

Financial Statements
Years Ended
December 31, 2009 and 2008

American Islamic Congress, Inc.



Certified Public Accountants
Specialized Services
Business Solutions

American Islamic Congress, Inc.

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Report of Independent Auditors

Board of Directors
American Islamic Congress, Inc.

We have audited the accompanying statements of financial position of *American Islamic Congress, Inc.* (a not-for-profit organization) as of December 31, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the management of *American Islamic Congress, Inc.* Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of *American Islamic Congress, Inc.* as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Goodman & Company, LLP

Rockville, Maryland
September 23, 2010

American Islamic Congress, Inc.

Statements of Financial Position

December 31,	2009	2008
Assets		
Current assets		
Cash and cash equivalents	\$ 350,283	\$ 266,208
Accounts receivable	109,435	88,437
Prepaid expenses and deposits	20,146	19,311
Pledges receivable	436,219	148,453
Total current assets	916,083	522,409
Property and equipment - net	7,958	7,503
	\$ 924,041	\$ 529,912
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 22,192	\$ 29,134
Due to related party	59,000	35,000
Total current liabilities	81,192	64,134
Net Assets		
Unrestricted net assets (deficiency)	(6,701)	(62,707)
Temporarily restricted net assets	849,550	528,485
Total net assets	842,849	465,778
	\$ 924,041	\$ 529,912

The accompanying notes are an integral part of these financial statements.

American Islamic Congress, Inc.

Statement of Activities

Year Ended December 31, 2009

	Unrestricted	Temporarily Restricted	Totals
Revenues and other support			
Government grant	\$ 433,597	\$ -	\$ 433,597
Contributions and other grants	71,383	1,227,262	1,298,645
Miscellaneous income	2,027	-	2,027
Net assets released from restrictions through satisfaction of restrictions	906,197	(906,197)	-
Total revenues and other support	<u>1,413,204</u>	<u>321,065</u>	<u>1,734,269</u>
Expenses			
Program expenses	1,047,718	-	1,047,718
General and administrative	279,056	-	279,056
Fundraising expenses	30,424	-	30,424
Total expenses	<u>1,357,198</u>	<u>-</u>	<u>1,357,198</u>
Change in net assets	56,006	321,065	377,071
Net assets - beginning of year	<u>(62,707)</u>	<u>528,485</u>	<u>465,778</u>
Net assets - end of year	<u>\$ (6,701)</u>	<u>\$ 849,550</u>	<u>\$ 842,849</u>

The accompanying notes are an integral part of these financial statements.

American Islamic Congress, Inc.

Statement of Activities

Year Ended December 31, 2008

	Unrestricted	Temporarily Restricted	Total
Revenues and other support			
Government grant	\$ 274,262	\$ -	\$ 274,262
Contributions and other grants	273,290	657,706	930,996
Miscellaneous income	2,187	-	2,187
Net assets released from restrictions through satisfaction of restrictions	356,695	(356,695)	-
Total revenues and other support	906,434	301,011	1,207,445
Expenses			
Program expenses	761,619	-	761,619
General and administrative	165,927	-	165,927
Fundraising expenses	32,594	-	32,594
Total expenses	960,140	-	960,140
Change in net assets	(53,706)	301,011	247,305
Net assets - beginning of year, as restated	(9,001)	227,474	218,473
Net assets - end of year	\$ (62,707)	\$ 528,485	\$ 465,778

The accompanying notes are an integral part of these financial statements.

American Islamic Congress, Inc.

Statement of Functional Expenses

Year Ended December 31, 2009

	Program Services	General and Administrative	Fundraising	Totals
Salaries and wages	\$ 492,084	\$ 112,054	\$ 18,742	\$ 622,880
Employees benefits and payroll taxes	61,930	13,406	2,039	77,375
Professional fees and contracted services	32,667	25,990	-	58,657
Contract labor	13,632	51,650	-	65,282
Travel	115,056	4,705	5,779	125,540
Events	63,907	5,915	-	69,822
Grants awarded	8,800	-	-	8,800
Occupancy	75,926	33,585	-	109,511
Other expenses	127,727	19,521	3,323	150,571
Telephone and communications	20,022	3,674	-	23,696
Supplies	30,526	5,686	541	36,753
Equipment expenses	5,441	250	-	5,691
Depreciation	-	2,620	-	2,620
Total expenses	\$ 1,047,718	\$ 279,056	\$ 30,424	\$ 1,357,198

The accompanying notes are an integral part of these financial statements.

American Islamic Congress, Inc.

Statement of Functional Expenses

Year Ended December 31, 2008

	Program Services	General and Administrative	Fundraising	Totals
Salaries and wages	\$ 350,792	\$ 72,382	\$ 18,502	\$ 441,676
Employee benefits and payroll taxes	26,127	22,590	1,267	49,984
Professional fees and contracted services	43,469	6,759	7,195	57,423
Contract labor	66,517	-	-	66,517
Travel	58,201	7,362	1,690	67,253
Grants awarded	9,750	-	-	9,750
Occupancy	64,789	12,231	2,055	79,075
Other expenses	84,892	18,578	1,365	104,835
Telephone and communications	6,169	13,467	-	19,636
Supplies	46,659	3,606	367	50,632
Equipment expenses	-	3,887	-	3,887
Depreciation	-	4,300	-	4,300
Insurance	4,254	765	153	5,172
Total expenses	\$ 761,619	\$ 165,927	\$ 32,594	\$ 960,140

The accompanying notes are an integral part of these financial statements.

American Islamic Congress, Inc.

Statements of Cash Flows

Years Ended December 31,	2009	2008
Cash flows from operating activities		
Change in net assets	\$ 377,071	\$ 247,305
Adjustments to reconcile to net cash from operating activities:		
Depreciation	2,620	4,300
Change in:		
Accounts and pledges receivable	(308,764)	(159,890)
Prepaid expenses and deposits	(835)	(9,931)
Accounts payable and accrued expenses	(6,942)	8,712
Deferred revenue	-	(30,838)
Net cash from operating activities	<u>63,150</u>	<u>59,658</u>
Cash flows from investing activities		
Purchases of equipment	<u>(3,075)</u>	<u>(2,744)</u>
Cash flows from financing activities		
Proceeds received from related party loan	59,000	30,000
Repayment of related party loan	(35,000)	-
Net cash from financing activities	<u>24,000</u>	<u>30,000</u>
Net change in cash and cash equivalents	84,075	86,914
Cash and cash equivalents - beginning of year	<u>266,208</u>	<u>179,294</u>
Cash and cash equivalents - end of year	<u>\$ 350,283</u>	<u>\$ 266,208</u>

The accompanying notes are an integral part of these financial statements.

American Islamic Congress, Inc.

Notes to Financial Statements

December 31, 2009 and 2008

1. Organization and Nature of Activities

American Islamic Congress, Inc. (Organization) was organized in Massachusetts as a not-for-profit corporation formed to represent the American Muslim community and to advocate for human rights, tolerance, and justice in the United States and the world, and to foster interfaith and interethnic understanding.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Basis of 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) based upon the existence or absence of donor imposed restrictions.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor-imposed restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets upon the satisfaction of time or purpose restrictions. Contributions which are restricted for use and whose restrictions are met in the same reporting period are reflected as unrestricted revenues.

Promises to Give

Unconditional promises to give are recognized as revenue and assets in the period received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Accounts Receivable

Accounts receivable are stated at net realizable value. In the opinion of management, all receivables outstanding are considered collectible, based on review of historical collections. Accordingly, an allowance for doubtful accounts has not been recorded.

Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation. Depreciation is provided over the estimated useful lives, ranging from three to seven years, of the respective assets, using the straight-line method.

Purchases are determined to be capital expenditures based upon the Organization's policy of capitalizing assets acquired at a cost (or, if donated, at fair value) exceeding \$500. Those items which are not determined to be capital expenditures are immediately expensed.

Income Tax Status

The Organization is exempt from federal income taxes, under Section (501)(c)(3) of the Internal Revenue Code.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers cash and cash equivalents to include amounts in cash, checking and money market accounts.

Subsequent Events

The Organization has evaluated subsequent events through September 23, 2010, the date the financial statements were available to be issued.

3. Property and Equipment

Property and equipment consisted of the following at December 31:

	<u>2009</u>	<u>2008</u>
Office furniture and equipment	\$ 7,030	\$ 7,030
Computer equipment	11,012	7,937
	<u>18,042</u>	<u>14,967</u>
Less - accumulated depreciation	<u>(10,084)</u>	<u>(7,464)</u>
	<u>\$ 7,958</u>	<u>\$ 7,503</u>

Depreciation expense for 2009 and 2008 was \$2,620 and \$4,300, respectively.

4. Unrestricted and Temporarily Restricted Net Assets

Unrestricted Net Assets

Unrestricted net assets include certain donor-restricted contributions and grants whose restrictions are met in the same reporting period.

Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31 were available for the following purposes:

	<u>2009</u>	<u>2008</u>
A Modern Narrative for Muslim Women in the Middle East	\$ 105,268	\$ 190,118
Campus Initiative/Project NUR	596,662	334,246
Hands Across the Mideast Support Alliance	22,000	1,771
Media Campaign	85,000	-
New England Council	26,500	-
Other	14,120	2,350
	<u>\$ 849,550</u>	<u>\$ 528,485</u>

5. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

	<u>2009</u>	<u>2008</u>
A Modern Narrative for Muslim Women in the Middle East	\$ 84,850	\$ 20,417
Interfaith	-	1,707
Campus Initiative/Project NUR	722,827	214,808
Hands Across the Mideast Support Alliance	58,666	119,763
Media Campaign	10,500	-
New England Council	11,000	-
Other	18,354	-
	<u>\$ 906,197</u>	<u>\$ 356,695</u>

6. Due to Related Party

The Executive Director advanced to the Organization a noninterest bearing loan with an agreement to be repaid within one year. The amounts due at December 31, 2009 and 2008 are \$59,000 and \$35,000, respectively.

7. Concentration of Credit Risk

The Organization occasionally had bank deposits in excess of the federally insured limit during 2009. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2009, the Company had \$90,435 in excess of the federally insured limit.

8. Commitments

The Organization is obligated under two leases for office space. These leases expire through November 2013. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2009:

2010	\$	67,302
2011		68,320
2012		71,394
2013		<u>68,134</u>
	\$	<u>275,150</u>

In addition, other office space is rented under a tenant-at-will agreement, where there is no commitment.

Rent expense for 2009 and 2008 was \$105,330 and \$79,075, respectively.

9. Concentration of Revenue

Three donors accounted for approximately 88% and 63% of the Organization's total revenue during 2009 and 2008, respectively.

10. Prior Period Adjustment

During 2008, it was determined that there were contributions to the Organization that were awarded in 2007 but not recorded until the cash was received in 2008.

The previously issued financial statements for 2007 have been restated as follows and impact the beginning net asset balance for 2008:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Net assets as of December 31, 2007, as previously stated	\$ (26,001)	\$ 167,474	\$ 141,473
Increase in revenue of \$77,000 for 2007	<u>17,000</u>	<u>60,000</u>	<u>77,000</u>
Net assets as of December 31, 2007, as restated	<u>\$ (9,001)</u>	<u>\$ 227,474</u>	<u>\$ 218,473</u>

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