

ZAM ZAM FOUNDATION INC

**FINANCIAL STATEMENTS**

DECEMBER 31, 2022

## CONTENTS

	<u>PAGES</u>
INDEPENDENT AUDITOR'S REPORT .....	1-2
STATEMENT OF FINANCIAL POSITION .....	3
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS .....	4
STATEMENT OF CASH FLOWS .....	5
NOTES TO FINANCIAL STATEMENTS .....	6 – 8

Supplementary Information-Appendix B

Independent Auditor's Report

To the Board of Directors  
ZAM ZAM FOUNDATION  
Wooddale, Illinois

***Opinion***

I have audited the accompanying financial statements of ZAM ZAM FOUNDATION INC(a nonprofit organization), which comprise the statements of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses and statements of cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ZAM ZAM FOUNDATION INC 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***

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

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 ZAM ZAM FOUNDATION's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

My 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 my 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, I:

- 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 ZAM ZAM 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ZAM ZAM FOUNDATION's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Farooq Rahman

Bartlett, Illinois  
April 3, 2023

**Zam Zam Foundation Inc**  
**Statement of Financial Position**  
**December 31, 2022**

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
<b>Assets</b>			
Current assets			
Cash in Bank	\$ 27,812	\$ -	\$ 27,812
Total current assets	<u>27,812</u>	<u>-</u>	<u>27,812</u>
<b>Total Assets</b>	<u><u>\$ 27,812</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 27,812</u></u>
<b>Liabilities and Net Assets</b>			
Current liabilities			
Accounts payable and accrued expenses	\$ 4,500	\$ -	\$ 4,500
Total current liabilities	<u>4,500</u>	<u>-</u>	<u>4,500</u>
<b>Net Assets</b>			
With donor restrictions		-	-
Without donor restrictions	23,312		23,312
Total Net Assets	<u>23,312</u>		<u>23,312</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 27,812</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 27,812</u></u>

See accompanying notes

**Zam Zam Foundation Inc**

**Statement of Activities and Changes in Net Assets**

**Year ended December 31, 2022**

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
<b>Changes in Net Assets</b>			
<b>Revenue and Support</b>			
Contributions	\$ 315,930	\$ -	\$ 315,930
Non cash donations	16,200	-	16,200
<b>Total Revenue and Support</b>	<u>332,130</u>	<u>-</u>	<u>332,130</u>
<b>Net assets released from unrestricted funds</b>	(235,104)	235,104	-
<b>Expenses</b>			
Contractual Sservices	49,900	-	49,900
Advertisement	2,116	-	2,116
Occupancy	16,809	-	16,809
Professional fees	4,500	-	4,500
Bangladesh project	-	126,992	126,992
India project	-	4,390	4,390
Pakistan projects	-	5,927	5,927
Philipine projects	-	27,105	27,105
Uganda projects	-	48,293	48,293
Other projects	-	22,397	22,397
Office expenses	5,308	-	5,308
Other	1,871	-	1,871
<b>Total Expenses</b>	<u>80,504</u>	<u>235,104</u>	<u>315,608</u>
<b>Change in Net Assets</b>	16,522	-	16,522
<b>Net Assets at Beginning of Year</b>	6,790	-	6,790
<b>Net Assets at End of Year</b>	<u>\$ 23,312</u>	<u>\$ -</u>	<u>\$ 23,312</u>

See accompanying notes

**Zam Zam Foundation Inc**  
**Statement of Cash Flows**  
**Year ended December 31, 2022**

---

**Cash flows from operating activities**

Increase in net assets	\$	16,522
Adjustments to reconcile changes in net assets to cash provided by ( used in ) operating activities		
Increase ( decrease ) in:		
Accounts payable and accrued expenses		4,500
<b>Net cash provided by operating activities</b>		<hr/> 21,022
<b>Net increase (decrease) in cash</b>		21,022
<b>Cash, Beginning of Period</b>		6,790
<b>Cash, End of Period</b>	\$	<hr/> <hr/> 27,812

**Supplemental Cash Flow Information:**

Cash payments for interest during the period totaled \$ 0

See accompanying notes

**ZAM ZAM FOUNDATION INC**  
**NOTES TO FINANCIAL STATEMENTS**  
YEAR ENDED DECEMBER 31, 2022

***NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

Nature of Activities

ZAM ZAM FOUNDATION INC (“Foundation”), is a not-for-profit organization incorporated in June 2020, under the laws of the State of Illinois. Foundation is organized exclusively to provide support for poverty, education and other religious and scientific activities.

Basis of Accounting

The Foundation prepares its financial statements in accordance with generally accepted accounting principles, applying the accrual basis of accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Accounting Policy

The Foundation follows the single source of authoritative U.S. Generally Accepted Accounting Principles (“U.S. GAAP”) set by the financial Accounting Standards Board to be applied by nongovernmental entities, *Accounting Standards Codification* (ASC), in the preparation of their financial statements.

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions**-Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.

**Net Assets with Donor Restrictions**- Net assets either subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and /or the stipulated time period has elapsed) are reported as net assets released from restrictions.

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 the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

ZAM ZAM FOUNDATION INC  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022

***NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(continued)***

Public Support, Revenue and Pledges

All contributions are available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

In-Kind Contributions

The Foundation receives free rental office space that create or enhance non-financial asset. The Fair Value of rent is recorded as in-kind contribution is recorded in the statement of activities for the year ended December 31, 2022. The total rent recorded was \$ 16,200.

No amounts have been reflected in the statements for donated services because they did not meet the criteria for recognition under ASC 958-605-15. Management estimates that volunteers helping in various programs donated approximately 100 hours to Foundation during the year ended December 31, 2022.

Contributions

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulation time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

Income Taxes

The Foundation is a not-for-profit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal income taxes has been made.

Management has reviewed Foundation's tax position for all tax years open to examination which include 2021, 2020 and concluded that a provision for income taxes is not required.

ZAM ZAM FOUNDATION INC  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022

***NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(continued)***

**Revenue Recognition**

The Foundation recognizes contract revenue from its contracts either on pro-rata basis over a 12-month period, which represents the service period for certain contracts, or to the extent of expenses. Revenue recognition depends on the contract. The funding agencies may at their discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance by the Organization with the terms of the grants/contracts.

**Fair Value Measurement**

The Foundation reports its fair value measures using the three-level hierarchy that prioritizes the inputs used to measure fair value. The hierarchy, established by GAAP, requires that the entities maximize the use of observable inputs and maximize the use of unobservable inputs when measuring fair value. The value of all the Foundation assets and liabilities which required to be carried at fair value are valued at the quoted prices in active markets for identical assets and liabilities and therefore, considered level 1 assets and liabilities.

***NOTE B - SUBSEQUENT EVENTS***

FOUNDATION has evaluated subsequent events through April 3, 2023, which is the date the financial statements had been reviewed by management and are available to be issued. No events have occurred from the date of the financial statement's April 3, 2023, which would require adjustments to or disclosure in the accompanying financial statements.

## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors  
Zam Zam Foundation, Inc

I have audited the financial statements of Zam Zam Foundation, Inc (an Illinois not-for-profit corporation) as of and for the year ended December 31, 2022, and my report thereon dated April 3, 2023, which expressed an unmodified opinion on those financial statements, appears on pages preceding Page 1. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. *Appendix B* presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Farooq Rahman*

Bartlett, IL 60103  
April 3, 2023

Zam Zam Foundation, Inc  
 Supplementary Information- Appendix B  
 Year Ended December 31, 2022

<b>Country Projects</b>		
<b>Bangladesh</b>		
AM program	-	
Animal charity program	4,773.00	
Blanket project	53,525.62	
Food basket program	5,690.00	
Handicraft project	14,208.94	
Iftar and Zakat distribution	14,000.00	
Mosque renovation	266.00	
Orphanage fund	23,175.55	
Supporting needy	6,784.77	
Water well project	680.00	
Women health project	3,887.67	
<b>Total Bangladesh Projects</b>	<b>\$ 126,991.55</b>	
<b>India Projects</b>		
Secure prayer place	3,250.00	
Women skill development	1,140.00	
<b>Total India Projects</b>	<b>\$ 4,390.00</b>	
<b>Pakistan projects</b>		
Animal charity program	826.99	
Food relief work	5,100.00	
<b>Total Pakistan project</b>	<b>\$ 5,926.99</b>	
<b>Philippine projects</b>		
Build your home	3,024.98	
Needy students	3,999.99	
Food basket-Hawaii Islamic Center	15,039.99	
Philippine Madrassa renovation	5,039.99	
<b>Total Philippine projects</b>	<b>\$ 27,104.95</b>	
<b>Uganda projects</b>		
Animal charity projects	3,285.00	
Education ,orphange project	20,763.99	
Imam and teachers pay	19,544.18	
Water well Gambia	4,700.00	
<b>Total Uganda projects</b>	<b>\$ 48,293.17</b>	
<b>Other projects</b>		
Food Ghaza families	2,000.00	
Rehmat e Alam Chicago	8,000.00	
St Lucia Masjid rehab	4,657.00	
Grasp Medicine project	7,740.00	
<b>Total other projects</b>	<b>\$ 22,397.00</b>	
<b>TOTAL PROJECTS</b>	<b>\$ 235,103.66</b>	