Boston Islamic Seminary, Inc.

Financial Statements

Years Ended June 30, 2026 and 2025

Prepared By

Leonard Noor & Company, P.C.
Certified Public Accountants

Boston Islamic Seminary, Inc.
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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, 2026, and 2025, 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, 2026, and 2025, 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.

Leonard Noor and Company, Pc

LEONARD NOOR & COMPANY, P.C.
Certified Public Accountants

Norwood, Massachusetts
October 27, 2026

Financial Statements

BOSTON ISLAMIC SEMINARY INC

Statements of Financial Position
June 30, 2026 and 2025

		2026		2025
ASSETS				
CURRENT ASSETS				
Cash	$	**677,178**	$	686,538
Investments		**115,301**		48,265
Accounts receivable - net		**29,598**		23,524
Pledges receivable		-		25,000
Total current assets		**822,077**		783,327
Total assets	$	**822,077**	$	783,327
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	$	**203**	$	871
Accrued expenses		**12,356**		14,884
Total current liabilities		**12,559**		15,755
NET ASSETS				
Net assets without donor restrictions		**809,518**		767,572
Total net assets		**809,518**		767,572
Total liabilities and net assets	$	**822,077**	$	783,327

See accompanying independent auditors' report and notes to financial statements.

BOSTON ISLAMIC SEMINARY INC

Statements of Activities and Changes in Net Assets
Years ended June 30, 2026 and 2025

	2026	2025
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES AND SUPPORT		
Tuition and fees	$ 282,996	$ 259,579
Less financial aid	(60,107)	(73,300)
Net tuition and fees	222,889	186,279
Contributions and donations	291,135	517,254
Total revenues and support	514,024	703,533
EXPENSES		
Program services	307,953	326,885
General and administrative	135,455	132,217
Fundraising	61,383	75,166
Total expenses	504,791	534,268
OTHER INCOME		
Investment income	32,713	6,463
Total other income	32,713	6,463
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	41,946	175,728
Net assets without donor restrictions – beginning of year	767,572	591,844
Net assets without donor restrictions – end of year	$ 809,518	$ 767,572

See accompanying independent auditors' report and notes to financial statements.

BOSTON ISLAMIC SEMINARY INC

Statements of Functional Expenses
For the Years Ended June 30, 2026 and 2025

	2026				2025
	Program Services	General and Administrative	Fundraising	Total	Total
Salaries and wages	$ 55,274	$ 41,714	$ 38,869	$ 135,857	$ 164,933
Housing	127,000	19,688	4,563	151,250	144,000
Payroll taxes	5,115	3,860	3,597	12,572	14,546
Employee benefit	-	-	-	-	7,231
Instructors	96,609	-	-	96,609	106,669
Professional fees	-	23,859	-	23,859	27,562
Software subscriptions	-	16,766	-	16,766	13,017
Bank fees	-	8,598	-	8,598	11,553
Advertising and promotions	-	1,140	-	1,140	7,278
Fundraising events	-	-	-	-	20,544
Office expenses	-	11,210	-	11,210	4,654
Insurance	1,630	-	-	1,630	1,800
Student programming	22,325	-	-	22,325	-
Bad debt	-	8,000	-	8,000	-
Travel expense	-	621	14,354	14,975	10,481
Total expenses	307,953	135,455	61,383	504,791	534,268

See accompanying independent auditors' report and notes to financial statements.

BOSTON ISLAMIC SEMINARY INC

Statements of Cash Flows
For the Years Ended June 30, 2026 and 2025

	2026	2025
Cash flows from operating activities		
Change in net assets	**$ 41,946**	$ 175,728
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Unrealized gains on investment	**(14,381)**	(5,681)
Decrease (increase) in operating assets and liabilities:		
Account receivable	**(6,074)**	(9,376)
Pledge receivable	**25,000**	(16,830)
Security deposit	**-**	3,500
Account payable	**(668)**	774
Accrued expense	**(2,528)**	3,773
Net cash provided by operating activities	**43,295**	151,888
Cash flows from investing activities		
Increase in investments	**(52,655)**	(450)
Net cash applied to investing activities	**(52,655)**	(450)
Net (decrease) increase in cash and cash equivalents	**(9,360)**	151,438
Beginning cash and cash equivalents	**686,538**	535,100
Ending cash and cash equivalents	**$ 677,178**	$ 686,538

Notes to the Financial Statements

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 2026 and 2025.

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, 2026, and 2025, 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, 2026.

Note 2 Significant Accounting Policies (continued)

Account Receivable
When considered necessary by management, accounts receivable are stated net of an allowance for credit losses, 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.
The Seminary recorded as allowance for credit losses of $8,000 for the year ended June 30, 2026. There was no allowance for credit losses for the year ended June 30, 2025.

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, 2026, there were no pledges receivable. As of June 30, 2025, the Seminary had $25,000 in pledges receivable.

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 rates stated 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 barriers, 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.

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, 2026, and 2025, 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 2022 remain open. As June 30, 2026, the Seminary believes that there are no uncertain tax positions with any of its open tax years.

Summarized Financial Information for 2025
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, 2025, from which the summarized information was derived.

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 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, 2026, and 2025.

	2026				
	Cost	Level 1	Level 2	Level 3	Market total
Equity Securities	**$84,630**	**$115,301**	**$ -**	**$ -**	**$115,301**

	2025				
	Cost	Level 1	Level 2	Level 3	Market total
Equity Securities	$ 31,974	$ 48,265	$ -	$ -	$ 48,265

Net investment income consisted of the following for the years ended June 30, 2026, and 2025.

	2026	2025
Interest and dividends	**$ 1,879**	$ 720
Realized gains on investments	**16,453**	-
Unrealized gain on investments	**14,381**	5,743
Net investment income	**$ 32,713**	$ 6,463

Note 4 Liquidity and availability of resources

The following reflects the Seminary's financial assets as of June 30, 2026, 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	$ 677,178
Investment	115,301
Accounts receivable - net	29,598
Financial assets available to meet cash needs for general expenditures within one year	$ 822,077

Note 5 Subsequent Events

The Seminary has performed an evaluation of subsequent events through October 27, 2026, which is the date the Project's financial statements were available to be issued. No material subsequent events have occurred since June 30, 2026, that required recognition or disclosure in these financial statements.