

MUSLIMS FOR PROGRESSIVE VALUES

---

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITORS' REPORT

YEAR ENDED DECEMBER 31, 2018

MUSLIMS FOR PROGRESSIVE VALUES

CONTENTS

YEAR ENDED DECEMBER 31, 2018

---

	<b>Page</b>
<b>Independent auditors' report</b>	1 - 2
<b>Financial statements</b>	
Statement of financial position	3
Statement of activities	4
Statement of functional expenses	5
Statement of cash flows	6
<b>Notes to financial statements</b>	7 - 10



## 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, 2018, 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, 2018, 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 11, 2019

MUSLIMS FOR PROGRESSIVE VALUES

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2018

---

**Assets**

**Current assets**

Cash and cash equivalents	\$	145,580
Contributions receivable		3,338
Prepaid expenses		<u>3,486</u>

Total current assets	\$	<u><u>152,404</u></u>
----------------------	----	-----------------------

**Liabilities and Net Assets**

**Current liabilities**

Accounts payable and accrued expenses	\$	<u>15,551</u>
Total current liabilities		<u>15,551</u>

**Net assets**

Without donor restrictions		80,910
With donor restrictions		<u>55,943</u>
Total net assets		<u>136,853</u>

Total liabilities and net assets	\$	<u><u>152,404</u></u>
----------------------------------	----	-----------------------

MUSLIMS FOR PROGRESSIVE VALUES

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues and support</b>			
Foundation grants	\$ 234,481	\$ 52,605	\$ 287,086
Direct contributions	28,845	3,338	32,183
Special events	11,158	-	11,158
Government grants	5,646	-	5,646
Other income	1,106	-	1,106
Net assets released from restrictions for:			
Time	64,407	(64,407)	-
Programs	30,000	(30,000)	-
Total revenues and support	<u>375,643</u>	<u>(38,464)</u>	<u>337,179</u>
<b>Expenses</b>			
Program services	283,926	-	283,926
Management and general	49,925	-	49,925
Fundraising	27,807	-	27,807
Total expenses	<u>361,658</u>	<u>-</u>	<u>361,658</u>
Change in net assets	13,985	(38,464)	(24,479)
Net assets, beginning of year	<u>66,925</u>	<u>94,407</u>	<u>161,332</u>
Net assets, end of year	<u>\$ 80,910</u>	<u>\$ 55,943</u>	<u>\$ 136,853</u>

MUSLIMS FOR PROGRESSIVE VALUES

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018

	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and payroll taxes	\$ 75,330	\$ 16,474	\$ 27,577	\$ 119,381
Grants	68,703	-	-	68,703
Travel and lodging	42,836	-	-	42,836
Outside services	36,562	4,063	-	40,625
Legal and professional	-	24,077	-	24,077
Special events	18,886	-	-	18,886
Public relations and promotion	12,000	-	-	12,000
Insurance	7,715	1,929	-	9,644
Conferences and coventions	4,482	-	-	4,482
Meals and entertainment	3,154	351	-	3,505
Office	2,762	691	-	3,453
Computer and internet	2,335	438	146	2,919
Printing and publications	2,246	-	-	2,246
Telephone and utilities	1,346	252	84	1,682
Miscellaneous	1,472	-	-	1,472
Parking and occupancy	1,019	255	-	1,274
Dues and subscriptions	1,211	-	-	1,211
Equipment rental	1,041	116	-	1,157
Bank charges	-	1,120	-	1,120
Postage	826	92	-	918
Taxes and licenses	-	67	-	67
	<u>\$ 283,926</u>	<u>\$ 49,925</u>	<u>\$ 27,807</u>	<u>\$ 361,658</u>

MUSLIMS FOR PROGRESSIVE VALUES

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2018

---

**Cash flows from operating activities**

Change in net assets \$ (24,479)

Adjustments to reconcile change in net assets to net cash  
used in operating activities:

Changes in operating assets and liabilities:

Contributions receivable 3,069

Prepaid expenses 2,264

Accounts payable and accrued expenses 1,012

Net cash used in operating activities (18,134)

**Net decrease in cash and cash equivalents** (18,134)

**Cash and cash equivalents, beginning of year** 163,714

**Cash and cash equivalents, end of year** \$ 145,580

# MUSLIMS FOR PROGRESSIVE VALUES

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

---

### 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 mission of the Organization is to advocate for human rights, social justice and inclusion by establishing and nurturing 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 two classes of net assets: net assets without donor restriction and net assets with donor restriction, which are described as follows:

*Net assets without donor restriction* - Net assets that are not subject to or no longer subject to donor-imposed stipulations. Net assets without donor restriction may be designated for specific purposes by action of the Board of Directors.

*Net assets with donor restriction* - Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

At December 31, 2018, net assets with donor restriction consist of \$53,338 of general support for future periods and \$2,605 for programs.

#### 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.

# MUSLIMS FOR PROGRESSIVE VALUES

## NOTES TO FINANCIAL STATEMENTS - Continued

YEAR ENDED DECEMBER 31, 2018

---

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

#### 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, 2018 are due within one year from the financial position date.

#### Revenue recognition

##### Contributions

Contributions received, consisting of gifts and grants, are recorded as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Contributions for which donors have imposed restrictions which limit the use of the donated assets are reported as with donor restrictions if the restrictions are not met in the same reporting period. When such donor-imposed restrictions are met in subsequent reporting periods, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

Unconditional promises to give, with payments due in future periods, are reported as restricted support when the promises are received. 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.

# MUSLIMS FOR PROGRESSIVE VALUES

## NOTES TO FINANCIAL STATEMENTS - Continued

YEAR ENDED DECEMBER 31, 2018

---

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

#### 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.

#### 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, 2018. 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.

MUSLIMS FOR PROGRESSIVE VALUES

NOTES TO FINANCIAL STATEMENTS - Continued

YEAR ENDED DECEMBER 31, 2018

---

**2. Liquidity and availability of financial assets**

The following reflects the Organization's financial assets available to meet cash needs for expenditures within one year as of December 31, 2018:

Cash and cash equivalents	\$	145,580
Contributions receivable		<u>3,338</u>
Total financial assets available to meet cash needs for expenditures within one year	\$	<u><u>148,918</u></u>

**3. 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, 2018, two donors accounted for approximately 77% of the Organization's total revenues and support.

**4. Subsequent events**

Subsequent events have been evaluated by the Organization through February 11, 2019, which is the date the financial statements were available to be issued.