
Miscellaneous	59	-	-	59
Taxes and licenses	-	40	-	40
	<u>\$ 221,694</u>	<u>\$ 24,851</u>	<u>\$ 26,018</u>	<u>\$ 272,563</u>

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STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2017

Cash flows from operating activities

Change in net assets	\$	108,895
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Contributions receivable		(6,407)
Prepaid expenses		(173)
Accounts payable and accrued expenses		<u>5,016</u>
Net cash provided by operating activities		<u>107,331</u>

Net increase in cash and cash equivalents 107,331

Cash and cash equivalents, beginning of year 56,383

Cash and cash equivalents, end of year \$ 163,714

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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

1. Business activity and summary of significant accounting policies

Business activity

Muslims for Progressive Values (a California Non-Profit Corporation) (the “Organization”) was incorporated in 2007 and designated as a 501(c)(3) non-profit corporation. The purpose of the Organization is to establish and nurture vibrant progressive Muslim communities through creating opportunities for religious discourse, volunteer and community activities, and cultural events. The Organization is headquartered in Los Angeles, California, with local chapters located throughout the United States and activities conducted worldwide.

These financial statements do not include the financial position or results of activities of the local chapters.

Basis of accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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, which are described as follows:

Unrestricted - Net assets that are not subject to explicit donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily restricted - Net assets whose use by the Organization is subject to either explicit donor-imposed stipulations, or by operation of law that can be fulfilled by actions of the Organization or that expire by the passage of time.

Permanently restricted - Net assets subject to explicit donor-imposed stipulations that they be maintained permanently by the Organization and stipulate the use of income and/or appreciation as temporarily restricted based on donor-imposed stipulations or by operation of law.

At December 31, 2017, temporarily restricted net assets consist of \$56,407 temporarily restricted for time and \$38,000 temporarily restricted for programs. At December 31, 2017, the Organization does not have any permanently restricted net assets.

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NOTES TO FINANCIAL STATEMENTS - Continued

YEAR ENDED DECEMBER 31, 2017

1. Business activity and summary of significant accounting policies - continued

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and all highly liquid investments with an initial maturity at date of purchase of three months or less.

Contributions receivable

The Organization considers all contributions receivable to be fully collectible and accordingly, an allowance for doubtful accounts is not considered necessary. All receivables outstanding at December 31, 2017 are due within one year from the financial position date.

Revenue recognition

Contributions

Contributions received, consisting of gifts and grants, are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions for which donors have imposed restrictions which limit the use of the donated assets are reported as restricted support if the restrictions are not met in the same reporting period. When such donor imposed restrictions are met in subsequent reporting periods, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions. Contributions of assets which donors have stipulated must be maintained permanently, with only the income earned thereon available for current use, are classified as permanently restricted net assets.

Contributions for which donors have not stipulated restrictions, as well as contributions for which donors have stipulated restrictions but which are met within the same reporting period, are reported as unrestricted support.

Unconditional promises to give, with payments due in future periods, are reported as restricted support when the promises are received. Gifts of land, buildings and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets 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 stipulation, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

MUSLIMS FOR PROGRESSIVE VALUES

NOTES TO FINANCIAL STATEMENTS - Continued

YEAR ENDED DECEMBER 31, 2017

1. Business activity and summary of significant accounting policies - continued

Revenue recognition - continued

Contributions - continued

Conditional promises to give, which depend on the occurrence of a specified future and uncertain event to bind the promisor, are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

Other

All non-contribution revenues are recognized when earned.

Contributed services

A substantial number of volunteers have donated significant amounts of their time to the Organization and its programs; however, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

Compensated absences

The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

Functional allocation of expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between program services, management and general, and fundraising expenses.

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NOTES TO FINANCIAL STATEMENTS - Continued

YEAR ENDED DECEMBER 31, 2017

1. Business activity and summary of significant accounting policies - continued

Income taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(b) of the Revenue Taxation Code of California.

The Organization has no unrecognized tax benefits at December 31, 2017. The Organization's federal income tax returns are subject to examination by the Internal Revenue Service for a period of three years from the filing of a federal return. California income tax returns are subject to examination by the Franchise Tax Board for a period of four years from the filing of a return.

If applicable, the Organization recognizes interest and penalties associated with tax matters as part of income tax expense, and includes accrued interest and penalties with accrued expenses in the statement of financial position.

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Concentrations

Financial instruments which potentially subject the Organization to concentrations of credit risk consist primarily of cash. The Organization maintains its cash with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits.

For the year ended December 31, 2017, three donors accounted for approximately 77% of the Organization's total revenues and support.

3. Subsequent events

Subsequent events have been evaluated by the Organization through February 6, 2018, which is the date the financial statements were available to be issued.