



Financial Statements

As of and for the years ended December 31, 2024 and 2023

Muslim Aid America dba Muslim Aid USA

McLean, Virginia



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Muslim Aid USA

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Independent Auditors' Report

To the Board of Directors
Muslim Aid America dba Muslim Aid USA
McLean, Virginia

Opinion

We have audited the accompanying financial statements of Muslim Aid America dba Muslim Aid USA ("Muslim Aid USA") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, 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 aspects, the financial position of Muslim Aid USA 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 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 in our report. We are required to be independent of Muslim Aid USA 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 Muslim Aid USA'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, including omissions, 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 audits 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 Muslim Aid USA'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 Muslim Aid USA'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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Altruic Advisors, CPAs

Certified Public Accountants

Plymouth, Michigan
September 2, 2025

Muslim Aid USA

Statements of Financial Position

December 31	2024	2023
ASSETS		
Current Assets		
Cash	\$ 4,541,011	\$ 6,151,216
Investments	337,254	275,685
Pledges and grants receivable, net	655,820	196,172
Total current assets	<u>5,534,085</u>	<u>6,623,073</u>
Equipment		
Computer equipment	9,749	9,749
Less accumulated depreciation	(7,279)	(5,700)
Net equipment	<u>2,470</u>	<u>4,049</u>
Total assets	<u>\$ 5,536,555</u>	<u>\$ 6,627,122</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 94,862	\$ 148,344
Accrued wages and payroll taxes	50,847	49,390
Grants payable	1,018,026	2,018,540
Total current liabilities	<u>1,163,735</u>	<u>2,216,274</u>
Net Assets		
Without donor restrictions	859,790	453,110
With donor restrictions	3,513,030	3,957,738
Total net assets	<u>4,372,820</u>	<u>4,410,848</u>
Total liabilities and net assets	<u>\$ 5,536,555</u>	<u>\$ 6,627,122</u>

Muslim Aid USA

Statement of Activities

Year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support			
Contributions and grants	\$ 822,486	\$ 9,578,454	\$ 10,400,940
In-kind contributions	(50,000)	16,333,045	16,283,045
Special events, net	248,280	-	248,280
Net assets released from restrictions			
Satisfaction of purpose restrictions	26,160,035	(26,160,035)	-
Release of timing restrictions	196,172	(196,172)	-
Total operating support	27,376,973	(444,708)	26,932,265
Operating Expenses			
Program services	25,314,417	-	25,314,417
Supporting services			
General and administrative	556,374	-	556,374
Fundraising	1,139,147	-	1,139,147
Total supporting services	1,695,521	-	1,695,521
Total operating expenses	27,009,938	-	27,009,938
Total operating support in excess (deficit) of operating expenses	367,035	(444,708)	(77,673)
Other Changes			
Investment income	34,586	-	34,586
Other income	5,059	-	5,059
Total other changes	39,645	-	39,645
Change in Net Assets	406,680	(444,708)	(38,028)
Net Assets, Beginning of Year	453,110	3,957,738	4,410,848
Net Assets, End of Year	\$ 859,790	\$ 3,513,030	\$ 4,372,820

The accompanying Notes are an integral
part of these financial statements

Muslim Aid USA

Statement of Activities

Year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support			
Contributions and grants	\$ 159,410	\$ 10,948,956	\$ 11,108,366
In-kind contributions	-	14,535,607	14,535,607
Special events, net	521,832	-	521,832
Net assets released from restrictions			
Satisfaction of purpose restrictions	25,174,239	(25,174,239)	-
Release of timing restrictions	463,999	(463,999)	-
Total operating support	26,319,480	(153,675)	26,165,805
Operating Expenses			
Program services	23,951,546	-	23,951,546
Supporting services			
General and administrative	548,270	-	548,270
Fundraising	1,282,310	-	1,282,310
Total supporting services	1,830,580	-	1,830,580
Total operating expenses	25,782,126	-	25,782,126
Total operating support in excess (deficit) of operating expenses	537,354	(153,675)	383,679
Other Changes			
Investment income	36,268	-	36,268
Change in Net Assets	573,622	(153,675)	419,947
Net Assets (Deficit), Beginning of Year	(120,512)	4,111,413	3,990,901
Net Assets, End of Year	\$ 453,110	\$ 3,957,738	\$ 4,410,848

The accompanying Notes are an integral
part of these financial statements

Muslim Aid USA

Statement of Functional Expenses

Year ended December 31, 2024

	Program Services					
	Education and Livelihood	Emergency Program	Food Security	Health Care	Orphan Support	Religious Dues
Salaries and wages	\$ 2,941	\$ 114,797	\$ 100,000	\$ 20,404	\$ 38,051	\$ 59,926
Benefits	1,412	55,131	48,024	9,799	18,274	28,779
Payroll taxes	256	10,010	8,719	1,779	3,318	5,225
Total personnel costs	4,609	179,938	156,743	31,982	59,643	93,930
In-kind contributions	-	-	-	16,283,045	-	-
Grants and program support	-	3,724,627	841,825	-	179,246	856,965
Advertising and marketing	1,058	572,358	157,408	1,042	34,982	110,175
Handling costs	-	90,071	-	-	-	301,327
Information technology	304	164,341	45,196	873	10,044	31,635
Copying, printing, and postage	221	119,665	32,910	636	7,314	23,035
Merchant and bank fees	196	106,362	29,192	564	6,487	20,431
Consulting and contracting fees	167	106,241	24,818	480	5,515	17,371
Other fundraising expenses	-	-	-	-	-	-
Travel	167	94,566	24,882	481	5,530	17,416
Occupancy	77	41,626	11,448	221	2,544	8,013
Professional fees	58	31,223	8,587	166	1,908	6,010
Licenses and dues	16	8,459	2,326	45	517	1,628
Miscellaneous	8	4,508	1,240	24	275	868
Office expenses	6	3,382	909	18	202	636
Insurance	2	1,247	343	7	76	240
Depreciation	-	-	-	-	-	-
Total expenses	\$ 6,889	\$ 5,248,614	\$ 1,337,827	\$ 16,319,584	\$ 314,283	\$ 1,489,680

The accompanying Notes are an integral
part of these financial statements

Muslim Aid USA

Statement of Functional Expenses (continued)

Year ended December 31, 2024

	Program Services (continued)		Supporting Services			Total
	Wash Program	Total	General and Administrative	Fundraising	Total	Expenses
Salaries and wages	\$ 87,132	\$ 423,251	\$ 148,621	\$ 347,241	\$ 495,862	\$ 919,113
Benefits	41,845	203,264	71,375	166,761	238,136	441,400
Payroll taxes	7,597	36,904	12,959	30,277	43,236	80,140
Total personnel costs	136,574	663,419	232,955	544,279	777,234	1,440,653
In-kind contributions	-	16,283,045	-	-	-	16,283,045
Grants and program support	338,748	5,941,411	-	-	-	5,941,411
Advertising and marketing	56,707	933,730	-	392,382	392,382	1,326,112
Handling costs	-	391,398	-	-	-	391,398
Information technology	16,282	268,675	87,041	-	87,041	355,716
Copying, printing, and postage	11,856	195,637	43,058	-	43,058	238,695
Merchant and bank fees	10,515	173,747	55,005	-	55,005	228,752
Consulting and contracting fees	8,941	163,533	46,552	-	46,552	210,085
Other fundraising expenses	-	-	-	202,486	202,486	202,486
Travel	8,964	152,006	45,467	-	45,467	197,473
Occupancy	4,124	68,053	21,473	-	21,473	89,526
Professional fees	3,093	51,045	16,107	-	16,107	67,152
Licenses and dues	838	13,829	4,364	-	4,364	18,193
Miscellaneous	447	7,370	425	-	425	7,795
Office expenses	328	5,481	1,705	-	1,705	7,186
Insurance	123	2,038	643	-	643	2,681
Depreciation	-	-	1,579	-	1,579	1,579
Total expenses	\$ 597,540	\$ 25,314,417	\$ 556,374	\$ 1,139,147	\$ 1,695,521	\$ 27,009,938

The accompanying Notes are an integral
part of these financial statements

Muslim Aid USA

Statement of Functional Expenses

Year ended December 31, 2023

	Program Services					
	Education and Livelihood	Emergency Program	Food Security	Health Care	Orphan Support	Religious Dues
Salaries and wages	\$ 2,638	\$ 102,963	\$ 89,691	\$ 18,301	\$ 34,129	\$ 53,749
Benefits	779	30,400	26,481	5,403	10,077	15,869
Payroll taxes	202	7,901	6,882	1,404	2,619	4,124
Total personnel costs	3,619	141,264	123,054	25,108	46,825	73,742
In-kind contributions	-	11,295,662	-	3,239,945	-	-
Grants and program support	-	3,035,050	941,253	-	502,641	1,579,336
Advertising and marketing	1,725	609,026	268,364	3,247	66,809	92,136
Handling costs	-	339,675	-	-	-	191,912
Copying, printing, and postage	-	4,904	156,825	-	-	-
Bad debt expense	-	-	-	-	-	-
Merchant and bank fees	-	3,802	6,602	-	-	2,948
Travel	-	26,254	-	-	-	-
Other fundraising expenses	-	-	-	-	-	-
Consulting and contracting fees	122	41,337	17,865	229	4,717	8,380
Occupancy	48	15,685	5,686	91	1,867	3,317
Professional fees	58	18,868	6,847	109	2,248	3,994
Licenses and dues	-	-	-	-	-	-
Information technology	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Office expenses	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Total expenses	\$ 5,572	\$ 15,531,527	\$ 1,526,496	\$ 3,268,729	\$ 625,107	\$ 1,955,765

The accompanying Notes are an integral
part of these financial statements

Muslim Aid USA

Statement of Functional Expenses (continued)

Year ended December 31, 2023

	Program Services (continued)		Supporting Services			Total Expenses
	Wash Program	Total	General and Administrative	Fundraising	Total	
Salaries and wages	\$ 78,150	\$ 379,621	\$ 133,300	\$ 311,446	\$ 444,746	\$ 824,367
Benefits	23,074	112,083	39,357	91,955	131,312	243,395
Payroll taxes	5,997	29,129	10,228	23,898	34,126	63,255
Total personnel costs	107,221	520,833	182,885	427,299	610,184	1,131,017
In-kind contributions	-	14,535,607	-	-	-	14,535,607
Grants and program support	800,476	6,858,756	-	-	-	6,858,756
Advertising and marketing	118,501	1,159,808	-	195,189	195,189	1,354,997
Handling costs	-	531,587	-	-	-	531,587
Copying, printing, and postage	-	161,729	58,911	78,695	137,606	299,335
Bad debt expense	-	-	-	262,721	262,721	262,721
Merchant and bank fees	-	13,352	3,891	219,984	223,875	237,227
Travel	-	26,254	135,642	-	135,642	161,896
Other fundraising expenses	-	-	-	98,422	98,422	98,422
Consulting and contracting fees	6,490	79,140	17,079	-	17,079	96,219
Occupancy	2,569	29,263	53,480	-	53,480	82,743
Professional fees	3,093	35,217	15,676	-	15,676	50,893
Licenses and dues	-	-	25,711	-	25,711	25,711
Information technology	-	-	24,992	-	24,992	24,992
Miscellaneous	-	-	19,711	-	19,711	19,711
Insurance	-	-	5,240	-	5,240	5,240
Office expenses	-	-	3,362	-	3,362	3,362
Depreciation	-	-	1,690	-	1,690	1,690
Total expenses	\$ 1,038,350	\$ 23,951,546	\$ 548,270	\$ 1,282,310	\$ 1,830,580	\$ 25,782,126

The accompanying Notes are an integral part of these financial statements

Muslim Aid USA

Statements of Cash Flows

Increase (Decrease) in Cash

Years ended December 31	2024	2023
Cash Flows From Operating Activities		
Change in net assets	\$ (38,028)	\$ 419,947
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	1,579	1,690
Donated stock	(24,803)	(47,453)
Unrealized gains	(17,557)	(24,997)
Increase (decrease) from changes in assets and liabilities		
Pledges and grants receivable	(459,648)	267,827
Accounts payable	(53,482)	25,143
Accrued wages and payroll taxes	1,457	22,749
Grants payable	(1,000,514)	602,218
Net cash provided (used) by operating activities	<u>(1,590,996)</u>	<u>1,267,124</u>
Cash Flows From Investing Activities		
Net purchases of investments	(19,209)	(23,118)
Net cash used by investing activities	<u>(19,209)</u>	<u>(23,118)</u>
Net Increase (Decrease) in Cash	(1,610,205)	1,244,006
Cash, Beginning of Year	<u>6,151,216</u>	<u>4,907,210</u>
Cash, End of Year	<u>\$ 4,541,011</u>	<u>\$ 6,151,216</u>

The accompanying Notes are an integral
part of these financial statements

Muslim Aid USA

Notes to Financial Statements

December 31, 2024 and 2023

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization. Muslim Aid America dba Muslim Aid USA (“the Organization”) is a nonprofit organization, that provides help to people who are victims of natural disasters or conflict. The Organization also helps those who are suffering from poverty, hunger, disease, illiteracy, discrimination, homelessness, debt, unemployment, injustice, deprivation, or lack of skills and economic opportunities. The Organization's support is derived principally from contributions and grants.

Description of Program Services:

Education and Livelihood. Supports the building of classrooms, schools, WASH facilities, and greenhouses in communities around the world. These activities provide education support and sources of income.

Emergency Program. The Organization responds to various emergencies, natural and man-made, around the world. Food essentials and medical aid are provided as well as transitional shelters.

Food Security. Provides food and other essential items to internally displaced persons, refugees, and other poverty-stricken families.

Health Care. Supports various health, nutritional, medical commodities, and pharmaceuticals to communities around the world.

Orphan Support. The Organization provides a vital lifeline for many vulnerable young children all over the world. Projects include seasonal back-to-school, home repair, and religious dues.

Religious Dues. In Islam, it is tradition to pay various religious dues (Zakat, Sadaqah Jariyah, Zakat-Ul-Fitr, Fidyah/Kaffara, and Aqiqah). The Organization receives religious dues from Muslims and funds received are used to support the needy around the world.

WASH Program. Provides access to safe water for drinking and other purposes and deep water wells with solar and/or hand pumps. The project also secures laboratory testing of water from the drilled well to ensure that the water is safe for drinking.

Description of Supporting Services:

General and Administrative. Includes the functions necessary to provide support to the Organization's program activities. General and administrative activities include those that provide governance (board of directors), oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar activities that ensure an adequate working environment and an equitable employment program.

Fundraising. Provides the structure necessary to encourage and secure private financial support from individuals, foundations, governments, and corporations, including donations and pledges received during special events.

Muslim Aid USA

Notes to Financial Statements

December 31, 2024 and 2023

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

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.

Basis of Accounting. The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, they reflect all significant receivables, payables, and other liabilities.

Cash. Cash includes, but is not limited to, currency on hand, demand deposits with banks or financial institutions, and other accounts with general characteristics of demand deposits.

Investments. The Organization's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization's management determines the valuation policies utilizing information provided by the investment advisors and custodians. See *Fair Value Measurements*.

Unrealized gains and losses, if any, are calculated since the most recent financial statement reporting date. In the year that an investment is sold, unrealized gains and losses are calculated from the most recent financial statement reporting date through the date of sale. Therefore, realized gains and losses are generally not reported. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Fair Value Measurements. The Organization reports using fair value measurements, which requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access. |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none">- Quoted prices for similar assets or liabilities in active markets;- Quoted prices for identical or similar assets or liabilities in inactive markets;- Inputs other than quoted prices that are observable for the asset or liability;- Inputs that are derived principally from or corroborated by observable market data by correlation or other means. |

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Muslim Aid USA

Notes to Financial Statements

December 31, 2024 and 2023

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Fair Value Measurements (continued).

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Equity Securities. The Organization values securities with readily determinable market values at fair value as determined by quoted market prices on national securities exchanges valued at the closing price on the last business day of the fiscal year. Securities traded on the over-the-counter market are valued at the last reported bid price.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2024 and 2023.

In general, investments are exposed to various risks, such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

Pledges and Grants Receivable. Pledges and grants receivable are stated net of allowances for uncollectible accounts. Management provides for probable uncollectible accounts through a provision for bad debt expense and an adjustment to the allowance account based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a reduction to the allowance account and a corresponding reduction to the receivables account. As of December 31, 2024 and 2023, management has recorded an allowance for doubtful pledges of \$135,111. Conditional promises to give are recorded when the conditions on which they depend are substantially met.

Equipment. The Organization capitalizes all expenditures for equipment in excess of \$600 and a useful life of more than one year. Equipment is recorded at cost for purchased items, while repair and maintenance items are charged to expense as incurred. Donations of equipment are capitalized at their estimated fair value at the time of receipt. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Depreciation is calculated utilizing the straight-line method over the estimated useful lives of the assets, which is generally four to five years. Depreciation expense was \$1,579 and \$1,690 for the years ended December 31, 2024 and 2023, respectively.

Muslim Aid USA

Notes to Financial Statements

December 31, 2024 and 2023

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Impairment of Long-Lived Assets. In the event that facts and circumstances indicate that property and equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the years ended December 31, 2024 and 2023.

Leases. The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use ("ROU") lease assets, current portion of lease obligations, and long-term lease obligations on the Organization's statements of financial position. ROU lease assets represent the Organization's right to use an underlying asset for the lease term, and lease obligations represent the Organization's obligation to make lease payments arising from the lease. Operating ROU lease assets and obligations are recognized at the commencement date based on the present value of lease payments over the lease term. As the Organization's leases do not provide an implicit rate, the Organization uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The ROU lease asset also includes any lease payments made and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Basis of Net Asset Presentation. 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:

Net Assets Without Donor Restrictions. Net assets resulting from revenues generated, receiving contributions that have no donor stipulations, providing services, receiving rents, and receiving interest and other income, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions. Net assets resulting from gifts of cash or other assets that are received with donor stipulations that limit the use of the donated net assets, until the donor restriction expires, that is, until the stipulated time restriction ends or the purpose restriction is accomplished.

Contributions and Grants. Contributions and grants are recognized when the amounts are received. Donor-restricted contributions and grants are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the amounts are recognized.

Contributed Services and Supplies. Contributed services and supplies use are recognized at fair value and are recognized if the services received satisfy the criteria for recognition. The contributions of services are recognized if services received (a) create or enhance non-financial 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. Certain other volunteer services are not recorded in these financial statements as they do not meet the criteria for recognition. The Organization received donated goods for the years ended December 31, 2024 and 2023 (see Note 4).

Muslim Aid USA

Notes to Financial Statements

December 31, 2024 and 2023

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Advertising. The Organization expenses advertising costs, including donated advertising, as they are incurred. Total advertising expense for the years ended December 31, 2024 and 2023 was \$1,326,112 and \$1,354,997, respectively.

Income Taxes. The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private organization. Accordingly, no provision for income taxes has been made.

Functional Allocation of Expenses. Direct expenses have been allocated to the applicable program for which the expense was incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Subsequent Events. The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through September 2, 2025, the date at which the financial statements were available for release.

Note 2 – Fair Value Measurements

The following table summarizes the Organization's fair value of assets measured on a recurring basis, by fair value hierarchy, as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Investments				
Mutual funds	\$ 337,254	\$ -	\$ -	\$ 337,254
Total assets at fair value	<u>\$ 337,254</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 337,254</u>

The following table summarizes the Organization's fair value of assets measured on a recurring basis, by fair value hierarchy, as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Investments				
Mutual funds	\$ 274,570	\$ -	\$ -	\$ 274,570
Cash and cash equivalents	1,115	-	-	1,115
Total assets at fair value	<u>\$ 275,685</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 275,685</u>

Changes in Fair Value Levels. The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2024 and 2023, there were no significant transfers in or out of fair value levels.

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Notes to Financial Statements

December 31, 2024 and 2023

Note 2 – Fair Value Measurements (continued)

Net investment earnings consisted of the following for the years ended December 31:

	2024	2023
Investment income	\$ 17,029	\$ 11,271
Net unrealized gain on investments	17,557	24,997
	<u>\$ 34,586</u>	<u>\$ 36,268</u>

Note 3 – Net Assets with Donor Restrictions

The balances of net assets with donor restrictions at December 31, 2024 are as follows:

	January 1, 2024 Balance	Additions	Releases	December 31, 2024 Balance
<i>Purpose Restrictions:</i>				
Capacity and livelihood	\$ 15,883	\$ 11,091	\$ 33	\$ 26,941
Education program	41,078	7,582	3,799	44,861
Emergency fund	1,821,870	4,682,461	6,000,131	504,200
Feed the Needy	303,025	339,310	518,372	123,963
Food aid	313,272	344,091	332,005	325,358
Health care program	66,730	16,355,031	16,341,459	80,302
Orphan support	257,456	750,960	285,156	723,260
Qurbani	41,174	574,624	577,742	38,056
Religious dues	119,864	1,755,069	1,557,249	317,684
WASH program	781,214	435,460	544,089	672,585
<i>Time Restrictions:</i>	196,172	655,820	196,172	655,820
	<u>\$ 3,957,738</u>	<u>\$ 25,911,499</u>	<u>\$ 26,356,207</u>	<u>\$ 3,513,030</u>

The balances of net assets with donor restrictions at December 31, 2023 are as follows:

	January 1, 2023 Balance	Additions	Releases	December 31, 2023 Balance
<i>Purpose Restrictions:</i>				
Capacity and livelihood	\$ 15,620	\$ 263	\$ -	\$ 15,883
Education program	35,073	12,295	6,290	41,078
Emergency fund	1,667,587	16,523,056	16,368,773	1,821,870
Feed the Needy	326,126	896,679	919,780	303,025
Food aid	190,946	485,687	363,361	313,272
Health care program	45,869	3,272,199	3,251,338	66,730
Orphan support	220,214	716,079	678,837	257,456
Qurbani	23,647	443,462	425,935	41,174
Religious dues	254,708	1,940,730	2,075,574	119,864
WASH program	867,624	997,941	1,084,351	781,214
<i>Time Restrictions:</i>	463,999	196,172	463,999	196,172
	<u>\$ 4,111,413</u>	<u>\$ 25,484,563</u>	<u>\$ 25,638,238</u>	<u>\$ 3,957,738</u>

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Notes to Financial Statements

December 31, 2024 and 2023

Note 4 – In-Kind Contributions

In-kind contributions are as follows for the years ended December 31:

	2024	2023	Usage
Donated medical supplies	\$ 16,283,045	\$ 12,941,277	Programming
Donated clothing and hygiene supplies	-	1,594,330	Programming
	<u>\$ 16,283,045</u>	<u>\$ 14,535,607</u>	

The Organization received donated food and medical supplies that were valued using fair value of the items based on retail values that would be received for purchasing similar products in the McLean, Virginia area. No in-kind contributions were restricted. The Organization only uses donated medical supplies and goods for its own program activities.

Note 5 – Special Events

The Organization derived net support from the following special fundraising events during the year ended December 31, 2024:

	Palestine Event	Florida Event	Houston Palestine Event	Total
Support	\$ 76,082	\$ 254,045	\$ 51,606	\$ 381,733
Direct expenses	(71,753)	(48,448)	(13,252)	(133,453)
	<u>\$ 4,329</u>	<u>\$ 205,597</u>	<u>\$ 38,354</u>	<u>\$ 248,280</u>

The Organization derived net support from the following special fundraising events during the year ended December 31, 2023:

	Palestine Florida event	Turkey Emergency	Pakistan Emergency	Palestine Ohio events	Total
Support	\$ 238,935	\$ 255,804	\$ 163,211	\$ 88,889	\$ 746,839
Direct expenses	(38,025)	(8,429)	(137,824)	(40,729)	(225,007)
	<u>\$ 200,910</u>	<u>\$ 247,375</u>	<u>\$ 25,387</u>	<u>\$ 48,160</u>	<u>\$ 521,832</u>

Note 6 – Commitments

The Organization leases office space under operating lease agreements that expire from March 2025 through June 2026 with monthly payments ranging from \$2,856 to \$3,472. Rent expense, excluding utilities and maintenance, was \$77,926 for the year ending in December 31, 2024 and \$74,416 for the year ending in December 31, 2023.

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Notes to Financial Statements

December 31, 2024 and 2023

Note 6 – Commitments (continued)

Future annual minimum lease payments required under the noncancelable operating leases are as follows at December 31, 2024:

Year ended December 31	
2025	\$ 38,707
2026	14,146
	<u>\$ 52,853</u>

Note 7 – Retirement Plan

The Organization maintains a 401(k) plan covering all employees who have completed at least six months of service and are at least 18 years of age. The Organization makes a safe harbor matching contribution of 100% of an employee's deferrals up to \$3,000. Amounts contributed by the Organization were \$13,831 and \$6,322 for the years ended December 31, 2024 and 2023, respectively.

Note 8 – Liquidity and Availability of Resources

The Organization receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization has a liquidity policy to maintain current financial assets less current liabilities at a minimum of four months budgeted operating expenses. To achieve this target, the Organization forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended December 31, 2024 and 2023, the level of liquidity and reserves was managed within the policy requirements.

The Organization's financial assets available for general expenditures within one year are as follows at December 31:

	2024	2023
Financial assets at year-end:		
Cash	\$ 4,541,011	\$ 6,151,216
Investments	337,254	275,685
Pledges and grants receivable	<u>655,820</u>	<u>196,172</u>
Financial assets available for general expenditures within one year	<u>\$ 5,534,085</u>	<u>\$ 6,623,073</u>

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Notes to Financial Statements

December 31, 2024 and 2023

Note 8 – Liquidity and Availability of Resources (continued)

Substantially all of the Organization's net asset restrictions are generally released within the next fiscal year. The Organization anticipates that all net asset restrictions as of December 31, 2024 will be fully released during the next fiscal year.

Note 9 – Concentrations of Credit Risk

Support Concentration. The Organization had one donor who compromised 46% of total support for the year ended December 31, 2024. The Organization had two donors who compromised 51% of total support for the year ended December 31, 2023.

Bank Deposits. The Organization maintained cash balances in excess of federally insured limits at certain times during the years ended December 31, 2024 and 2023.