

**MUSLIM PUBLIC AFFAIRS  
COUNCIL FOUNDATION  
(A California Not-For-Profit Foundation)**

**FINANCIAL STATEMENTS**

**For The Year Ended  
December 31, 2022**

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LLP

Certified Public Accountants and Business Consultants

Member of American Institute of Certified Public Accountants and California Society of Public Accountants  
Participant in Quality Review Program of AICPA

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and  
To the Management of  
Muslim Public Affairs Council Foundation

### **Opinion**

We have audited the accompanying financial statements of the Muslim Public Affairs Council Foundation (the "Foundation") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and cash flows for the year 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 of the Foundation as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Change in Accounting Principle**

As discussed in Notes 2 and 4 to the financial statements, the Foundation changed its method of accounting for leases as of January 1, 2022 due to the adoption of Accounting Standard Codification Topic 842, Leases.

### **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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## INDEPENDENT AUDITOR'S REPORT (continued)

### **Auditor's 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 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 the Foundation'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 the Foundation'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.



Certified Public Accountants  
Sherman Oaks, California  
9/13/2023

**MUSLIM PUBLIC AFFAIRS COUNCIL FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2022**

ASSETS

CURRENT ASSETS	
Cash	\$ 1,382,756
Total current assets	1,382,756
INVESTMENTS	
OPERATING LEASE, RIGHT-OF-USE ASSET, net	313,498
	495,501
OTHER ASSETS	
Interest in net assets of Global Justice Endowment	2,132,163
TOTAL ASSETS	\$ 4,323,918

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts payable and accrued expenses	\$ 27,361
Operating lease liability, current portion	96,200
Total current liabilities	123,561
DEFERRED REVENUE	
OPERATING LEASE LIABILITY, net of current portion	200,000
	384,404
TOTAL LIABILITIES	707,965
NET ASSETS	
Without donor restrictions	1,483,790
With donor restrictions	2,132,163
TOTAL NET ASSETS	3,615,953
TOTAL LIABILITIES AND NET ASSETS	\$ 4,323,918

The accompanying notes are an integral part of these financial statements

**MUSLIM PUBLIC AFFAIRS COUNCIL FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2022**

	Without donor restrictions	With donor restrictions	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Donations/contributions	\$ 2,030,508	\$ -	\$ 2,030,508
Global Justice Endowment contribution	100,000	-	100,000
Consulting services	152,639	-	152,639
Decrease in interest of net assets of Global Justice Endowment	-	(164,527)	(164,527)
Total revenues, gains and other support	2,283,147	(164,527)	2,118,620
<b>FUNCTIONAL EXPENSES:</b>			
D.C. office	708,646		708,646
Hollywood, media, digital, convention	610,035		610,035
Western New York office	29,853		29,853
Los Angeles office administration	868,306		868,306
Fundraising and development	295,175		295,175
Total functional expenses	2,512,015	-	2,512,015
 <b>CHANGE IN NET ASSETS</b>	(228,868)	(164,527)	(393,395)
<b>NET ASSETS, at beginning of year</b>	1,712,658	2,296,690	4,009,348
 <b>NET ASSETS, at end of year</b>	\$ 1,483,790	\$ 2,132,163	\$ 3,615,953

The accompanying notes are an integral part of these financial statements

**MUSLIM PUBLIC AFFAIRS COUNCIL FOUNDATION  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ (393,395)
Adjustments to reconcile change in net assets to net cash (used-in) operating activities:	
Non-cash lease expense	(14,897)
Decrease in interest of net assets of Global Justice Endowment	164,527
Changes in current assets and current liabilities:	
Accounts payable and accrued expenses	13,460
Deferred revenue	<u>200,000</u>
Net cash (used-in) operating activities	<u>(30,305)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Net sale of investments	<u>61,664</u>
Net cash provided by investing activities	<u>61,664</u>
 <b>NET INCREASE IN CASH</b>	 31,359
 Cash, at beginning of year	 <u>1,351,397</u>
 Cash, at end of year	 <u><u>\$ 1,382,756</u></u>

The accompanying notes are an integral part of these financial statements

**MUSLIM PUBLIC AFFAIRS COUNCIL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 1** NATURE OF OPERATIONS

Muslim Public Affairs Council Foundation (the “Foundation”) is a 501(c)(3) nonprofit foundation, whose vision is to educate fellow Americans with an accurate understanding of Islam. The purpose of the Foundation is to engage in the research and development of issues related to human rights, democracy and pluralism; to educate all Americans regarding the teachings of Islam; and to serve the Muslim American Community and promote the Islamic values of mercy, justice, peace, human dignity, freedom, and equality for all.

**NOTE 2** SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Change in Accounting Principle

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842). The objective of this ASU, along with several related ASUs issued subsequently, is to increase transparency and comparability between organizations that enter into lease agreements. For lessees, the most significant change from the previous guidance is the requirement to recognize the right-of-use ("ROU") asset and lease liability on the statement of financial position for leases classified as operating leases. The standard also requires disclosures to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Foundation adopted the new guidance effective January 1, 2022.

(b) Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets, revenue, contributions, fundraising, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions.

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subjected to donor (or certain grantor) restrictions.



**MUSLIM PUBLIC AFFAIRS COUNCIL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

(b) Basis of Presentation - Continued

*Net Assets With Donor Restrictions* – Net assets subjected to donor - (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At December 31, 2022, the Foundation had \$2,132,163 in net assets with donor restrictions detailed in Note 3 of these financial statements.

(c) Management 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 the reported amounts of assets and liabilities and 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.

(d) Cash and Cash Equivalents

Cash equivalents include at times money market accounts and time deposits, all highly liquid instruments with original maturities of three months or less which are not securing any of the Foundation's obligations. The Foundation did not have any cash equivalents at December 31, 2022.

(e) Grants Receivable

Grants receivable are recorded at net realizable value consisting of the carrying amount less an allowance for uncollectible accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by regularly evaluating individual receivables and considering financial conditions, credit history, and current economic conditions. There were no grants receivable at December 31, 2022.

**MUSLIM PUBLIC AFFAIRS COUNCIL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(f) Adoption of Accounting Standard - Leases**

The Foundation applies Accounting Standards Codification (“ASC”) 842, Leases, in determining whether an arrangement is or contains a lease at the lease inception. An arrangement is considered to include a lease if it conveys the right to control the use of identified property, plant or equipment for a period of time in excess of twelve months in exchange for consideration. The Foundation defines control of the asset as the right to obtain substantially all of the economic benefits from use of the identified asset as well as the right to direct the use of the identified asset. The Foundation further determines the existing lease is an operating lease, which is included in right of use ("ROU") asset and lease liability in the statement of financial position. ROU assets represent the Foundation’s right to use leased assets over the term of the lease. Lease liabilities represent the Foundation’s contractual obligation to make lease payments and are measured at the present value of the future lease payments over the lease term. ROU assets are calculated as the present value of the future lease payments adjusted by any deferred rent liability and lease incentives. ROU assets and lease liabilities are recognized at the lease commencement date. The Foundation uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Foundation uses the incremental borrowing rate at the lease commencement date to determine the present value of the future lease payments. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. Lease expense is recognized on a straight-line basis over the lease term. To the extent a lease arrangement includes both lease and non-lease components, the components are accounted for separately.

As part of the transition to ASC 842, the Foundation uses the modified retrospective approach to measure and recognize the lease that existed at January 1, 2022. The Foundation elects to apply ASC 842 retrospectively at the beginning of the period of adoption through a cumulative effect adjustment as of January 1, 2022. The Foundation applies the short-term lease exemption of not recognizing a ROU asset and lease liability for leases that have terms of 12 months or less.

Under the modified retrospective approach, the adoption of ASC 842 resulted in the recognition of ROU asset and lease liability of \$505,907 as of January 1, 2022. There was no cumulative effect adjustment to the net assets without donor restrictions at the transition date.

**MUSLIM PUBLIC AFFAIRS COUNCIL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(g) Investments**

Under U.S. generally accepted accounting principles, the Foundation is required to record investments at fair value in the accompanying statement of financial position. Investment income or loss (including interest, dividends, realized gains or losses, and unrealized gains or losses on investments) are included in the accompanying statement of activities.

**(h) Contributions and Revenue Recognition**

Contributions received and unconditional promises to give are measured at their fair values and recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. The Foundation reports gifts of cash and other assets as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. When a donor's intended purpose is met or time restriction expires, the net assets with donor restrictions are transferred to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with donor restrictions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions. Grants and contracts that are conditioned upon certain performance requirements or other barrier, and a right of return, are initially recorded as deferred revenue, and upon the incurrence of the allowable qualifying expenses earned revenue is then recognized.

**(i) Functional Allocation of Expenses**

Costs are charged to programs and supporting services (general and administration, and fundraising and development) based primarily on direct expenditures incurred. The Foundation's major classes of program services include D.C. office; Hollywood, Media, Digital, Convention; Western New York office; Los Angeles office administration; and fund raising and development. Expenses not directly chargeable to these functional categories are allocated (indirect costs applied) on direct labor dollars, square footage utilized, or a comparably reasonable basis of allocation.

**MUSLIM PUBLIC AFFAIRS COUNCIL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(j) Fair Value of Financial Instruments Approximates Carrying Amount**

Current U.S. generally accepted accounting principles defines fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy based on the inputs used to measure fair value, and expands disclosures about fair value measurements. The three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is:

**Level 1-** Valuation based on quoted prices for identical assets and liabilities in active markets.

**Level 2-** Valuation based on observable inputs other than quoted prices included in Level 1, such as quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

**Level 3-** Valuation based on unobservable inputs reflecting the Foundation's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Changes in the observable or unobservable attributes of valuation inputs may result in future reclassification between hierarchy levels.

The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of their investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or 2 inputs are not available.

The following is a description of the valuation methodologies used for assets valued at fair value. There have been no changes in the methodologies used during the year ended December 31, 2022:

**MUSLIM PUBLIC AFFAIRS COUNCIL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(j) Fair Value of Financial Instruments Approximates Carrying Amount - Continued**

All of the Foundation's investments are held in money market and mutual funds, which are measured at quoted market prices for identical assets (Level 1).

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, the Foundation believes the valuation methods are appropriate and consistent with other active 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. The table below presents the balances of financial instruments measured at fair value on a recurring basis.

	Fair Value Measurements at December 31, 2022		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Charles Schwab Money Market Funds	\$ 138,375	\$ -	\$ -
Vanguard total bond market ETF	114,089	-	-
Vanguard mortgage back'd securities ETF	36,097	-	-
SPDR Gold Shares ETF	24,937	-	-
Total Investments	\$ 313,498	\$ -	\$ -

**(k) Other Assets - Interest in Net Assets from a GJE Supporting Organization**

The Foundation recognizes its rights to assets held by a recipient organization in accordance with Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. Such rights are recognized as an asset unless the donor has explicitly granted the recipient organization variance power, that is, the unilateral power to redirect the use of the assets. Those rights are either an interest in the net assets of the recipient organization, a beneficial interest in the recipient organization or a receivable. The Foundation accounts for its interest in the net assets of Global Justice Endowment (Interest) in a manner similar to the equity method (see Note 3). Changes in the Interest are included in the accompanying statement of activities.

**MUSLIM PUBLIC AFFAIRS COUNCIL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**(1) Income Taxes**

The Foundation is exempt from taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and from federal and state income taxes under Section 501(a) of the IRC and corresponding sections of the California Revenue and Taxation Code. Accordingly, no provision or benefit for federal or state income taxes is recorded in the accompanying financial statements.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Foundation and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended December 31, 2022.

The Foundation's federal income tax returns for tax years ended 2019 and beyond remain subject to examination by the Internal Revenue Service. The returns for California, its most significant state jurisdiction, remain subject to examination by state taxing authorities for the tax years ended 2018 and beyond.

**MUSLIM PUBLIC AFFAIRS COUNCIL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 3** INTEREST IN NET ASSETS FROM SUPPORTING ORGANIZATIONS AND NET ASSETS WITH DONOR RESTRICTIONS

Global Justice Endowment ("GJE") is a 501(c)(3) not-for-profit organization established for the charitable purpose of supporting the educational programs and activities of the Muslim Public Affairs Council (MPAC or the Council) and the Muslim Public Affairs Council Foundation (MPACF). These three organizations have separate boards of directors over which the Foundation does not exercise control.

GJE was established to operate exclusively for the benefit of the Council and the Foundation, and upon dissolution, 100% of its net assets would be transferred to the Foundation to be used to benefit the Foundation, and since variance power from the donor does not exist, the Foundation records its interest in the net assets of GJE.

As of December 31, 2022, the Foundation's interest in the net assets from a supporting organization is as follows:

100% interest in net assets of Global Justice Endowment	<u>\$ 2,132,163</u>
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**NOTE 4** COMMITMENTS

Operating Lease

The Foundation conducts its operations in leased office facilities in Los Angeles, California under an operating lease agreement with Global Justice Holdings LLC (GJH) (a related party, see Note 5), with monthly rent payments of \$3,000 per month, expiring on December 31, 2024. The lease will automatically renew for an additional 5-year term (2025 through 2029) unless either party elects to terminate the lease within a 90-day period prior to the next expiration date by delivering a written notice expressing such interest. Management believes the lease will be renewed.

**MUSLIM PUBLIC AFFAIRS COUNCIL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 4 COMMITMENTS-CONTINUED**

Operating Lease - Continued

The Foundation operates the Washington D.C. office under an operating lease agreement with Lesser Atlantic LLC (an unrelated party), expiring on November 30, 2027, with scheduled annual rent increases.

Lease liability maturities as of December 31, 2022 are as follows:

<u>Year ending December 31</u>	<u>LA Office Rent Payments</u>	<u>DC Office Rent Payments</u>	<u>Total Payments</u>
2023	\$ 36,000	\$ 60,200	\$ 96,200
2024	36,000	62,608	98,608
2025	36,000	65,112	101,112
2026	36,000	67,717	103,717
2027	36,000	64,342	100,342
Thereafter	<u>72,000</u>	<u>-</u>	<u>72,000</u>
Total undiscounted lease payments	252,000	319,979	571,979
Less imputed interest	<u>(46,641)</u>	<u>(44,734)</u>	<u>(91,375)</u>
	<b>\$ <u>205,359</u></b>	<b>\$ <u>275,245</u></b>	<b>\$ <u>480,604</u></b>
Lease liability, current portion	<u>(36,000)</u>	<u>(60,200)</u>	<u>(96,200)</u>
Lease liability, net of current portion	<b>\$ <u>169,359</u></b>	<b>\$ <u>215,045</u></b>	<b>\$ <u>384,404</u></b>

Total rent expense paid for the year ended December 31, 2021 was \$123,808.



**MUSLIM PUBLIC AFFAIRS COUNCIL FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**NOTE 5 RELATED PARTY TRANSACTIONS**

On January 4, 2011, the Foundation entered into a long-term office lease rental agreement (see Note 4, Commitments) with Global Justice Holdings LLC. The Foundation is a party-in-interest in relation to Global Justice Holdings LLC through its relationship with Global Justice Endowment (See Note 3).

During the year ended December 31, 2022, the Foundation received a \$100,000 contribution from Global Justice Endowment for support of the Foundation’s activities.

**NOTE 6 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Foundation's financial assets as of the statement of financial position date, reduced if any, by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position at December 31, 2022.

Cash		\$ 1,382,756
Investments		313,498
Less funds needed for:		
Accounts payable and accrued expenses		(27,361)
Operating lease liability, current portion		<u>(96,200)</u>
 Net financial assets available to meet cash needs for general expenditures within one year		 \$ <u><u>1,622,693</u></u>

None of the net financial assets are subject to donor or other contractual restrictions outside the Foundation's mission that make them unavailable for general expenditure within one year of the statement of financial position's date at December 31, 2022. The Foundation receives significant contributions each year from donors, which are available to meet annual cash needs for general expenditures. General expenditures include administrative and general operating expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities incurred during the Foundation’s calendar year. The Foundation has a goal to maintain financial assets, which consist of cash on hand, to meet thirty plus days of normal operating expenses. The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**MUSLIM PUBLIC AFFAIRS COUNCIL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 7** THE TABLE BELOW PRESENTS EXPENSES BY BOTH NATURE AND FUNCTION FOR THE YEAR ENDED DECEMBER 31, 2022

	D.C. Office	Hollywood, Media, Digital, Convention	Western New York Office	Los Angeles Office Administration	Fundraising and Development	TOTAL
Salaries and wages	\$ 289,604	\$ 156,278	\$ -	\$ 324,458	\$ 138,789	\$ 909,129
Payroll taxes	-	-	-	76,104	-	76,104
Employee benefits	21,705	720	-	42,506	6,350	71,281
Rent	94,932	-	6,000	22,876	-	123,808
Events	147,534	330,638	19,922	8,033	437	506,564
Consultants/fellows	81,292	82,902	-	176,775	123,405	464,374
Taxes and fees	-	-	-	32,003	684	32,687
Legal and accounting	-	-	-	61,838	-	61,838
Services/subscriptions	13,087	9,411	-	38,544	3,363	64,405
Travel	30,814	8,561	-	16,044	4,489	59,908
Marketing	3,656	21,525	178	14,316	17,658	57,333
Office/utilities/maintenance	26,022	-	3,753	36,977	-	66,752
Insurance	-	-	-	17,832	-	17,832
	<u>\$ 708,646</u>	<u>\$ 610,035</u>	<u>\$ 29,853</u>	<u>\$ 868,306</u>	<u>\$ 295,175</u>	<u>\$ 2,512,015</u>

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied.

**NOTE 8** SUBSEQUENT EVENTS

The Foundation has evaluated events subsequent to December 31, 2022, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 13, 2023 the date the financial statements were available to be issued. Based upon this evaluation, management determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.