



## Financial Statements

*For the Years Ended*  
**December 31, 2024 and 2023**  
With Independent Auditors' Report Thereon

# Iqra Fund

(A Montana Not-for-Profit Corporation)

## Contents

|                                                    | <u>Page</u> |
|----------------------------------------------------|-------------|
| <b>Independent Auditors' Report</b>                | 1           |
| <b>Audited Financial Statements:</b>               |             |
| Statements of Financial Position                   | 2           |
| Statements of Activities and Changes in Net Assets | 3           |
| Statements of Cash Flows                           | 4           |
| Statements of Functional Expenses                  | 5           |
| Notes to Financial Statements                      | 6 - 13      |



Regalia Berger  
and Berger

CERTIFIED PUBLIC ACCOUNTANTS  
103 TOWN & COUNTRY DRIVE, SUITE K, DANVILLE, CALIFORNIA 94526  
SHAREHOLDERS: DOUGLAS REGALIA, CPA RACHEL BERGER, CPA DAVID BERGER, CPA  
VALERIE REGALIA, CPA DANA CHAVARRIA, CPA  
LISA PARKER, CPA [inactive] LISA CLOVEN, CPA  
JENNY SO, CPA TRICIA WILSON  
JENNIFER JENSEN SHANNON MORELLI, CPA  
STEPHANIE WEITZEL ANITA MALLOTT, CPA  
WWW.MRCPA.COM OFFICE: 925-314-0390 FAX: 925-314-0469

## **INDEPENDENT AUDITORS' REPORT**

### **The Board of Directors Iqra Fund**

#### ***Opinion***

We have audited the accompanying financial statements of Iqra Fund (a nonprofit corporation) which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Iqra Fund as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Iqra Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Iqra Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**INDEPENDENT AUDITORS' REPORT** *(continued)*

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Iqra Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Iqra Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Regalia Berger & Berger*

Danville, California  
August 31, 2025

## Iqra Fund

### Statements of Financial Position December 31, 2024 and 2023

#### ASSETS

|                                                             | 2024       | 2023       |
|-------------------------------------------------------------|------------|------------|
| Current assets:                                             |            |            |
| Cash and cash equivalents                                   | \$ 327,131 | \$ 105,267 |
| Promises to give                                            | 87,332     | 83,318     |
| Prepaid expenses and other assets                           | 9,688      | 3,655      |
| Total current assets                                        | 424,151    | 192,240    |
| Noncurrent assets:                                          |            |            |
| Beneficial interests in assets held by community foundation | 296,748    | 280,177    |
| Property and equipment, net                                 | 5,000      | 9,000      |
| Total non-current assets                                    | 301,748    | 289,177    |
| Total assets                                                | \$ 725,899 | \$ 481,417 |

#### LIABILITIES AND NET ASSETS

|                                  |            |            |
|----------------------------------|------------|------------|
| Current liabilities:             |            |            |
| Accounts payable                 | \$ 941     | \$ 10,284  |
| Accrued liabilities              | 3,087      | 6,168      |
| Total current liabilities        | 4,028      | 16,452     |
| Net assets:                      |            |            |
| Without donor restrictions       | 460,346    | 369,754    |
| With donor restrictions          | 261,525    | 95,211     |
| Total net assets                 | 721,871    | 464,965    |
| Total liabilities and net assets | \$ 725,899 | \$ 481,417 |

## Iqra Fund

### Statements of Activities and Changes in Net Assets Years Ended December 31, 2024 and 2023

|                                                                                                           | Net Assets<br>Without Donor<br>Restrictions | Net Assets<br>With Donor<br>Restrictions | 2024<br>Total | Net Assets<br>Without Donor<br>Restrictions | Net Assets<br>With Donor<br>Restrictions | 2023<br>Total |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------------------------------|---------------|---------------------------------------------|------------------------------------------|---------------|
| <i>Changes in net assets:</i>                                                                             |                                             |                                          |               |                                             |                                          |               |
| Revenue and support:                                                                                      |                                             |                                          |               |                                             |                                          |               |
| Foundation contributions                                                                                  | \$ 14,779                                   | \$ 77,161                                | \$ 91,940     | \$ 7,580                                    | \$ 7,500                                 | \$ 15,080     |
| Individual contributions                                                                                  | 595,968                                     | 317,504                                  | 913,472       | 791,186                                     | 179,434                                  | 970,620       |
| Corporate contributions                                                                                   | 8,554                                       | 4,810                                    | 13,364        | 6,205                                       | -                                        | 6,205         |
| Contributions of nonfinancial assets                                                                      | -                                           | -                                        | -             | 6,375                                       | -                                        | 6,375         |
| Distributions from and change in value of beneficial<br>interests in assets held by community foundations | 22,392                                      | 4,249                                    | 26,641        | 27,155                                      | 7,446                                    | 34,601        |
| Net assets released from restrictions                                                                     | 237,410                                     | (237,410)                                | -             | 333,631                                     | (333,631)                                | -             |
| Total revenue and support                                                                                 | 879,103                                     | 166,314                                  | 1,045,417     | 1,172,132                                   | (139,251)                                | 1,032,881     |
| Expenses:                                                                                                 |                                             |                                          |               |                                             |                                          |               |
| Program expenses                                                                                          | 690,461                                     | -                                        | 690,461       | 673,001                                     | -                                        | 673,001       |
| General and administrative                                                                                | 33,051                                      | -                                        | 33,051        | 30,365                                      | -                                        | 30,365        |
| Fundraising                                                                                               | 64,999                                      | -                                        | 64,999        | 112,909                                     | -                                        | 112,909       |
| Total expenses                                                                                            | 788,511                                     | -                                        | 788,511       | 816,275                                     | -                                        | 816,275       |
| Increase (decrease) in net assets                                                                         | 90,592                                      | 166,314                                  | 256,906       | 355,857                                     | (139,251)                                | 216,606       |
| Net assets at beginning of year                                                                           | 369,754                                     | 95,211                                   | 464,965       | 13,897                                      | 234,462                                  | 248,359       |
| Net assets at end of year                                                                                 | \$ 460,346                                  | \$ 261,525                               | \$ 721,871    | \$ 369,754                                  | \$ 95,211                                | \$ 464,965    |

## Iqra Fund

### Statements of Cash Flows Years Ended December 31, 2024 and 2023

|                                                                                | 2024       | 2023       |
|--------------------------------------------------------------------------------|------------|------------|
| <i>Operating activities:</i>                                                   |            |            |
| Increase in net assets                                                         | \$ 256,906 | \$ 216,606 |
| Adjustments to reconcile to cash provided by (used for) operating activities:  |            |            |
| Depreciation                                                                   | 4,000      | 3,000      |
| Change in beneficial interests in assets held by community foundation          | (26,641)   | (34,601)   |
| Changes in:                                                                    |            |            |
| Promises to give                                                               | (4,014)    | (52,763)   |
| Prepaid expenses and other assets                                              | (6,033)    | 167        |
| Accounts payable                                                               | (9,343)    | (32,188)   |
| Accrued liabilities                                                            | (3,081)    | (33,021)   |
| Cash provided by operating activities                                          | 211,794    | 67,200     |
| <i>Investing activities:</i>                                                   |            |            |
| Purchases of property and equipment                                            | -          | (12,000)   |
| Distributions from beneficial interests in assets held by community foundation | 10,070     | 12,010     |
| Cash provided by investing activities                                          | 10,070     | 10         |
| Net increase in cash and cash equivalents                                      | 221,864    | 67,210     |
| Cash and cash equivalents at beginning of year                                 | 105,267    | 38,057     |
| Cash and cash equivalents at end of year                                       | \$ 327,131 | \$ 105,267 |

## Iqra Fund

### Statements of Functional Expenses For the Years Ended December 31, 2024 and 2023

|                         | Program    | General and<br>Administrative | Fundraising | 2024<br>Total | Program    | General and<br>Administrative | Fundraising | 2023<br>Total |
|-------------------------|------------|-------------------------------|-------------|---------------|------------|-------------------------------|-------------|---------------|
| Accounting              | \$ 808     | \$ 25,615                     | \$ -        | \$ 26,423     | \$ 613     | \$ 19,241                     | \$ -        | \$ 19,854     |
| Advertising             | 748        | -                             | -           | 748           | 454        | -                             | -           | 454           |
| Bank charges            | -          | 576                           | 6,076       | 6,652         | 9,378      | 1,579                         | 7,000       | 17,957        |
| Classroom supplies      | 59,976     | -                             | -           | 59,976        | 44,785     | -                             | -           | 44,785        |
| Computers and Software  | 11,535     | 94                            | 3,649       | 15,278        | 11,495     | 84                            | 886         | 12,465        |
| Contractors             | 4,331      | -                             | -           | 4,331         | -          | -                             | -           | -             |
| Depreciation            | 3,400      | 200                           | 400         | 4,000         | 2,138      | 106                           | 756         | 3,000         |
| Dues and memberships    | 219        | 449                           | 1,438       | 2,106         | -          | -                             | 6,982       | 6,982         |
| Education and health    | 21,615     | -                             | -           | 21,615        | 1,145      | -                             | -           | 1,145         |
| Events                  | -          | -                             | 5,815       | 5,815         | -          | -                             | 2,235       | 2,235         |
| Furniture and Equipment | 453        | -                             | -           | 453           | 3,013      | -                             | -           | 3,013         |
| Information technology  | 3,729      | 79                            | 158         | 3,966         | 669        | 3                             | 8           | 680           |
| Legal                   | -          | -                             | -           | -             | 2,775      | -                             | -           | 2,775         |
| Marketing and website   | -          | -                             | 3,200       | 3,200         | 12,558     | -                             | 4,589       | 17,147        |
| Meals                   | 572        | -                             | -           | 572           | 487        | -                             | -           | 487           |
| Office Supplies         | 569        | 12                            | 513         | 1,094         | 549        | 1                             | 2,776       | 3,326         |
| Other                   | 4,384      | -                             | -           | 4,384         | 5,939      | -                             | -           | 5,939         |
| Personnel expenses      | 394,893    | 5,430                         | 10,859      | 411,182       | 418,638    | 6,077                         | 61,264      | 485,979       |
| Professional fees       | 75,000     | -                             | 30,000      | 105,000       | 57,277     | 3,000                         | 18,858      | 79,135        |
| Rent and utilities      | 1,673      | -                             | -           | 1,673         | 5,236      | 54                            | 410         | 5,700         |
| Repairs and maintenance | 10,290     | -                             | -           | 10,290        | 861        | -                             | -           | 861           |
| Supplies                | 11,729     | 301                           | -           | 12,030        | 10,321     | -                             | 39          | 10,360        |
| Taxes and Fees          | -          | 295                           | -           | 295           | -          | 220                           | -           | 220           |
| Travel and Lodging      | 67,413     | -                             | 2,891       | 70,304        | 73,888     | -                             | 7,106       | 80,994        |
| Tuition                 | 12,543     | -                             | -           | 12,543        | 6,193      | -                             | -           | 6,193         |
| Workshops               | 4,581      | -                             | -           | 4,581         | 4,589      | -                             | -           | 4,589         |
| Total expenses          | \$ 690,461 | \$ 33,051                     | \$ 64,999   | \$ 788,511    | \$ 673,001 | \$ 30,365                     | \$ 112,909  | \$ 816,275    |

See accompanying Independent Auditors' Report and notes to the financial statements

Page 5



Notes to Financial Statements  
December 31, 2024 and 2023

**1. Organization**

Iqra Fund is a nonprofit public benefit organization established in 2011 and is headquartered in Bozeman, Montana. Iqra Fund's mission is to provide access to sustainable, quality education in remote tribal regions of Pakistan. Program activities are focused primarily in Gilgit-Baltistan, Pakistan, where Iqra Fund works with local communities to establish schools, train teachers, and provide scholarships. These efforts are designed to help girls overcome the financial, social, cultural, and geographic barriers that prevent them from enrolling in and completing a quality education.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting** – The financial statements of Iqra Fund have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("US GAAP"); consequently, revenues and gains are recognized when earned, and expense and losses are recognized when incurred regardless of the timing of cash flows.

**Measure of Operations** – The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Iqra Fund's ongoing operations which include a variety of programmatic activities. Non-operating activities are limited to resources that generate return from interest-bearing deposits and other activities considered to be of a more unusual or nonrecurring nature.

**Use of Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires Iqra Fund to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

**Cash and Cash Equivalents** – All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and cash equivalents held in investment portfolios are excluded from cash and cash equivalents available for current use.

**Financial Instruments and Credit Risk** – Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by Iqra Fund to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of December 31, 2024, Iqra Fund held approximately \$45,000 in cash deposits in excess of FDIC insurance limits and approximately \$31,000 in bank accounts in Pakistan which are not covered by FDIC or similar insurance. As of December 31, 2023, no U.S. cash balances exceeded FDIC limits and Iqra Fund held approximately \$21,000 in bank accounts in Pakistan which are not covered by FDIC or similar insurance. To date, no losses have been experienced in any of these accounts. Credit risk associated with promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from individuals and foundations supportive of Iqra Fund's mission.

Notes to Financial Statements  
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies *(continued)*

**Promises to Give** – Iqra Fund records promises to give that are expected to be collected within one year at net realizable value. Promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities and changes in net assets. Any allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. Historically, Iqra Fund has collected all of its promises to give, and as a result management has determined that no allowance for doubtful accounts is necessary as of December 31, 2024 and 2023 for promises to give.

**Investments** – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at fair value. Unrealized gains and losses are reported as increases or decreases in net assets without donor restrictions or net assets with donor restrictions depending if their use is restricted by donor stipulations or law. Net investment return is reported in the statements of activities and changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

**Property and Equipment** – Property and equipment are recorded at cost when purchased and at their estimated fair market value when received as a donation. Improvements and major repairs which extend the useful life of the asset are capitalized. Costs of maintenance and repairs are expensed currently. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

**Net Assets** – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Thus, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions represent funds which are available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has the ability to designate, from net assets without donor restrictions, net assets for any particular purpose, such as an operating reserve and has opted to do as detailed in Note 8.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of funds which are subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those restrictions which will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions can be perpetual in nature, where the donor stipulates resources be maintained in perpetuity. Iqra Fund reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

Notes to Financial Statements  
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies *(continued)*

**Contributions of Nonfinancial Assets** – Contributed services and in-kind contributions are reflected at the fair value of the contribution received in accordance with [ASC 958-605, Not-for-Profit Entities – Revenue Recognition](#). The contributions of services, equipment and other materials are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

In addition to contributed nonfinancial assets, volunteers may contribute time to Iqra Fund's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

**Revenue and Revenue Recognition** – Iqra Fund's revenue consists entirely of contributions from individuals, corporations, and foundations, including cash gifts, grants and unconditional promises to give. Revenue is recognized in accordance with authoritative guidance, including [ASC 958-605, Not-for-Profit Entities – Revenue Recognition](#). The Iqra Fund recognizes all contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received, regardless of whether any related donor-imposed restrictions have been fulfilled.

Contributions without donor-imposed restrictions are reported as net assets without donor restrictions. Contributions with donor-imposed restrictions are reported as net assets with donor restrictions. When a donor-imposed time or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restriction.

Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. A transfer of funds with a conditional promise to contribute is accounted for as a refundable advance until the conditions have been substantially met.

**Functional Allocation of Expenses** - The costs of providing program and other activities have been summarized on a functional basis in the statement of activities in accordance with the requirements of [ASC 958-205 - Not-for-Profit Entities - Presentation of Financial Statements](#). The statements of functional expenses present the natural classification detail of expenses by function.

Expenses that can be directly identified with a specific program or supporting service are charged directly to that function. Other costs that benefit more than one function have been allocated among the programs and supporting services on an equitable basis, as determined by management. Personnel expenses are allocated based on estimated time and effort, supported by Iqra Fund's payroll records and allocation methodology.

**Advertising and Promotion** – The costs of advertising and promotion are charged to expense as incurred. Advertising and promotion expense amounted to \$748 and \$454 for the years ended December 31, 2024 and 2023, respectively.

**Notes to Financial Statements  
December 31, 2024 and 2023**

**2. Summary of Significant Accounting Policies** *(continued)*

**Income Taxes** – Iqra Fund is organized as a Montana nonprofit public benefit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifying it to receive charitable contribution deductions under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. Iqra Fund is required to annually file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the organization could be subject to income tax on net income that is derived from business activities which are unrelated to its exempt purpose. Iqra Fund does not file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS because it had no unrelated business taxable income for the years ended December 31, 2024 and 2023.

Iqra Fund has received notification from the Internal Revenue Service that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. The exemptions are subject to periodic review by federal taxing authorities and management is confident that Iqra Fund continues to satisfy all federal statutes in order to qualify for continued tax exemption status.

**3. Cash and Cash Equivalents**

The following table presents the composition of cash and cash equivalents at December 31:

|                                 | <b>2024</b>       | <b>2023</b>       |
|---------------------------------|-------------------|-------------------|
| U.S. checking accounts          | \$ 294,983        | \$ 80,518         |
| Pakistan checking accounts      | 31,140            | 10,612            |
| U.S. savings account            | 1,008             | 1,003             |
| Deposits in transit             | -                 | 13,134            |
| Total cash and cash equivalents | <b>\$ 327,131</b> | <b>\$ 105,267</b> |

**4. Beneficial Interests and Fair Value Measurements**

Iqra Fund is the beneficiary of two endowment funds that are administered by One Valley Community Foundation (“community foundation”). Under the terms of the agreements, the community foundation retains legal ownership of the funds and has variance power, which provides the community foundation with the unilateral ability to redirect the use of the funds to other charitable purposes if the designated purpose becomes unnecessary, incapable of fulfillment, or inconsistent with the needs of the community. Distributions from both funds are generally subject to the community foundation’s annual spending policy, which limits distributions to approximately 5% of the fund balance in order to preserve principal; in some cases, distributions may be reinvested at the direction of a fund advisor.

One fund was established by the Iqra Fund Board of Directors and is reported as net assets without donor restrictions, while the other was established by an external donor and is reported as net assets with donor restrictions.

**Notes to Financial Statements  
December 31, 2024 and 2023**

**5. Beneficial Interests and Fair Value Measurements** *(continued)*

The following table summarizes the changes in beneficial interests in assets held by the community foundation for the years ended December 31:

|                           | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>      |
|---------------------------|---------------------------------------|------------------------------------|-------------------|
| Balance January 1, 2023   | \$ 169,820                            | \$ 87,766                          | \$ 257,586        |
| Investment return, net    | 22,965                                | 11,636                             | 34,601            |
| Distributions             | (7,819)                               | (4,191)                            | (12,010)          |
| Balance December 31, 2023 | 184,966                               | 95,211                             | 280,177           |
| Investment return, net    | 17,464                                | 9,177                              | 26,641            |
| Distributions             | (5,142)                               | (4,928)                            | (10,070)          |
| Balance December 31, 2024 | <b>\$ 197,288</b>                     | <b>\$ 99,460</b>                   | <b>\$ 296,748</b> |

The endowment funds are held and invested by the community foundation for Iqra Fund's benefit. Accordingly, the beneficial interest in assets held by the community foundation are reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities and changes in net assets. Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions.

The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Iqra Fund groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3: Unobservable inputs that cannot be corroborated by observable market data. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing model of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

## Iqra Fund

### Notes to Financial Statements December 31, 2024 and 2023

#### 5. Beneficial Interests and Fair Value Measurements *(continued)*

Composition of assets measured at fair value on a recurring basis is as follows:

| <u>December 31, 2024</u>                                    | <b>Total</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
|-------------------------------------------------------------|--------------|----------------|----------------|----------------|
| Beneficial interests in assets held by community foundation | \$ 296,748   | \$ -           | \$ -           | \$ 296,748     |
| <u>December 31, 2023</u>                                    | <b>Total</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
| Beneficial interests in assets held by community foundation | \$ 280,177   | \$ -           | \$ -           | \$ 280,177     |

The fair values of beneficial interest in assets held by the community foundation are based on the fair value of fund investments as reported by the community foundation. These are considered Level 3 measurements.

#### 6. Liquidity and Availability

The following table reflects Iqra Fund's financial assets as of December 31, 2024 and 2023 which are available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Other considerations of nonliquid assets are donor-restricted assets for specific expenditures, contractual reserve requirements, or governing board designations.

|                                                                                     | <b>2024</b> | <b>2023</b> |
|-------------------------------------------------------------------------------------|-------------|-------------|
| Cash and cash equivalents                                                           | \$ 327,131  | \$ 105,267  |
| Promises to give                                                                    | 87,332      | 83,318      |
| Subtotal                                                                            | 414,463     | 191,585     |
| Less amounts not available to be used within one year:                              |             |             |
| Restricted net assets - program                                                     | (153,065)   | -           |
| Financial assets available to meet general expenditures over the next twelve months | \$ 261,398  | \$ 191,585  |

The Board of Directors reviews financial plans and commitments on an ongoing basis to support Iqra Fund's ability to meet near-term obligations while advancing its mission. Iqra Fund structures its financial assets to be available as general expenditures, liabilities, and other obligations become due.

#### 7. Property and Equipment

Property and equipment consist of the following at June 30:

|                                   | <b>2024</b> | <b>2023</b> |
|-----------------------------------|-------------|-------------|
| Website design                    | \$ 12,000   | \$ 12,000   |
| Less: accumulated depreciation    | (7,000)     | (3,000)     |
| Total property and equipment, net | \$ 5,000    | \$ 9,000    |

Depreciation expense amounted to \$4,000 and \$3,000 for the years ended December 31, 2024 and 2023, respectively.



**Notes to Financial Statements  
December 31, 2024 and 2023**

**8. Net Assets**

Net assets without donor restrictions represent the cumulative retained surpluses of Iqra Fund since its inception and consists of the following at December 31:

|                                             | <b>2024</b>       | <b>2023</b>       |
|---------------------------------------------|-------------------|-------------------|
| Beneficial interest in community foundation | \$ 197,288        | \$ 184,966        |
| Undesignated                                | 273,058           | 184,788           |
| Total net assets without donor restrictions | <b>\$ 470,346</b> | <b>\$ 369,754</b> |

Net assets with donor restrictions consist of the following at December 31:

|                                             | <b>2024</b>       | <b>2023</b>      |
|---------------------------------------------|-------------------|------------------|
| Beneficial interest in community foundation | \$ 99,460         | \$ 95,211        |
| Donor restricted – purpose                  | 162,065           | -                |
| Total net assets with donor restrictions    | <b>\$ 261,525</b> | <b>\$ 95,211</b> |

During the years ended December 31, 2024 and 2023, Iqra Fund recognized \$399,475 and \$186,934, respectively, in restricted grants and donations. Net assets with donor restrictions released to net assets without donor restrictions amounted to \$237,410 and \$333,631 for the years ended December 31, 2024 and 2023, respectively.

**9. Contributions of Nonfinancial Assets (In-Kind Donations)**

During the year ended December 31, 2023, contributed nonfinancial assets recognized within the statements of activities and changes in net assets consisted of \$6,375 for professional design services. No contributed nonfinancial assets were recognized during the year ended December 31, 2024. Contributed design services were provided by an agency and are recognized at fair value based on rates for similar design services.

**10. Related Party Transactions**

In compliance with [\*ASC 850, Related Party Disclosures\*](#), Iqra Fund has evaluated its related party transactions. Certain Iqra Fund board members made monetary contributions totaling approximately \$113,000 and \$99,000 during the years ended December 31, 2024 and 2023, respectively. These amounts are included with individual contributions on the statements of activities and changes in net assets.

**Notes to Financial Statements  
December 31, 2024 and 2023**

**11. Commitments and Contingencies**

In the normal course of business, Iqra Fund could be subject to certain commitments and contingencies which might not be fully reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) grant restrictions and donor conditions which obligate Iqra Fund to fulfill certain requirements as set forth in grant instruments, (b) funding levels which vary based on factors beyond Iqra Fund's control, such as generosity of donors and general economic conditions, (c) employment contracts and service agreements with outside contractors, and (d) financial risks associated with funds on deposit at bank and investment brokerage accounts. Management believes such commitments or contingencies have been properly addressed, appropriate amounts have been accrued (where necessary), and there will not be any resolution with a material adverse effect on the financial statements. Certain of the grants and contracts (including current and prior costs) are subject to audit and final acceptance by the granting agencies.

**12. Subsequent Events**

In compliance with [\*ASC 855, Subsequent Events\*](#), Iqra Fund has evaluated subsequent events through August 31, 2025, the date the financial statements were available to be issued. In the opinion of management, there are no subsequent events which necessitate disclosure.