

Boston Islamic Seminary, Inc.

Financial Statements

Year Ended June 30, 2022

Prepared By

W.A. Leonard & Company, P.C.
Certified Public Accountants

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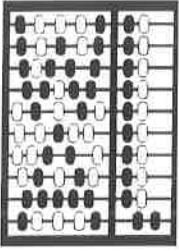
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W. A. LEONARD & COMPANY, P.C.

Certified Public Accountants

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Independent Accountants' Review Report

Board of Directors
Boston Islamic Seminary, Inc.
60 William Street
Chelsea, MA 02150

We have reviewed the accompanying financial statements Boston Islamic Seminary, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

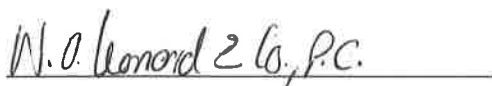
Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Respectfully submitted,



W.A. Leonard & Company, P.C.

Certified Public Accountants

Norwood, Massachusetts

November 8, 2022

Financial Statements

BOSTON ISLAMIC SEMINARY INC
Statement of Financial Position
As of June 30, 2022

Assets

Current Assets	
Cash	\$ 771,326
Investment	32,521
Accounts Receivable - Net	<u>14,150</u>
Total Current Assets	<u>\$ 817,997</u>
Other Current Assets	
Security Deposit	<u>\$ 3,500</u>
Total Current Assets	<u>\$ 3,500</u>
Total Assets	<u>\$ 821,497</u>

Liabilities and Net Assets

Current Liabilities	
Account Payable	\$ 7,727
Payroll Taxes Payable	7,752
Loans Payable	<u>75,000</u>
Total Current Liabilities	<u>\$ 90,479</u>
Net Assets	
Accumulated Other Comprehensive Income (Loss)	(14,947)
Net Assets Without Donor Restriction	<u>745,965</u>
Total Net Assets	<u>\$ 731,018</u>
Total Liabilities and Net Assets	<u>\$ 821,497</u>

BOSTON ISLAMIC SEMINARY INC
Statement of Activities and Changes in Net Assets
For Year Ended June 30, 2022

Changes in Net Assets Without Donor Restriction	
Revenue and Support	
Tuition	\$ 91,414
Donation Income	<u>345,218</u>
Total Revenue and Support	\$ <u>436,632</u>
Operating Expenses	
Salaries	\$ 242,189
Payroll Taxes	22,506
Medical Insurance	17,059
Consultant	13,374
Instructors	57,012
Rent	42,000
Credit Card Fee	7,915
Dues & Subscription	12,615
Advertising	5,102
Workman Comp	2,407
Travel Expense	3,543
Software Subscriptions	9,330
Fundraising Events	1,334
Miscellaneous Expense (income)	85
Licensing Fee	205
Professional Fee	25,722
Postage & Delivery	85
Investment Fees	812
Annual Report	104
Services	<u>604</u>
Total Operating Expenses	\$ <u>464,003</u>
Operating Income (Loss)	\$ <u>(27,371)</u>
Other Income (Expenses)	
Interest Income	\$ 191
Investment Income-Dividends	<u>929</u>
Total Other Income (Expenses)	\$ <u>1,120</u>
Increase /(Decrease) in Net Assets Without Donor Restriction	\$ <u>(26,251)</u>
Net Assets Without Donor Restrictions at Beginning of the Year	\$ <u>772,216</u>
Net Assets Without Donor Restriction at End of Year	\$ <u><u>745,965</u></u>

See Independent Accountants' Review Report
See Accompanying Notes to the Financial Statements

BOSTON ISLAMIC SEMINARY INC
Statement of Cash Flows
For the Year Ended June 30, 2022

Cash Flows from Operating Activities		
Net Income (Loss)	\$	(26,251)
(Increase) Decrease in Operating Assets:		
Accounts Receivable		(14,150)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable		125
Other Liabilities		(270,106)
Total Adjustments	\$	<u>(284,131)</u>
Net Cash Provided By (Used In) Operating Activities	\$	<u>(310,382)</u>
Cash Flows from Investing Activities		
Proceeds from Sales of Marketable Securities	\$	<u>74,289</u>
Net Cash Provided By (Used In) Investing Activities	\$	<u>74,289</u>
Net Increase (Decrease) In Cash	\$	(236,093)
Cash, Beginning of Year		<u>1,007,419</u>
Cash, End of Year	\$	<u><u>771,326</u></u>
Supplemental Disclosures:		
Interest Paid During Year	\$	<u>0</u>
Income Taxes Paid During Year	\$	<u>0</u>

Boston Islamic Seminary, Inc.
Statements of Functional Expenses
For Year Ended June 30, 2022

	<u>Program Expenses</u>	<u>Fundraising Expenses</u>	<u>General & Administrative Expenses</u>	<u>Total</u>
Advertising and Promotion	\$ 5,102	-	-	\$ 5,102
Annual Report	104	-	-	104
Credit Card Fees	7,915	-	-	7,915
Consultant	13,374	-	-	13,374
Dues & Subscription	12,615	-	-	12,615
Fundraising Events	-	1,334	-	1,334
Instructors	57,012	-	-	57,012
Insurance	2,407	-	-	2,407
Licensing Fee	-	-	205	205
Medical Insurance	-	-	17,059	17,059
Miscellaneous	85	-	-	85
Other Services	604	-	-	604
Payroll Expense	-	-	242,189	242,189
Payroll Taxes	-	-	22,506	22,506
Postage & Delivery	85	-	-	85
Professional Fees	-	-	25,722	25,722
Rent	-	-	42,000	42,000
Software Subscription	9,330	-	-	9,330
Investment Fee	-	-	812	812
Travel Expense	3,543	-	-	3,543
Total	<u>112,176</u>	<u>1,334</u>	<u>350,493</u>	<u>464,003</u>

Notes to Financial Statements

Boston Islamic Seminary, Inc
Notes to the Financial Statements
June 30, 2022

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

A. Nature of Activities

Boston Islamic Seminary, Inc (the Organization) was incorporated under the laws of the Commonwealth of Massachusetts on July 1, 2018. Our mission is to prepare exemplary and professional American Muslim religious leaders arises from our belief that Islam is relevant for all times and all places, but that the needs of people and the best application of Islamic principles vary by context. Our goal is to train our students to become deeply conversant with the Qur'an, Sunnah and the scholarly tradition of Islam as it has been elaborated over time, as well as the history and socio-cultural context that shapes Islam in America. Through our educational programs we seek to provide American Muslims with the tools required to serve communities with compassion in a variety of roles. We believe that Muslims should be vibrant members of America's pluralistic society, working collaboratively with people of other faiths on matters of common concern towards a better world for all.

B. Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; consequently, revenues are recognized when earned, and expenses are recognized when incurred.

C. Basis of Presentation

In accordance with Financial Accounting Standards Board - Accounting Standards Codification No. 958 formerly known as SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

D. Use of Estimates

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

E. Donated services

No amounts have been reflected in the statements for donated services because they did not meet the criteria for recognition under Financial Accounting Standards Board - Accounting Standards Codification No. 310 formerly known as SFAS No. 116.

F. Contributions

Contributions received are recorded based on existence or absence of donor-imposed restrictions. For the year ended June 30, 2022 all contributions are unrestricted.

G. Income Taxes

The Organization is a not-for-profit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

See Independent Accountants' Review Report.

Boston Islamic Seminary, Inc
Notes to the Financial Statements
June 30, 2022

Note 2 – Cash Balance

Certain cash balances maintained by the School periodically exceed the limit of insurance coverage provided by the Federal Deposit Insurance Corporation. Management is of the opinion that the risk of loss is minimal.

Note 3 – Compensated Absences

Due to a lack of materiality and inability to determine compensated absences, an accrual has not been provided for on these financial statements.

Note 4 – Current Liabilities

The accrued expenses of \$7,752 consisted of payroll taxes and small amounts owed charged on credit card for the year ending June 30, 2022.

Note 5 – Financial Statement Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions which the School may use at its discretion. Available for operations included those net assets available for the general operating support and the net investment in property, plant, and equipment.

Net Assets With Donor Restrictions – Net assets with donor-imposed restrictions that may or will be met by actions of the School and/or the passage of time or be maintained in perpetually by the organization.

As of June 30, 2022; there were no net assets with donor restrictions.

Note 6 – Income Taxes

Boston Islamic Seminary, Inc., is exempt from federal income tax pursuant to IRC 501(C)(3) and, as such, files nonprofit tax returns with the U.S. Treasury. The U.S. Treasury has the authority to examine tax filings and as of the date of this report; the periods that statutorily could be examined would include the years ended June 30, 2020 and 2021. No examination notifications have been received as of the date of this report. The Organization management is of the opinion there are no uncertain tax positions as articulated via FASB ASC 740.

Boston Islamic Seminary, Inc
Notes to the Financial Statements
June 30, 2022

Note 7 – Donated services

No amounts have been reflected in the financial statements for donated services because they did not meet the criteria for recognition under Financial Accounting Standards Board – Accounting Standards Codification #958. Management estimates that 5 volunteers helping in the academic administrative donated approximately 140 hours per person, per year.

Note 8 – Liquidity and Availability

Within one year of the June 30, 2022 balance sheet, financial assets available for general expenditure without donor or other restrictions consisted of the following:

Cash	\$ 771,326
Investment	32,521
Accounts Receivable- Net	<u>14,150</u>
Total	<u>\$ 817,997</u>

Note 9 – Subsequent Events

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of the coronavirus originating in Wuhan, China (the "Covid-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the Covid-19 as a pandemic, based on the rapid increase in exposure globally.

The full impact of the Covid-19 outbreak continues to evolve as of the date of the report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, donors, industry, and workforce. Given the daily evolution of the Covid-19 and global response to curb its spread the Organization is not able to estimate the effects of the Covid-19 outbreak on its results of operation, financial condition or the liquidity of fiscal year 2022.

Management has evaluated all subsequent events as of November 8, 2022; the date the financial statements were available to be issued; and has determined that there has been no activity that merits disclosure in these financial statements.