

ZAM ZAM FOUNDATION INC

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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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, 2023, 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, 2023, 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
March 15, 2024

am Zam Foundation

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>2023 Total</u>
Current assets			
Cash in Bank	\$ 33,474	\$ -	\$ 33,474
Total current assets	<u>33,474</u>	<u>-</u>	<u>33,474</u>
Total Assets	<u><u>\$ 33,474</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33,474</u></u>
Current liabilities			
Accounts payable and accrued expenses	\$ 54,499	\$ -	\$ 54,499
Total current liabilities	<u>54,499</u>	<u>-</u>	<u>54,499</u>
Net Assets			
With donor restrictions	-	-	-
Without donor restrictions	(21,025)		(21,025)
Total Net Assets	<u>\$ (21,025)</u>	<u>-</u>	<u>(21,025)</u>
Total Liabilities and Net Assets	<u><u>\$ 33,474</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33,474</u></u>

See accompanying notes

Zam Zam Foundation

Statement of Activities and Changes in Net Assets

Year ended December 31, 2023

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total 2023</u>
Changes in Net Assets			
Revenue and Support			
Contributions	\$ 592,710		\$ 592,710
Other	1,500		1,500
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue and Support	<u>594,210</u>	<u>-</u>	<u>594,210</u>
Net assets released from unrestricted funds	(580,963)	580,963	-
Expenses			
Program expenses		580,963	580,963
Management and general	<u>57,584</u>	<u>-</u>	<u>57,584</u>
Total Expenses	<u>57,584</u>	<u>580,963</u>	<u>638,547</u>
Change in Net Assets	(44,337)	-	(44,337)
Net Assets at Beginning of Year	<u>23,312</u>	<u>-</u>	<u>23,312</u>
Net Assets at End of Year	<u>\$ (21,025)</u>	<u>\$ -</u>	<u>\$ (21,025)</u>

See accompanying notes

Zam Zam Foundation

Statement of Functional expenses

Year ended December 31, 2023

	Program Expenses							Total Program Expenses	Management & General Expenses	Total Expenses
	Clean Water for Life	Emergency & Disaster	Fight Hunger Globally	Feeding Orphaned Children	Period Poverty	Skills Development				
Grant to others	\$ -	\$ 4,930	\$ 5,820	\$ -	\$ -	\$ -	\$ 10,750	\$ -	\$ 10,750	
Program Activities	110,444	55,708	82,572	55,340	47,199	110,673	461,935	-	461,935	
Contractor Expenses	15,968	-	4,207	-	15,833	18,515	54,523	48,000	102,523	
Occupancy	-	-	-	-	2,296	3,193	5,489	-	5,489	
Advertising & marketing	4,424	3,578	1,065	1,334	7,735	8,535	26,671	-	26,671	
Bank fees & service charges	526	214	218	176	545	758	2,437	-	2,437	
Dues & Subscription	240	-	598	-	659	814	2,311	235	2,546	
Legal & Professional fees	-	-	-	-	457	784	1,241	5,341	6,582	
Meals & Entertainment	-	-	-	100	398	497	995	-	995	
Office supplies	-	-	-	-	3,480	1,740	5,220	4,008	9,228	
Travel	-	-	187	-	624	751	1,562	-	1,562	
Website & Hosting	157	783	78	157	3,523	3,131	7,829	-	7,829	
Total	\$ 131,759	\$ 65,213	\$ 94,745	\$ 57,107	\$ 82,749	\$ 149,391	\$ 580,963	\$ 57,584	\$ 638,547	

See accompanying notes

Zam Zam Foundation
Statement of Cash Flows
Year ended December 31, 2023

Cash flows from operating activities

Increase(decrease) in net assets	\$	(44,337)
Adjustments to reconcile changes in net assets to cash provided by (used in) operating activities		
Increase (decrease) in:		
Accounts payable and accrued expenses		49,999

Net cash provided by operating activities		<u>5,662</u>
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Cash flows from investing activities

Purchase of property and improvements		-
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Net cash used in investing activities		<u>-</u>
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Net increase (decrease) in cash		5,662
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Cash, Beginning of Period		27,812
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Cash, End of Period	<u>\$</u>	<u>33,474</u>
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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, 2023

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, 2023

***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

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, 2023.

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 2022, 2021, 2020 and concluded that a provision for income taxes is not required.

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.

ZAM ZAM FOUNDATION INC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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

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 – RENTAL LEASE

The Foundation signed an office lease agreement on October 1, 2023 with monthly rent of \$ 1,022, the lease expire on October 31, 2024.

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets are available for general expenditure that is without donor restrictions limiting their use, within one year of the statement of financial position date. The Foundation’s goal is to maintain available financial assets sufficient to meet 120 days of operating expenses.

NOTE D - SUBSEQUENT EVENTS

FOUNDATION has evaluated subsequent events through March 15, 2024, 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 March 15, 2024, which would require adjustments to or disclosure in the accompanying financial statements.