

*Entity Identification Number 06-1634525
Office of Management and Budget
Circular A-133 Audit Report
Years Ended December 31, 2011 and 2010*

American Islamic Congress, Inc.



DIXON HUGHES GOODMAN^{LLP}
Certified Public Accountants and Advisors

American Islamic Congress, Inc.

Contents

	Page
<i>Report of Independent Auditors</i>	1
<i>Financial Statements</i>	
<i>Statements of Financial Position</i>	2
<i>Statements of Activities</i>	3 - 4
<i>Statements of Functional Expenses</i>	5 - 6
<i>Statements of Cash Flows</i>	7
<i>Notes to Financial Statements</i>	8 - 12
<i>Supplementary Information</i>	
<i>Schedule of Expenditures of Federal Awards</i>	13
<i>Notes to Schedule of Expenditures of Federal Awards</i>	14
<i>Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</i>	15 - 16
<i>Report of Independent Auditors on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133</i>	17 - 18
<i>Schedule of Findings and Questioned Costs</i>	19 - 20
<i>Corrective Action Plan</i>	21



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

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, 2011 and 2010 and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of ***American Islamic Congress, Inc.***'s management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we 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, 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 statement referred to above present fairly, in all material respects, the financial position of ***American Islamic Congress, Inc.*** as of December 31, 2011 and 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2012, on our consideration of ***American Islamic Congress, Inc.***'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Dixon Hughes Goodman LLP

Rockville, Maryland
November 29, 2012

American Islamic Congress, Inc.

Statements of Financial Position

December 31,	2011	2010
Assets		
Current assets		
Cash and cash equivalents	\$ 511,119	\$ 306,846
Grants receivable	208,135	102,434
Prepaid expenses and deposits	70,625	20,734
Pledges receivable	338,647	364,200
Total current assets	1,128,526	794,214
Property and equipment - net	3,793	5,771
	\$ 1,132,319	\$ 799,985
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 130,558	\$ 35,424
Deferred revenue	-	142,752
Loans payable - related party	570,000	-
Security deposit	5,000	-
Total liabilities	705,558	178,176
Net assets		
Unrestricted net assets (deficiency)	(427,227)	(20,760)
Temporarily restricted net assets	853,988	642,569
Total net assets	426,761	621,809
	\$ 1,132,319	\$ 799,985

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

American Islamic Congress, Inc.

Statement of Activities

Year Ended December 31, 2011

Support and Revenue	Unrestricted	Temporarily Restricted	Totals
Government grant	\$ 1,458,696	\$ -	\$ 1,458,696
Contributions and other grants	102,991	1,052,548	1,155,539
Miscellaneous income	2,500	-	2,500
Net assets released from restrictions through satisfaction of restrictions	841,129	(841,129)	-
Total support and revenue	2,405,316	211,419	2,616,735
Expenses			
Program services	2,375,756	-	2,375,756
General and administrative	268,107	-	268,107
Fundraising expenses	167,920	-	167,920
Total expenses	2,811,783	-	2,811,783
Changes in net assets	(406,467)	211,419	(195,048)
Net assets - beginning of year	(20,760)	642,569	621,809
Net assets (deficiency) - end of year	\$ (427,227)	\$ 853,988	\$ 426,761

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

American Islamic Congress, Inc.

Statement of Activities

Year Ended December 31, 2010

Support and Revenue	Unrestricted	Temporarily Restricted	Totals
Government grant	\$ 450,588	\$ -	\$ 450,588
Contributions and other grants	85,220	895,897	981,117
Miscellaneous income	3,125	-	3,125
Net assets released from restrictions through satisfaction of restrictions	1,102,878	(1,102,878)	-
Total support and revenue	1,641,811	(206,981)	1,434,830
Expenses			
Program services	1,397,244	-	1,397,244
General and administrative	149,468	-	149,468
Fundraising expenses	109,158	-	109,158
Total expenses	1,655,870	-	1,655,870
Changes in net assets	(14,059)	(206,981)	(221,040)
Net assets - beginning of year	(6,701)	849,550	842,849
Net assets (deficiency) - end of year	\$ (20,760)	\$ 642,569	\$ 621,809

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

American Islamic Congress, Inc.

Statement of Functional Expenses

Year Ended December 31, 2011

	Program Services	General and Administrative	Fundraising	Totals
Salaries and wages	\$ 1,289,133	\$ 135,998	\$ 82,410	\$ 1,507,541
Employees benefits and payroll taxes	119,394	25,082	7,439	151,915
Total salaries and related expenses	1,408,527	161,080	89,849	1,659,456
Professional fees/contracted services	143,551	1,377	-	144,928
Contract labor	55,019	767	975	56,761
Travel	184,287	16,184	2,149	202,620
Events and meetings	128,988	17,333	46,792	193,113
Grants awarded	12,450	-	-	12,450
Occupancy	201,502	21,420	-	222,922
Other expenses	145,849	30,194	24,040	200,083
Telephone and communications	37,160	6,059	4,115	47,334
Supplies	14,149	6,959	-	21,108
Equipment expenses	44,274	4,756	-	49,030
Depreciation and amortization	-	1,978	-	1,978
Total expenses	\$ 2,375,756	\$ 268,107	\$ 167,920	\$ 2,811,783

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

American Islamic Congress, Inc.

Statement of Functional Expenses

Year Ended December 31, 2010

	Program Services	General and Administrative	Fundraising	Totals
Salaries and wages	\$ 663,169	\$ 38,824	\$ 56,989	758,982
Employees benefits and payroll taxes	78,128	12,740	11,431	102,299
Total salaries and related expenses	741,297	51,564	68,420	861,281
Professional fees/contracted services	55,741	2,591	303	58,635
Contract labor	143,609	9,900	-	153,509
Travel	120,509	1,225	3,021	124,755
Events and meetings	128,394	10,667	16	139,077
Grants awarded	7,045	-	-	7,045
Occupancy	83,422	28,822	13,510	125,754
Other expenses	79,142	25,111	23,871	128,124
Telephone and communications	18,210	9,815	-	28,025
Supplies	13,220	5,909	17	19,146
Equipment expenses	6,655	106	-	6,761
Depreciation and amortization	-	3,758	-	3,758
Total expenses	\$ 1,397,244	\$ 149,468	\$ 109,158	\$ 1,655,870

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

American Islamic Congress, Inc.

Statements of Cash Flows

Years Ended December 31,	2011	2010
Cash flows from operating activities:		
Change in net assets	\$ (195,048)	\$ (221,040)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	1,978	3,758
Change in:		
Grants and pledges receivable	(80,148)	79,020
Prepaid expenses and deposits	(49,891)	(6,241)
Accounts payable and accrued expenses	95,134	18,885
Deferred revenue	(142,752)	142,752
Security deposit	5,000	-
Net cash from operating activities	(365,727)	17,134
Cash flows from investing activities		
Purchases of property and equipment	-	(1,571)
Net cash from investing activities	-	(1,571)
Cash flows from financing activities:		
Proceeds received from related party loan	570,000	-
Repayment of related party loan	-	(59,000)
Net cash from financing activities	570,000	(59,000)
Net change in cash and cash equivalents	204,273	(43,437)
Cash and cash equivalents - beginning of year	306,846	350,283
Cash and cash equivalents - end of year	\$ 511,119	\$ 306,846

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

December 31, 2011 and 2010

1. Nature of Business

American Islamic Congress, Inc. (the Organization) was formed in Massachusetts as a not-for-profit corporation 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.

Pledges Receivable

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.

Grants

The Organization receives funding under grants from the U.S. Government for direct and indirect program costs. The funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, such grants are considered exchange transactions and are recorded as unrestricted income to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements.

Grants receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant agreements. 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

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 generally exempt from federal income taxes, under the provisions of Section (501)(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for charitable contribution deductions and has been classified as an organization that is not a private foundation. Income which is not related to exempt purposes, less applicable deductions, is subjected to federal and state corporate income taxes. The Organization did not have any net unrelated business income for the years ended December 31, 2011 and 2010.

The Organization adopted the income tax standard for uncertain tax positions on January 1, 2010. As a result of the implementation, the Organization evaluated its tax positions and determined it has no uncertain tax positions as of December 31, 2011 and 2010.

The Organization's income tax returns are subject to review and examination by federal and state authorities. The Organization is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes. The tax returns for the years ending on or after 2008 are open to examination by federal and state authorities.

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 November 29, 2012, the date the financial statements were available to be issued.

3. Pledges Receivable

The Organization received unconditional promises to give in the amount of \$338,647 and \$364,200 in 2011 and 2010, respectively. The pledges are unrestricted. The pledges are fully collectible and payable within one year, therefore, no allowance for uncollectible accounts and no discounts are considered necessary. Pledges receivable consist of amounts from one donor of approximately 63% and 97% of the pledges receivable balance as of December 31, 2011 and 2010, respectively.

4. Conditional Promises to Give

During 2010, the Organization received a conditional promise of \$1,105,284, due in \$276,546 increments on July 1, 2011, January 1, 2012, July 1, 2012 and January 1, 2013. Payments of the first and second installments are contingent upon the Organization's ability to raise \$92,152 through donations or pledges on behalf of Project Nur during each of the first and second six month periods. Payments of the third and fourth installments are contingent upon the Organization raising \$138,228 through donations or pledges on behalf of Project Nur during each of the third and fourth six month periods. The July 1, 2011 and 2012 installments were received during 2011 and 2012, respectively.

5. Property and Equipment

Equipment consists of the following at December 31:

	<u>2011</u>	<u>2010</u>
Office furniture and equipment	\$ 8,601	\$ 8,601
Computer equipment	11,012	11,012
	<u>19,613</u>	<u>19,613</u>
Less - accumulated depreciation	<u>(15,820)</u>	<u>(13,842)</u>
	<u>\$ 3,793</u>	<u>\$ 5,771</u>

Depreciation expense for 2011 and 2010 was \$1,978 and \$3,758, respectively.

6. Unrestricted and Temporarily Restricted Net Assets

Unrestricted Net Assets

Unrestricted net assets include revenue and contributions received without donor-imposed restrictions as well as 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 are available for the following purposes:

	<u>2011</u>	<u>2010</u>
Campus Initiative/Project NUR	\$ 385,756	\$ 550,000
Hands Across the Mideast Support Alliance	22,500	18,958
Media Campaign	11,000	32,846
New England Council	17,000	20,310
From the Eyes to the Heart	212,656	-
Test of Faith: Harmonizing Science and Religion	187,498	-
MENA Portal	17,578	-
Other	-	20,455
	<u>\$ 853,988</u>	<u>\$ 642,569</u>

7. Net Assets Released from Restrictions

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

	<u>2011</u>	<u>2010</u>
Campus Initiative/Project NUR	\$ 534,030	\$ 791,707
A Modern Narrative for Muslim Women in the Middle East	-	105,268
Hands Across the Mideast Support Alliance	25,709	30,042
Media Campaign	21,846	52,154
New England Council	82,039	72,750
Capitol Hill Speaker Server	46,920	-
From the Eyes to the Heart	67,273	-
Others	<u>63,312</u>	<u>50,957</u>
	<u>\$ 841,129</u>	<u>\$ 1,102,878</u>

8. Loans Payable – Related Party

The Organization borrowed a total of \$570,000 from two related party individuals during 2011 to provide immediate liquidity for a project overseas. \$210,000 was repaid in 2012 and the balance is payable in 2012. The loans are non-interest bearing and unsecured.

9. Commitments

The Organization is obligated under two leases for office space. These leases expire through November 2012. A new lease was signed for the Boston office in August 2011 commencing February 2012 and expires January 2017. The monthly base is \$10,050 with an annual escalation of approximately 2.75%. A new lease was signed for the Washington, DC office in May 2012 commencing October 2012 and expires January 2020. The monthly base is \$20,103 with an annual escalation of 2.5%.

The following is a schedule by years of future minimum rental payments required under operating leases for initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2011:

2012	\$ 212,176
2013	344,805
2014	373,785
2015	383,302
2016	392,984
Thereafter	<u>851,812</u>
	<u>\$ 2,558,864</u>

In addition, other office space is rented under tenant-at-will agreements, where there is no commitment. The Organization has a sub-lease agreement with an entity that pays the Organization \$25,000 in 2012. Rent expense for 2011 and 2010 was \$222,922 and \$125,754, respectively.

10. Concentration of Revenue

One donor provided approximately 54% of the Organization's total grant revenue during 2011. Two donors provided approximately 80% of the Organization's total revenue during 2010. Multi-year agreements are in place for additional funding from these two sources.

* * * * *

American Islamic Congress, Inc.

SUPPLEMENTARY INFORMATION

December 31, 2011

American Islamic Congress, Inc.

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2011

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA or Other Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of State		
International Programs to Support Democracy, Human Rights and Labor	19.345	\$ 1,287,136
Middle East Partnership Initiative	19.500	<u>171,560</u>
Total U.S. Department of State		<u>1,458,696</u>
Total Expenditures of Federal Awards		<u>\$ 1,458,696</u>

See independent auditors' report

American Islamic Congress, Inc.

Notes to the Schedule of Expenditures of Federal Awards

December 31, 2011

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of *American Islamic Congress, Inc.* under programs of the federal government for the year ended December 31, 2011. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because this Schedule presents only a selected portion of the operations of *American Islamic Congress, Inc.*, it is not intended to and does not present the financial position, changes in net assets, or cash flows of *American Islamic Congress, Inc.*

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Directors
American Islamic Congress, Inc.

We have audited the financial statements of ***American Islamic Congress, Inc.*** (a not-for-profit organization) as of and for the year ended December 31, 2011, and have issued our report thereon dated November 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of ***American Islamic Congress, Inc.*** is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered ***American Islamic Congress, Inc.'s*** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ***American Islamic Congress, Inc.'s*** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of ***American Islamic Congress, Inc.'s*** internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ***American Islamic Congress, Inc.'s*** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a

direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of *American Islamic Congress, Inc.* in a separate letter dated November 29, 2012.

This report is intended solely for the information and use of management, and the Board of Directors, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Dixon Hughes Goodman LLP

Rockville, Maryland
November 29, 2012



Report of Independent Auditors on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Board of Directors
American Islamic Congress, Inc.

Compliance

We have audited the compliance of ***American Islamic Congress, Inc.*** with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of ***American Islamic Congress, Inc.***'s major federal programs for the year ended December 31, 2011. ***American Islamic Congress, Inc.***'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of ***American Islamic Congress, Inc.***'s management. Our responsibility is to express an opinion on ***American Islamic Congress, Inc.***'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ***American Islamic Congress, Inc.***'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of ***American Islamic Congress, Inc.***'s compliance with those requirements.

In our opinion, ***American Islamic Congress, Inc.*** complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

The management of ***American Islamic Congress, Inc.*** is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered ***American Islamic Congress, Inc.***'s internal control over compliance with the requirements that could have

a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of *American Islamic Congress, Inc.*'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Board of Directors, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Dixon Hughes Goodman LLP

Rockville, Maryland
November 29, 2012

American Islamic Congress, Inc.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2011

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ___ Yes X None reported
- Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ___ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ___ Yes X No

Identification of major programs:

<u>CFDA or Other Identifying Number</u>	<u>Name of Federal Program or Cluster</u>
19.345	International Programs to Support Democracy, Human Rights and Labor

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? ___ Yes X No

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

American Islamic Congress, Inc.

Corrective Action Plan

Year Ended December 31, 2011

There are no current audit findings.