

**ABUBAKAR ASSADDIQUE ISLAMIC CENTER
FINANCIAL STATEMENTS**

Year Ended December 31, 2020

With

Independent Auditor's Report

ABUBAKAR ASSADDIQUE ISLAMIC CENTER
FINANCIAL STATEMENTS

December 31, 2020

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Independent Auditor's Report



CPA Global Portfolio Consulting C.A., LLC
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Abubakar Assaddique Islamic Center

We have audited the accompanying financial statements of **Abubakar Assaddique Islamic Center** (the "Organization"), which comprise the statement of financial position as of December 31, 2020, and the related statements of financial income and expense, statement of functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Abubakar Assaddique Islamic Center** as of December 31, 2020, and the changes in its net assets and its cashflows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

CPA Global Portfolio Consulting C.A., LLC

Minneapolis, Minnesota

August 25, 2021

ABUBAKAR ASSADDIQUE ISLAMIC CENTER
Statement of Financial Position
As of December 31, 2020

	Dec 31, 20			Dec 31, 19			\$ Change
	Unrestricted	Temporary Restricted	Total	Unrestricted	Temporary Restricted	Total	
ASSETS							
Current Assets							
Cash & Cash Equivalent	1,076,104	-	1,076,104	562,718	-	562,718	513,386
A/Receivable	16,100	-	16,100	16,100	-	16,100	-
Current Assets, Other	24,000	-	24,000	10,000	-	10,000	14,000
Total Other Current Assets	40,100	-	40,100	26,100	-	26,100	14,000
Total Current Assets	1,116,204	-	1,116,204	588,818	-	588,818	527,386
Fixed Assets							
Property & Furniture	150,716	-	150,716	153,678	-	153,678	(2,962)
Property & Equipment		-	-		-	-	-
Buildings	10,210,889	-	10,210,889	5,210,889	-	5,210,889	5,000,000
Accumulated Depreciation	(2,060,401)	-	(2,060,401)	(1,927,472)	-	(1,927,472)	(132,929)
Land	30,000	-	30,000	30,000	-	30,000	-
Total Property & Equipment	8,180,488	-	8,180,488	3,313,417	-	3,313,417	4,867,071
Total Fixed Assets	8,331,204	-	8,331,204	3,467,095	-	3,467,095	4,864,109
Other Assets							
-	-	-	-	-	-	-	-
Total Other Assets	-	-	-	-	-	-	-
TOTAL ASSETS	9,447,408	-	9,447,408	4,055,913	-	4,055,913	5,391,495
LIABILITIES & EQUITY							
Liabilities							
Current Liabilities	5,000,000						
Other Current Liabilities	17,678	-	17,678	25,441	-	25,441	(7,763)
Total Current Liabilities	5,017,678	-	5,017,678	25,441	-	25,441	4,992,237
Total Liabilities	5,017,678	-	5,017,678	25,441	-	25,441	4,992,237
Equity							
Fund Balance	2,827,813	-	2,827,813	3,071,983	-	3,071,983	(244,170)
Unrestricted Net Assets	1,095,580	-	1,095,580	489,577	-	489,577	606,003
Net Income	506,337	-	506,337	314,892	-	314,892	191,445
Total Equity	4,429,730	-	4,429,730	3,876,452	-	3,876,452	553,278
TOTAL LIABILITIES & EQUITY	9,447,408	-	9,447,408	3,901,893	-	3,901,893	5,545,515

ABUBAKAR ASSADDIQUE ISLAMIC CENTER
Statement of Functional Expenses
January through December 2020

	AAIC - Phase III Project	AAIC Islamic Studies	Management Management	Fundraising	TOTAL
1 Teachers	-	517,127	19,700		536,827
2 Archtectural fees	67,658	-	-		67,658
3 Automobiles exp	50	-	-		50
4 Bank Fees and Charges	1,138	791	3,096		5,025
5 Car Rental	742	-	-		742
6 Contractors	-	10,500	68,342		78,842
7 Contributions	500	-	116,330		116,830
8 Credit card fee	1	2,870	634		3,505
9 Fundrasing Exp	-	-	-	80,008	80,008
Janitorial services	-	13,464	2,450		15,914
Meals and Entertainment	2,153	-	11,450		13,603
Media & Public relations	3,608	1,000	12,335		16,943
Miscellaneous	-	-	90		90
Printing and Copying	-	-	15,076		15,076
Professional Fees	28,449	-	11,075		39,524
Travel	10,763	-	-		10,763
Property Tax and Insurance	2,249	-	14,952		17,201
Repairs & Maintenance	8,578	580	4,980		14,138
Depreciation Expense	-	-	132,930		132,930
Salaries and Wages	70,292	65,917	176,895		313,104
Software/Dugsi Technologies	-	-	11,599		11,599
Space Rental	1,000	-	872		1,872
Janitorial Supplies	-	-	5,843		5,843
Office Supplies	6,592	-	32,324		38,916
Telephone & Internet	-	381	14,164		14,545
Utilities	21,799	-	78,159		99,958
Funral Services	-	-	21,500		21,500
Youth Program	-	-	7,630		7,630
TOTAL	225,572	612,630	762,426	80,008	1,680,636

ABUBAKAR ASSADDIQUE ISLAMIC CENTER

Statement of Activities

January through December 2020

	<u>AAIC-PhaseIII Project</u>	<u>AAIC Islamic Studies</u>	<u>AAIC Operation-Masjid</u>	<u>TOTAL</u>
Ordinary Income/Expense				
Income				
Receipts and Contributions				
AAIC Islamic Studies	-	613,758	-	613,758
ACH	-	-	138,952	138,952
Contribution	-	-	463,272	463,272
Phase III	947,230	-	-	947,230
Rental Income	-	-	23,760	23,760
Total Receipts and Contributions	<u>947,230</u>	<u>613,758</u>	<u>625,984</u>	<u>2,186,973</u>
Total Income	947,230	613,758	625,984	2,186,973
Expense				
AAIC Islamic studies program				
1 Teachers	-	517,127	19,700	536,827
Archtectural fees	67,658	-	-	67,658
Automobiles exp	50	-	-	50
Bank Fees and Charges	1,138	791	3,096	5,025
Car Rental	742	-	-	742
Contractors	-	10,500	68,342	78,842
Contributions	500	-	116,330	116,830
Credit card fee	1	2,870	634	3,505
Fundrasing Exp	80,008	-	-	80,008
Janitorial services	-	13,464	2,450	15,914
Meals and Entertainment	2,153	-	11,450	13,603
Media & Public relations	3,608	1,000	12,335	16,943
Miscellaneous	-	-	90	90
Printing and Copying	-	-	15,076	15,076
Professional Fees	28,449	-	11,075	39,524
Travel	10,763	-	-	10,763
Property Tax and Insurance	2,249	-	14,952	17,201
Repairs & Maintenance	8,578	580	4,980	14,138
Depreciation Expense	-	-	132,930	132,930
Salaries and Wages	70,292	65,917	176,895	313,104
Software/Dugsi Technologies	-	-	11,599	11,599
Space Rental	1,000	-	872	1,872
Janitorial Supplies	-	-	5,843	5,843
Office Supplies	6,592	-	32,324	38,916
Telephone & Internet	-	381	14,164	14,545
Utilities	21,799	-	78,159	99,958
Funral Services	-	-	21,500	21,500
Youth Program	-	-	7,630	7,630
Total Expense	<u>305,580</u>	<u>612,630</u>	<u>762,426</u>	<u>1,680,636</u>
Net Ordinary Income	<u>641,650</u>	<u>1,128</u>	<u>(136,441)</u>	<u>506,337</u>
Net Income	<u>641,650</u>	<u>1,128</u>	<u>(136,441)</u>	<u>506,337</u>

ABUBAKAR ASSADDIQUE ISLAMIC CENTER

Statement of Cash Flows

January through December 2020

	<u>Jan - Dec 20</u>
OPERATING ACTIVITIES	
Net Income	506,337
Adjustments to reconcile Net Income to net cash provided by operations:	
Due from Operation	(4,000)
Annual Depreciation Expense	132,929
Prepaid Expenses	(23,469)
Payroll Liabilities	(25,342)
Net cash provided by Operating Activities	<u>586,455</u>
INVESTING ACTIVITIES	
Furniture & Equipment	
Property & Equipment	(377)
Property & Equipment:Building	(19,292)
Land and Buildings - Investment	(53,400)
Net cash used by Investing Activities	<u>(73,069)</u>
Net cash increase for period	513,386
Cash at beginning of period	562,718
Cash at end of period	<u><u>1,076,104</u></u>

**ABUBAKAR ASSADDIQUE ISLAMIC CENTER
NOTES TO FINANCIAL STATEMENTS**

December 31, 2020

ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 1. Organization** - Abubakar As-Saddique Islamic Center opened in 1998 in the Minneapolis Cedar-Riverside neighborhood. It was incorporated under the laws of the state of Minnesota on January 19, 2010 as a non-profit organization according to Minnesota statute 317A as a charitable, religious, social, cultural and educational facility. The vision of the founders was to create a mosque to serve as community center as well as a place to worship. It is estimated that on any Friday night the mosque serves 600 to 700 worshipers. During the week the Center sponsors lectures, family counseling, a school and other activities.
- 2. Cash and Cash Equivalents** - For the purpose of the statement of cash flows, cash and cash equivalents consists of cash in financial institutions and excludes deposit in money market funds and other cash in brokerage accounts, which are considered to be part of investments on the statement of financial position.
- 3. Basis of Presentation** - The financial statements have been prepared in conformity with the disclosure requirements of generally accepted accounting principles for non-profit organizations. Under these standards, net assets and revenues, expenses, gains, and losses are classified on the existence or absence of donor-imposed restrictions.

Accordingly, the organization's net assets and changes thereto are classified and reported as followed:
- 4. Unrestricted Net Assets** - This classification contains net assets that the organization has discretionary control over. Designated net assets are restricted by the Organization, but do not meet the definition of restricted assets.

Temporarily Restricted Net Assets - Includes net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization with the passage of time.

Permanently Restricted Net Assets - Includes those resources subject to a donor-imposed restriction that they be maintained permanently.

As of December 31, 2020, the Organization had \$1,095,580 in unrestricted net assets no temporarily restricted net assets and no permanently restricted assets.
- 5. Estimates** - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from

those estimates.

6. **Cash and Cash Equivalents** -All highly liquid investments with a maturity of three months or less are considered cash equivalents.
7. **Property and Equipment** - Property and Equipment are recorded at cost or, in the case of contributed property, at the fair market value at the date of contribution. Depreciation on equipment is computed using the straight-line method over an estimated useful life of three to thirty-nine years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected in income for the period. The cost of repairs and maintenance is charged against income as incurred.
9. **Revenue Recognition** - The organization has adopted the revenue recognition requirements under generally accepted accounting principles for contributions received and contributions made. As such, contributions are recognized as revenue when they are received or unconditionally pledged. Program Income, consisting of revenue from contributions, Islamic school tuition, ACH deposits, AAIC Dugsi and other resources, is recorded as revenue when it is earned.

Unrestricted, Temporarily Restricted and Permanently Restricted Revenue and Support - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and or nature of any donor restrictions. Support that is restricted by donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as restricted support and then released from restriction.
10. **Contributed Support** - Contributions are recognized when the donor makes a promise to give; that is, in substance, unconditional. Contribution receivable represent amounts committed by donors that have not been received by the Organization. The Organization used the allowance method to determine uncollectable contributions receivable. Unconditional promises to give due in next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. The Organization had no contributions receivable at December 31, 2020.
11. **Grants** – Grants and other contributions of cash and other assets are reported as temporary restricted support if they are received with donor stipulations that the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

- 12. Endowment** - Endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are recorded in unrestricted net assets. Investment earnings with donor restriction are recorded in temporarily or permanently restricted net assets based on the nature of the restrictions.
- 13. Donated Services, Materials, Equipment** - Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded at the fair values in the period received.
- 14. Functional Expenses** - Operating expenses directly identifiable with a functional area are charged to that area and where expenses affect more than one area, they are allocated on the basis of ratios determined by management.
- 15. Income Taxes** - The Organization is exempt from federal and state income taxes as organizations described under Section 501(C)(3) of the Internal Revenue Code and section of the Minnesota Statute.
- 16. In-Kind Support** -The Organization records in-kind contributions at fair market value at the date of the donation. In-kind contributions consist of donated books, printing materials, and prints received. There were no in-kind contributions in 2020.
- 17. Program Services** - The organization carries out activities promoting Islamic teaching and propagating Islamic values. Such activities include Education, Youth programs, family counseling, holding annual conferences, seminars, and workshops. Program services expenses totaled \$1,680,636 for the year ended December 31, 2020.