

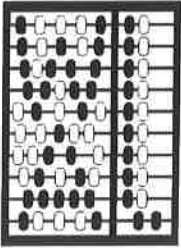
Boston Islamic Seminary, Inc.
Financial Statements
Years Ended June 30, 2024 and 2023

Prepared By

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

Boston Islamic Seminary, Inc.
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W. A. LEONARD & COMPANY, P.C.

Certified Public Accountants

1500 BOSTON-PROVIDENCE HIGHWAY • NORWOOD, MASSACHUSETTS • 02062

TELEPHONE: 781-762-2027 • FAX: 781-762-7681

19 NORFOLK AVENUE • EASTON, MASSACHUSETTS • 02375 • TELEPHONE: 508-238-4399 • FAX: 508-238-2087

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Boston Islamic Seminary, Inc.
Chelsea, MA 02150

Opinion

We have audited the accompanying financial statements of Boston Islamic Seminary, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024, and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position Boston Islamic Seminary, Inc. as of June 30, 2024, and 2023, and its activities and changes in net assets, functional expenses, 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Boston Islamic Seminary, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Boston Islamic Seminary, Inc.'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 auditors' 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 Boston Islamic Seminary, Inc.'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 Boston Islamic Seminary, Inc.'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.

W.A. Leonard And Company, PC
W.A. LEONARD & COMPANY, P.C.
Certified Public Accountants

Norwood, Massachusetts

November 27, 2024

Financial Statements

BOSTON ISLAMIC SEMINARY INC

Statements of Financial Position

June 30, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 535,100	\$ 656,854
Investments	42,134	36,580
Accounts receivable - net	14,148	6,737
Pledges receivable	8,170	-
Total current assets	599,552	700,171
OTHER ASSETS		
Security deposit	3,500	3,500
Total assets	603,052	703,671
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	97	386
Accrued expenses	11,111	10,000
Loans payable	-	75,000
Total current liabilities	11,208	85,386
NET ASSETS		
Net assets without donor restrictions	591,844	618,285
Total net assets	591,844	618,285
Total liabilities and net assets	\$ 603,052	\$ 703,671

BOSTON ISLAMIC SEMINARY INC

Statements of Activities and Changes in Net Assets

Years ended June 30, 2024 and 2023

	2024	2023
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES AND SUPPORT		
Tuition and fees	\$ 261,137	\$ 202,001
Less financial aid	(83,446)	(11,111)
Net tuition and fees	177,691	190,890
Contributions and donations	468,580	552,128
Total revenues and support	646,271	743,018
EXPENSES		
Program services	455,354	509,133
General and administrative	156,032	181,449
Fundraising	67,167	165,743
Total expenses	678,553	856,325
OTHER INCOME		
Investment income	5,841	574
Total other income	5,841	574
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(26,441)	(112,733)
Net assets without donor restrictions – beginning of year	618,285	731,018
Net assets without donor restrictions – end of year	\$ 591,844	\$ 618,285

BOSTON ISLAMIC SEMINARY INC

Statements of Functional Expenses

For the Years Ended June 30, 2024 and 2023

	2024			2023	
	Program Services	General and Administrative	Fundraising	Total	Total
Salaries and wages	\$ 145,610	\$ 52,865	\$ 45,542	\$ 244,017	\$ 364,766
Housing	156,865	31,337	6,748	194,950	126,750
Payroll taxes	10,891	3,955	3,406	18,252	29,434
Employee benefit	26,536	9,634	8,299	44,469	96,296
Instructors	101,768	-	-	101,768	101,605
Professional fees	-	19,094	-	19,094	34,318
Software subscriptions	-	6,237	-	6,237	13,547
Dues & subscriptions	-	-	-	-	13,578
Bank fees	-	16,092	-	16,092	11,970
Advertising and promotions	-	6,155	-	6,155	18,100
Fundraising events	-	-	3,172	3,172	41,690
Office expenses	6,226	6,315	-	12,541	738
Insurance	1,623	109	-	1,732	1,048
Bad debt	-	4,239	-	4,239	-
Travel expense	5,835	-	-	5,835	2,485
Total expenses	\$ 455,354	\$ 156,032	\$ 67,167	\$ 678,553	\$ 856,325

BOSTON ISLAMIC SEMINARY INC

Statements of Cash Flows

For The Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Change in net assets	\$ (26,441)	\$ (112,733)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Unrealized gains on investment	(5,244)	(3,742)
Decrease (increase) in operating assets and liabilities:		
Account receivable	(7,411)	7,413
Pledge receivable	(8,170)	-
Account payable	(289)	(7,341)
Accrued expense	1,111	2,248
Net cash used In operating activities	(46,444)	(114,155)
Cash flows from investing activities		
Increase in investments	(310)	(317)
Net cash applied to investing activities	(310)	(317)
Cash flows from financing activities		
Payment on note payable - repayment of loans	(75,000)	-
Net cash applied to financing activities	(75,000)	-
Net decrease in cash and cash equivalents	(121,754)	(114,472)
Beginning cash and cash equivalents	656,854	771,326
Ending cash and cash equivalents	\$ 535,100	\$ 656,854
Supplemental Schedule of Noncash Financing Activites		
Loan forgiveness in exchange for cancellation of pledge receivable	\$ 10,000	-

Notes to the Financial Statements

BOSTON ISLAMIC SEMINARY, INC.

Notes to the Financial Statements

June 30, 2024 and 2023

Note 1 Nature of Activities

Boston Islamic Seminary, Inc (the Seminary) 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 which 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 historical 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.

Note 2 Significant Accounting Policies

Basis of Accounting

The financial statements of the Seminary have been prepared on the accrual basis of accounting.

Financial Statement Presentation

The Seminary has adopted the Financial Accounting Standards Board's Accounting Standard Update- (ASU) 2016-14, "Presentation of Financial Statements of Not-For-Profit Entities" (Topic 958). The ASU is intended to improve net asset classification requirements, as well as information presented in financial statements and notes about a not-for-profit entity's liquidity and availability of resources, and its expenses. The Seminary has adopted and implemented the provisions of ASU.

Under the ASU, the Seminary is required to present in its statements of financial position and changes in net assets, two classes of net assets based on the existence or absence of donor-imposed restrictions as discussed below.

Net Assets Without Donor Restrictions – Net assets available for use in general operations are not subject to donor restrictions. At its discretion, the Board of Directors may designate from net assets without donor restrictions amounts to be used for specific purposes.

Net Assets With Donor Restrictions – Net assets are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met with the passage of time, the occurrence of certain events, or by the use of the funds as specified by the donor. Other donor-imposed restrictions may be perpetual in nature where the donor stipulates that the funds be maintained in perpetuity.

Donor restricted support is recorded as "net assets with donor restriction" when received or pledged. When a temporary donor-imposed restriction expires, either by use of the funds for the specified purpose, or by the expiration of a time restriction, related amounts of "net assets with donor restrictions" are reclassified to "net assets without donor restrictions" and reported in the statement of activities and changes in net asset as "net assets released from restrictions". There was no net asset with donor restrictions in 2024 and 2023.

BOSTON ISLAMIC SEMINARY, INC.

Notes to the Financial Statements
June 30, 2024 and 2023

Note 2 Significant Accounting Policies (continued)

Use of Estimates

In preparing Seminary's financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent 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.

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.

Fair Value Measurements

Fair Value Measurements follows the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 820, "Fair Value Measurements", for assets and liabilities that are measured and recorded at fair value on a recurring basis, principally its investments in marketable securities. This standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements.

Fundraising

Fundraising relates to the activities of raising general and specific contributions to the Seminary and promoting special events. Fundraising expenses as a percentage of total expenses and for the years ended June 30, 2024, and 2023, respectively. The ratio of expenses to amounts raised is computed using actual expenses on an accrual basis.

Functional Allocation of Expenses

The cost of providing various programs and activities has been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to program and fundraising. Management and general includes those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Seminary.

Payroll and associated costs are allocated to the functions based upon time studies. Occupancy costs are allocated based upon square footage.

Cash

The Seminary considers all highly liquid investments purchased with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents.

The Seminary maintains its cash balances at several financial institutions. The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits; however, the Seminary has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of June 30, 2024.

See independent auditors' report

BOSTON ISLAMIC SEMINARY, INC.

Notes to the Financial Statements

June 30, 2024 and 2023

Note 2 Significant Accounting Policies (continued)

Account Receivable

When considered necessary by management, accounts receivable are stated net of an allowance for doubtful accounts, which would be reported on the Seminary's statement of financial position. The allowance is established via a provision for credit losses charged to operations. On a periodic basis, management evaluates its account receivable and establishes or adjusts its allowance to an amount that it believes will be adequate to absorb possible losses on accounts that may become uncollectible, based on evaluation of the collectability of individual accounts, the Seminary's history of prior loss experience, and on current economic conditions. Accounts are written off and charged against allowance when management believes that the collectability of the specific account is unlikely.

Pledges Receivable

Pledges receivables represent promises to give. Pledges are reported at their net realizable value and classified as current if they are scheduled for payment within one-year, and non-current when expected payment date exceeds one year. As of June 30, 2024, all pledges are expected to be collected within one year. Management periodically reviews specific promises to give to determine if any balances are uncollectable. Management believes that all receivables are collectable; therefore, no allowance for credit losses has been established.

Investments

Investments in marketable equity securities with a readily determinable fair value and all debt securities are reported at fair value, with unrealized gains and losses reflected in the statement of activities.

Revenue Recognition

The Seminary earns support and revenue as follows:

Tuition Revenue - A substantial portion of the Seminary's revenue is derived from student tuition and fees. The seminary satisfies its performance obligations for tuition and fees evenly over the contract term, which is the academic year as instruction is provided. The stated rates do not vary over the contracts; therefore, the contracts do not contain variable consideration.

The Seminary's revenue is satisfied over time. There are no financing components in the Seminary's revenue stream and payments are due under one year.

Contributions - In accordance with ASC Subtopic 958-605, Revenue Recognition, the Seminary must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Seminary should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

BOSTON ISLAMIC SEMINARY, INC.

Notes to the Financial Statements

June 30, 2024 and 2023

Note 2 Significant Accounting Policies (continued)

Revenue Recognition (continued)

Contributions without donor restrictions are recognized as revenue when received or unconditionally pledged. Contributions with donor restrictions are recorded as revenues and net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as services are performed and costs are incurred pro-rata over the period covered by the grant or contribution as time restrictions lapse. Contributions with donor restrictions received and satisfied in the same period are included in grants and contributions without donor restrictions.

Special Events - Special event revenue is primarily derived from contributions collected and fees charged for admission at various sponsored events. Special events revenue is recognized when earned and is shown net of related direct expenses in the accompanying statement of activities.

Contributed Services and Gifts in Kind

Donated materials are reported as contributions in the financial statements at their estimated fair values at the time of receipt. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by Seminary. Volunteers also provided fundraising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Tax Status

The Seminary qualifies as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is generally not subject to income tax. However, income from certain activities not directly related to the Seminary's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Seminary is not a private foundation under Section 509(a)(1) of the IRC. For the years ended June 30, 2024, and 2023, there was no liability for tax on unrelated business income.

Generally, the Seminary's information returns remain open for possible examination for three years after the filing date. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2020 remain open. As June 30, 2024, the Seminary believes that there are no uncertain tax positions with any of its open tax years.

Summarized Financial Information for 2023

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Also, the financial statements do not include a full presentation of the statement of functional expenses, as certain prior year summarized comparative information is presented in total but not by functional classification. In addition, the financial statements do not include full financial statement disclosures for the prior year. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Seminary's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

BOSTON ISLAMIC SEMINARY, INC.

Notes to the Financial Statements

June 30, 2024 and 2023

Note 2 Significant Accounting Policies (continued)

Statements of Cash Flows

For the purpose of the statements of cash flows; cash consists of a bank checking account. There are no restrictions on withdrawals.

Note 3 Investments

Valuation techniques used to measure the fair value of investments in marketable securities maximize the use of observable inputs and minimize the use of unobservable inputs under a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The three-tiers are defined under generally accepted accounting principles as:

Level 1 - Observable inputs such as quoted prices in active markets.

Level 2 - Inputs other than Level 1 inputs that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.

Level 3 - Unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions, which are significant to the fair value measurement.

The following is a schedule of investments in marketable securities at fair value, by level within the fair value hierarchy and by type as June 30, 2024 and 2023.

2024					
	Cost	Level 1	Level 2	Level 3	Market total
Equity Securities	\$ 30,601	\$ 42,134	\$ -	\$ -	\$ 42,134

2023					
	Cost	Level 1	Level 2	Level 3	Market total
Equity Securities	\$ 31,112	\$ 36,580	\$ -	\$ -	\$ 36,580

Net investment income consisted of the following for the years ended June 30, 2024 and 2023.

	2024	2023
Interest and dividends	\$ 591	\$ 478
Realized and unrealized gain on investments	5,250	96
Net investment income	\$ 5,841	\$ 574

BOSTON ISLAMIC SEMINARY, INC.

Notes to the Financial Statements

June 30, 2024 and 2023

Note 4 Loan payable

Loans payables consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
\$50,000 unsecured, non-interest-bearing term note was due November 11, 2021. The loan was due on demand. The note was paid in full during December 2023	\$ -	\$ 50,000
\$25,000 unsecured, non-interest-bearing term note due December 20, 2025. The loan was due on demand. \$15,000 of the note was paid during December 2023 and \$10,000 was forgiven in exchange for a cancellation of a pledged amount of \$10,000.	-	25,000
	<u>\$ -</u>	<u>\$ 75,000</u>

Note 5 Liquidity and availability of resources

The following reflects the Seminary's financial assets as of June 30, 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year from the statement of financial position date.

Financial assets at year end	
Cash	\$ 535,100
Investment	42,134
Accounts receivable - net	14,148
Pledges receivable	8,170
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 599,552</u>

Note 6 Subsequent Events

The Seminary has performed an evaluation of subsequent events through November 27, 2024, which is the date the Project's financial statements were available to be issued. No material subsequent events have occurred since June 30, 2024, that required recognition or disclosure in these financial statements.