

**ICNA RELIEF USA PROGRAMS
1529 JERICHO TURNPIKE
NEW HYDE PARK, NY 11040**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

ICNA RELIEF USA PROGRAMS

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Muhammad Y. Mukhtar, CPA, PC
380 N Broadway, Suite 408
Jericho, NY 11753

INDEPENDENT AUDITOR'S REPORT

Board of Directors
ICNA Relief USA Programs Inc.
1529 Jericho Turnpike
New Hyde Park, NY 11040

We have audited the accompanying financial statements of ICNA Relief USA Programs, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 of 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 controls 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 controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we 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 ICNA Relief USA Programs, Inc., as of December 31, 2022, 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.



Muhammad Y. Mukhtar, CPA, PC.

November 12, 2023
Jericho, New York

**ICNA RELIEF USA PROGRAMS INC.
STATEMENTS OF FINANCIAL POSITION**

	DECEMBER 31,	
<u>ASSETS</u>	2022	2021
CURRENT ASSETS:		
Cash	13,169,092	14,265,694
Short Term Investment	1,413,079	1,594,120
Sundry Receivable	474	200
Total Current Assets	14,582,645	15,860,014
FIXED ASSETS:		
Land	1,248,200	445,823
Building	4,733,933	1,524,426
Building improvements	326,457	326,457
Vehicles	1,167,172	1,040,776
Furniture and fixtures	63,752	63,752
	7,539,514	3,401,234
Less: Accumulated depreciation	(1,391,240)	(1,108,180)
Total Fixed Assets	6,148,274	2,293,054
TOTAL ASSETS	\$ 20,730,919	\$ 18,153,068
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Due to related party	60,000	-
Sundry Creditors	23,935	20,891
Accrued expenses	28,500	15,000
Total Current Liabilities	112,435	35,891
Total Liabilities	112,435	35,891
NET ASSETS:		
Unrestricted	20,618,484	18,117,177
Temporarily restricted	-	-
Total Net Assets	20,618,484	18,117,177
TOTAL LIABILITIES & NET ASSETS	\$ 20,730,919	\$ 18,153,068

See notes to financial statements.

**ICNA RELIEF USA PROGRAMS INC.
STATEMENTS OF ACTIVITIES**

**FOR THE YEAR ENDED
DECEMBER 31,**

	2022	2021
UNRESTRICTED NET ASSETS		
Operating unrestricted public support and revenues	24,221,952	20,438,079
Government Grants	856,595	265,368
PPP Loan Forgiveness	-	1,034,767
Investment income	42,946	29,465
Unrealized gain (loss) on investment	(286,591)	104,618
In-kind contribution and donated services	20,877,027	21,277,275
 Total unrestricted public support and revenues	 45,711,928	 43,149,572
 EXPENSES		
Program services	40,565,733	35,040,147
Supporting services		
Management and general expenses	887,272	717,219
Fund raising expenses	1,757,616	1,651,556
 Total Expenses	 43,210,621	 37,408,922
 Increase in unrestricted net assets	 2,501,307	 5,740,650
 TEMPORARILY RESTRICTED NET ASSETS		
Net assets released from restrictions	-	-
 Increase in temporarily restricted net assets	 -	 -
 Increase in net assets	 2,501,307	 5,740,650
 Net assets, beginning of year	 18,117,177	 12,376,527
 Net assets, end of year	 \$ 20,618,484	 \$ 18,117,177

See notes to financial statements.

**ICNA RELIEF USA PROGRAMS INC.
STATEMENTS OF CASH FLOWS**

	FOR THE YEAR ENDED	
	DECEMBER 31,	
	2022	2021
Cash flow from operating activities		
Increase in net assets	2,501,307	5,740,650
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expenses	283,060	241,698
In-kind contribution and donated services	(20,877,027)	(21,277,275)
Distribution of in-kind contribution and donated services	20,877,027	21,277,275
Increase (Decrease) in due to related party	60,000	(115,000)
(Increase) decrease in short term investment	181,041	(1,594,120)
(Increase) decrease in sundry receivable	(274)	(200)
Increase (decrease) in Accrued Expenses	13,500	(33,500)
Increase (decrease) in sundry and Other creditors	3,044	(1,036,212)
Net cash provided by operating activities	<u>3,041,678</u>	<u>3,203,316</u>
Cash flow from investing activities		
Disposal of fixed assets	-	-
Purchase of fixed assets	<u>(4,138,280)</u>	<u>(187,093)</u>
Net cash used in investing activities	<u>(4,138,280)</u>	<u>(187,093)</u>
Cash flow from financing activities		
Principal payment of note payable	<u>-</u>	<u>-</u>
Net cash used in financing activities	<u>-</u>	<u>-</u>
NET INCREASE IN CASH	(1,096,602)	3,016,223
Cash, beginning of year	<u>14,265,694</u>	<u>11,249,471</u>
Cash, end of year	<u><u>\$ 13,169,092</u></u>	<u><u>\$ 14,265,694</u></u>
Supplemental cash flow information:		
Fixed assets additions in accounts payable at end of year	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

ICNA RELIEF USA PROGRAMS INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021 WITH COMPARATIVE
TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Expenses	Management & General Expenses	Fund Fund Raising Expenses	Total Expenses	
				2022	2021
Payroll Expenses	7,728,928	124,876	425,154	8,278,958	5,926,786
Compensation to Officers	-	222,679	-	222,679	181,557
Payroll Taxes	701,700	27,550	40,545	769,795	473,166
Employee benefits	446,712	65,050	42,500	554,262	548,730
Community assistance	26,043,609	-	-	26,043,609	24,097,987
Professional fees	74,358	40,363	3,100	117,821	75,078
Dues and subscriptions	14,037	-	-	14,037	1,964
Contractual services	650,921	-	101,565	752,486	469,252
Telephone and internet	123,319	6,450	11,542	141,311	116,146
Insurance	639,093	-	-	639,093	474,015
Utilities	365,766	-	-	365,766	252,071
Occupancy	1,568,529	60,000	-	1,628,529	1,623,030
Conventions & conferences	718,642	6,840	165,450	890,932	627,757
Advertising	99,758	-	112,515	212,273	157,856
Printing and publications	229,269	-	795,150	1,024,419	1,040,349
Postage and shipping	75,452	-	9,645	85,097	65,540
Supplies	47,902	2,450	-	50,352	54,460
Repairs and maintenance	828,049	-	-	828,049	662,716
Traveling and transportations	199,723	15,450	50,450	265,623	280,983
Bank and credit card charges	9,966	32,505	-	42,471	37,782
Depreciation	-	283,059	-	283,059	241,697
Total expenses	40,565,733	887,272	1,757,616	43,210,621	37,408,922

See notes to financial statements.

ICNA RELIEF USA PROGRAMS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR THEN ENDED DECEMBER 31, 2022 and 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities:

The ICNA Relief USA Programs (herein referred to as (“ICNA Relief” or “Organization”), 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 various services in disaster effected areas such as hot food, clothing, medical and hygienic items and long-term recovery for disaster effectees. Every year, the Organizations’ volunteers distribute thousands of school bags and school supplies to children in under-served, impoverished communities. In 2022, more than 45,120 school bags with supplies were distributed to children in 200 locations in the U.S. Also, the Organization provides temporary shelter to the homeless women who stay in the rented and owned facility. Residents at shelter are provided with food, individual and group counseling, case management, access to vocational training and supportive services to help them obtain permanent housing, employment, and financial assistance. As of December 31, 2022, the Organization has 26 women transitional housing, 7 free health clinics and 8 mobile clinics located in various cities of the country.

ICNA Relief combats the healthcare crisis by offering free medical services to those who don’t qualify for state-sponsored health insurance and/or cannot purchase private insurance. ICNA Relief’s health clinics are staffed by a dedicated force of volunteers who are responsible for everything from direct patient care to administrative tasks.

Contributions for these programs come from the public and government grants.

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, 2022 and 2021. It is common practice

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2022 and 2021. Donors are entitled, with limitation to itemize their donations for income tax purposes.

In-kind contribution and donated services:

In-kind contribution of property, equipment and supplies totaled \$20,274.197 and \$19,779,398 for the year ended December 31, 2022 and 2021, respectively.

The Organization receives significant donations of time and services from members of the community and volunteers related to program operation, and special events. Donated services are recorded in the financial statements to the extent that those services create or enhance a nonfinancial asset or meet all of the following criteria: a) the services require specialized skills, b) the service is provided by individuals who possess those skills, and c) the service would typically need to be purchased if not contributed. Services meeting the criteria for recognition in the financial statements totaled \$602,830 for the year ended December 31, 2022.

The Organization also receives donated services that do not require specific expertise, but which are nonetheless central to the Organization's operations. For the year ended December 31, 2022, the estimated fair value of these services, based on the estimated dollar value of volunteer time calculated by average rate by job category, totaled approximately \$1,337,355. The value of these services is not reflected in the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grant revenue/receivable:

Cost reimbursement grants are recognized as revenue when the expenses are incurred. Amounts earned but not received are reported as grant receivable. Other revenue is recognized when earned. The organization earned grant revenue of \$1,481,638 and \$265,368 for the year ended December 31, 2022 and 2021.

Grant revenue of \$-0- and \$0 is receivable as of December 31, 2022 and 2021 out of total grant revenue earned in 2022 and 2021.

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. Depreciation expense for the year ended December 31, 2022 and 2021 was \$283,059 and \$241,697 respectively.

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.

Advertising Expense:

The Organization expenses advertising costs as incurred. Advertising expense for the year ended December 31, 2022 and 2021 was \$212,273 and \$157,856, respectively.

Functional Expenses Allocation:

Expenses that can be identified with a specific program or supporting service are charged directly to the program or supporting service. Expenses which apply to more than one functional category have been allocated based on estimates made by management.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The Organization does not have any income from unrelated business activities. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization Files Federal, Alabama, Alaska, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Illinois, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Nevada, New Hampshire, New Jersey, New Mexico, New York,, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Virginia, Washington, Washington D.C., West Virginia and Wisconsin tax returns.

Reclassifications:

Certain amounts in the 2021 financial statements have been reclassified for comparative purposes to conform to presentation in the 2022 financial statements.

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. The Organization has thirty two field offices in various cities of the United States in addition to the head office in Jamaica, New York. All intra-office accounts and transactions have been eliminated in financial statements.

NOTE 3 – RELATED PARTY TRANSACTIONS

The following transaction were conducted during 2022 and 2021 with Islamic Circle of North America (ICNA), a not-for-profit section 501(c) (3) Organization. Some of the board members of ICNA have a voting interest in the Organization.

The Organization received grant from ICNA in the amount of \$-0- and \$100,000 for the year ended December 31, 2022 and 2021 respectively.

The Organization accrued a rent payable to ICNA in the amount of \$60,000 and \$163,000 for the year ended December 31, 2022 and 2021, respectively.

NOTE 4 - CONCENTRATION OF CREDIT RISK

Cash maintained in accounts with financial institutions may, at times, exceed the federally insured \$250,000 limit per institution. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk with respect to cash and cash equivalent.

NOTE 5 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 12, 2023, the date the financial statements were available to be issued.

NOTE 6 – PROGRAM EXPENSES

The foundation incurred expenses in different programs during the year the detail of which is as follows:

Descriptions	Hunger Prevention	Health Services	Muslim	Refugee Services	Transition Housing	B2School Giveaways	Disaster Relief	Totsl Program Expenses
			Family Service					
Payroll Expenses	2,318,678	1,468,496	927,471	850,182	1,082,050	772,893	309,157	7,728,928
Payroll Taxes	210,510	133,323	84,204	77,187	98,238	70,170	28,068	701,700
Employee Benefits	134,014	84,875	53,605	49,138	62,540	44,671	17,868	446,712
Community Assistance	19,029,388	2,087,918	3,258,044	578,556	429,150	515,353	145,200	26,043,609
Professional fees	22,307	14,128	8,923	8,179	10,410	7,436	2,974	74,358
Dues and Subscription	4,211	2,667	1,684	1,544	1,965	1,404	561	14,037
Contractual Services	195,276	123,675	78,111	71,601	91,129	65,092	26,037	650,921
Telephone and Internet	36,996	23,431	14,798	13,565	17,265	12,332	4,933	123,319
Insurance	191,728	121,428	76,691	70,300	89,473	63,909	25,564	639,093
Utilities	109,730	69,496	43,892	40,234	51,207	36,577	14,631	365,766
Occupancy	470,559	298,021	188,223	172,538	219,594	156,853	62,741	1,568,529
Conventions and Conferences	215,593	136,542	86,237	79,051	100,610	71,864	28,746	718,642
Advertising	29,927	18,954	11,971	10,973	13,966	9,976	3,990	99,758
Printing and Publications	68,781	43,561	27,512	25,220	32,098	22,927	9,171	229,269
Postage and shipping	22,636	14,336	9,054	8,300	10,563	7,545	3,018	75,452
Supplies	14,362	9,096	5,745	5,266	6,702	4,815	1,915	47,902
Repair and Maintenance	248,415	157,329	99,366	91,085	115,927	82,805	33,122	828,049
Tranveling and Transportation	59,917	37,947	23,967	21,970	27,961	19,972	7,989	199,723
Bank and Credit Card Charges	2,990	1,894	1,196	1,096	1,395	997	399	9,966
	23,386,017	4,847,116	5,000,696	2,175,987	2,462,243	1,967,591	726,084	40,565,733