

ISLAMIC SOCIETY OF ORANGE COUNTY

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

March 31, 2016 and 2015



INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Islamic Society of Orange County

Management is responsible for the accompanying financial statements of Islamic Society of Orange County (a nonprofit organization), which comprise the statements of financial position as of March 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The supplementary information contained in pages 14 through 16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

A handwritten signature in black ink that reads 'Burger Comer Magliari' in a cursive script.

Saipan, MP
May 13, 2016

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**ISLAMIC SOCIETY OF ORANGE COUNTY
(A NONPROFIT ORGANIZATION)**

Statements of Financial Position
March 31, 2016 and 2015

<u>Assets</u>	<u>2016</u>	<u>2015 (Restated)</u>
Current assets:		
Cash and cash equivalents	\$ 170,008	\$ 64,520
Tuition receivable	94,065	101,900
Prepaid expenses and other current assets	<u>34,321</u>	<u>16,065</u>
Total current assets	<u>298,394</u>	<u>182,485</u>
Noncurrent assets:		
Restricted cash	31,233	85,028
Capital assets, net of accumulated depreciation	555,132	563,602
Burial plots	<u>95,082</u>	<u>103,682</u>
Total noncurrent assets	<u>681,447</u>	<u>752,312</u>
Total Assets	<u>\$ 979,841</u>	<u>\$ 934,797</u>
 <u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 5,880	\$ 28,550
Credit card payable	303	303
Refundable deposit	4,100	4,000
Accrued expenses and other current liabilities	150,721	134,992
Unearned tuition	<u>336,125</u>	<u>213,590</u>
Total liabilities	<u>497,129</u>	<u>381,435</u>
Net assets:		
Unrestricted	387,630	449,680
Temporarily restricted	<u>95,082</u>	<u>103,682</u>
Total net assets	<u>482,712</u>	<u>553,362</u>
Total Liabilities and Net Assets	<u>\$ 979,841</u>	<u>\$ 934,797</u>

See accompanying notes and independent accountant's compilation report.

ISLAMIC SOCIETY OF ORANGE COUNTY
(A NONPROFIT ORGANIZATION)

Statements of Activities
For the Years Ended March 31, 2016 and 2015

	2016		
	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support:			
Tuition and fees	\$ 2,122,925	\$ -	\$ 2,122,925
General donations	537,725	-	537,725
Zakat and sadaqa	248,891	-	248,891
Lunch, afterschool program and fieldtrips	281,366	-	281,366
Mortuary services	409,754	-	409,754
Membership dues	23,735	-	23,735
Sales and rentals	343,526	-	343,526
Fundraising	464,589	-	464,589
Other	21,953	-	21,953
Net assets released from restrictions:			
Satisfaction of program restrictions	8,600	(8,600)	-
Total revenues, gains and other support	4,463,064	(8,600)	4,454,464
Expenses:			
Program services:			
Education	2,481,803	-	2,481,803
Mosque	1,047,428	-	1,047,428
Total program services	3,529,231	-	3,529,231
Supporting services:			
General and administrative	839,528	-	839,528
Fundraising	97,447	-	97,447
Total supporting services	936,975	-	936,975
Depreciation	58,908	-	58,908
Total expenses	4,525,114	-	4,525,114
Change in net assets	(62,050)	(8,600)	(70,650)
Net assets at beginning of the year	449,680	103,682	553,362
Net assets at end of the year	\$ 387,630	\$ 95,082	\$ 482,712

See accompanying notes and independent accountant's compilation report.

ISLAMIC SOCIETY OF ORANGE COUNTY
(A NONPROFIT ORGANIZATION)

Statements of Activities
For the Years Ended March 31, 2016 and 2015

	2015 (Restated)		Total
	Unrestricted	Temporarily Restricted	
Revenues, gains and other support:			
Tuition and fees	\$ 2,034,432	\$ -	\$ 2,034,432
General donations	392,432	-	392,432
Zakat and sadaqa	293,246	-	293,246
Lunch, afterschool program and fieldtrips	157,690	-	157,690
Mortuary services	419,078	-	419,078
Membership dues	28,110	-	28,110
Sales and rentals	425,855	-	425,855
Fundraising	510,719	-	510,719
Pre-school project contributions	-	-	-
Other	33,332	-	33,332
Net assets released from restrictions:			
Satisfaction of program restrictions	17,000	(17,000)	-
Total revenues, gains and other support	4,311,894	(17,000)	4,294,894
Expenses:			
Program services:			
Education	2,302,343	-	2,302,343
Mosque	1,358,383	-	1,358,383
Total program services	3,660,726	-	3,660,726
Supporting services:			
General and administrative	697,367	-	697,367
Fundraising	93,266	-	93,266
Total supporting services	790,633	-	790,633
Depreciation	336,598	-	336,598
Total expenses	4,787,957	-	4,787,957
Change in net assets	(476,063)	(17,000)	(493,063)
Net assets at beginning of the year	925,743	120,682	1,046,425
Net assets at end of the year	\$ 449,680	\$ 103,682	\$ 553,362

See accompanying notes and independent accountant's compilation report.

ISLAMIC SOCIETY OF ORANGE COUNTY
(A NONPROFIT ORGANIZATION)

Statements of Cash Flows
For the Years Ended March 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ (70,650)	\$ (493,063)
Adjustments to reconcile change in net asset to net cash provided by (used in) operating activities:		
Depreciation	58,908	336,598
(Increase) decrease in assets:		
Tuition receivable	7,835	(101,900)
Prepaid expenses and other current assets	(18,256)	(5,634)
Increase (decrease) in liabilities		
Accounts payable	(22,670)	28,549
Credit card payable	-	303
Refundable deposit	100	300
Accrued expenses and other current liabilities	15,729	29,143
Unearned tuition	<u>122,535</u>	<u>75,509</u>
Net cash provided by (used in) operating activities	<u>93,531</u>	<u>(130,195)</u>
Cash flows from investing activities		
Proceeds from sale of burial plots	15,800	24,200
Purchase of burial plots	(7,200)	(7,200)
Acquisition of capital assets	<u>(50,438)</u>	<u>(220,639)</u>
Net cash used in investing activities	<u>(41,838)</u>	<u>(203,639)</u>
Cash flows from financing activities		
Decrease in restricted cash	<u>53,795</u>	<u>127,684</u>
Net cash provided by financing activities	<u>53,795</u>	<u>127,684</u>
Net increase (decrease) in cash and cash equivalents	105,488	(206,150)
Cash and cash equivalents at beginning of year	<u>64,520</u>	<u>270,670</u>
Cash and cash equivalents at end of year	<u>\$ 170,008</u>	<u>\$ 64,520</u>

See accompanying notes and independent accountant's compilation report.

**ISLAMIC SOCIETY OF ORANGE COUNTY
(A NONPROFIT ORGANIZATION)**

Notes to Financial Statements
March 31, 2016 and 2015

(1) Organization

The Islamic Society of Orange County (the Society) was established in 1976 as a nonprofit, non-political corporation which caters to the needs of the Muslim community by operating a religious organization according to the principles of the Islamic Faith. It provides educational seminars, religious services, and a full-time accredited Preschool to Eighth Grade Orange Crescent School (OCS). The Society's facilities can also be used for community gatherings, social occasions and mortuary services.

The Society's financial support is based primarily upon school fees, voluntary contributions and membership dues.

(2) Summary of Significant Accounting Policies

A summary of the Society's significant accounting policies in the preparation of the accompanying financial statements follows:

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America using the accrual basis of accounting. In accordance with the Accounting Standards Codification (ASC) Section 958-205, "Presentation of Financial Statements of Not-for-Profit Organizations", net assets of the Society and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met by actions of the Society and/or passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that the principal be maintained permanently by the Society. The Society is permitted to use the income earned on the related investments for general or specified operating purposes.

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are recorded as decreases in unrestricted net assets. Gains and losses on assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (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.

**ISLAMIC SOCIETY OF ORANGE COUNTY
(A NONPROFIT ORGANIZATION)**

Notes to Financial Statements
March 31, 2016 and 2015

(2) Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents

The Society maintains cash balances in a financial institution in Southern California. At times, the balances are in excess of federally insured limits. At March 31, 2016 and 2015, all deposits are within the insured limits.

Cash for purposes of the statement of cash flows is defined as deposits in accounts with banks and financial institutions which are unrestricted as to withdrawal or use, and which have original maturities of three months or less.

Restricted Cash

Restricted cash represents donor restricted cash accounts for specific purposes.

Tuition Receivable and Allowance for Doubtful Accounts

Tuition receivable at March 31, 2016 and 2015 primarily represents monies owed for school tuition for the year then ended. Receivables are reviewed regularly by management and are recorded when management believes there is a high probability of collection. As substantially all amounts in tuition receivable at March 31, 2016 and 2015 were collected subsequent to year end, there is no allowance for doubtful accounts.

Capital Assets and Depreciation

Capital assets are stated at cost. Expenditures for major additions and improvements are capitalized. Minor replacements, maintenance and repairs are charged to expense as incurred. Depreciation of capital asset is provided over the estimated useful lives of the respective assets on the straight-line basis as follows:

Buildings and improvements	10-20 years
Furniture and fixtures	15 years
Office equipment	5 years
Vehicles	5 years

**ISLAMIC SOCIETY OF ORANGE COUNTY
(A NONPROFIT ORGANIZATION)**

Notes to Financial Statements
March 31, 2016 and 2015

(2) Summary of Significant Accounting Policies, continued

Impairment of Long-lived Assets

Long-lived assets to be held and used by the Society are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Once a triggering event has occurred, the impairment test employed is based on whether the intent is to hold the asset for continued use or to hold the asset for sale. If the intent is to hold the asset for continued use, the impairment test involves a comparison of undiscounted cash flows against the carrying value of the asset as an initial test. If the carrying value of such asset exceeds the undiscounted cash flows, the asset would be deemed to be impaired. Impairment would then be measured as the difference between the fair value of the fixed or amortizing intangible asset and the carrying value to determine the amount of the impairment. The Society determines fair value generally by using the discounted cash flow method. If the intent is to hold the asset for sale and certain other criteria are met (i.e., the asset can be disposed of currently, appropriate levels of authority have approved sale, and there is an actively pursuing buyer), the impairment test is a comparison of the asset's carrying value to its fair value less costs to sell. To the extent that the carrying value is greater than the asset's fair value less costs to sell, an impairment loss is recognized for the difference. Assets held for sale are separately presented in the balance sheet and are no longer depreciated.

During 2016 and 2015, the Society determined that no event or changes in circumstances indicated that an impairment of its long-lived assets had occurred.

Burial Plots

The Society provides Muslim burial services through a mortuary facility located on its premises. The Society also maintains a burial plot inventory regularly. Such burial plots are stated at cost.

Unearned Tuition

Unearned tuition reflects the amounts that have been billed for tuition relating to future periods.

Income Taxes

The Society is exempt from federal and state income taxes under Section 501 (c) (3) of the Internal Revenue Code. The Society could be subject to taxes on net income derived from unrelated business activities. The Society does not believe it has unrelated business activities and as such, does not have any uncertain tax positions.

**ISLAMIC SOCIETY OF ORANGE COUNTY
(A NONPROFIT ORGANIZATION)**

Notes to Financial Statements
March 31, 2016 and 2015

(2) Summary of Significant Accounting Policies, continued

Income Taxes, continued

Tax years that remained subject to examination by major tax jurisdictions are fiscal years ended March 31, 2013, 2014 and 2015. The Society shall record as current year expense any interest that may be assessed on prior year taxes. In the event that penalties and interest are assessed, such expenses are recorded separately from any income tax expense.

Contributions, Pledges, Membership Dues and Revenue Recognition

Contributions and pledges received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and/or nature of any donor restrictions in the period received. Conditional contributions are recorded as support in the period the condition is met. Restricted contributions, if any are reported as temporarily restricted and are then reclassified to unrestricted net assets upon expiration of the restriction, usually when the funds are spent. Unconditional pledges are recorded as receivables in the year they are made, less a suitable allowance for uncollectible pledges as estimated by management.

Membership dues are recognized on all members in the membership year which runs from April 1 to March 31. Tuition fees for services income is recognized when the services are performed. Tuition fees received for future periods are accounted for as unearned tuition. Other income is recorded when received.

Fundraising

Fundraising activities provide the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations. For the years ended March 31, 2016 and 2015, the Society's fundraising activities raised a total of \$464,589 and \$510,719, respectively, and incurred expenses of \$97,447 and \$93,266, respectively.

Donated Services

A number of the Society's members have donated significant amounts of time to help further the Society's programs. No amounts have been reflected in the financial statements for donated member services to the Society, as no objective basis is available to measure the value of such services.

**ISLAMIC SOCIETY OF ORANGE COUNTY
(A NONPROFIT ORGANIZATION)**

Notes to Financial Statements
March 31, 2016 and 2015

(2) Summary of Significant Accounting Policies, continued

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising Costs

Advertising costs are expensed as incurred. The total advertising expense for the years ended March 31, 2016 and 2015 was \$13,852 and \$3,814, respectively.

Fair Value of Financial Instruments

The Society measures its financial assets and liabilities in accordance with accounting principles generally accepted in the United States. For certain of the Society's financial instruments, including cash and cash equivalents, tuition receivable, accounts payable, and accrued liabilities, the carrying amounts approximate fair value due to their short maturities.

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 amount of assets and liabilities and disclosures 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.

(3) Restricted Cash

Restricted cash consists of the following at March 31, 2016 and 2015.

	<u>2016</u>	<u>2015</u>
Capital improvements	\$ 8,355	\$ 548
Zakat	<u>22,878</u>	<u>84,480</u>
Total	<u>\$ 31,233</u>	<u>\$ 85,028</u>

**ISLAMIC SOCIETY OF ORANGE COUNTY
(A NONPROFIT ORGANIZATION)**

Notes to Financial Statements
March 31, 2016 and 2015

(4) Capital Assets

A summary of capital assets at March 31, 2016 and 2015 is as follows:

	Estimated Useful Lives	<u>2016</u>	<u>2015</u>
Buildings and improvements	10-20 years	305,081	285,829
Office equipment	15 years	248,602	246,279
Furniture and fixtures	5 years	707,668	678,805
Vehicles	5 years	<u>3,000</u>	<u>3,000</u>
Total		1,264,351	1,213,913
Accumulated depreciation		<u>(709,219)</u>	<u>(650,311)</u>
Capital assets, net		<u>\$ 555,132</u>	<u>\$ 563,602</u>

Management believes that capital assets essentially served all functions and depreciation is therefore presented as unallocated in the Statement of Activities.

Depreciation expense for the years ended March 31, 2016 and 2015 was \$58,908 and \$336,598, respectively.

(5) Net Assets

Temporarily restricted net assets consisted of burial plots are available for the following at March 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Burial plots	<u>\$ 95,082</u>	<u>\$ 103,682</u>

At March 31, 2016 and 2015, there were no permanently restricted net assets.

ISLAMIC SOCIETY OF ORANGE COUNTY
(A NONPROFIT ORGANIZATION)

Notes to Financial Statements
March 31, 2016 and 2015

(6) Zakat and Sadaqa

Zakat and Sadaqa represent granting of financial assistance to under privileged community members. The community members make financial contributions to the Society to enable it to grant such assistance. For the years ended March 31, 2016 and 2015, the contributions received for this purpose was \$248,891 and \$293,246, respectively, and the assistance provided amounted to \$307,268 and \$309,547, respectively, which included tuition assistance to OCS students of \$210,340 and \$183,835, respectively.

(7) Sales and Rentals

The Society rents its kitchen and meeting rooms to community members. The society also receives rental income from the lease of its bookstore. All such rental income is included as a component of sales and rental revenues in the accompanying statements of activities.

(8) Concentration of Credit Risk

The Society maintains its cash and cash equivalents in bank accounts that, at times, may exceed federally insured limits. The Society has not experienced any losses in such accounts. Management believes that the Society is not exposed to any significant credit risk related to cash and cash equivalents.

The Society has a credit risk concentration with respect to receivables and a geographic concentration related to the fact that substantially all of their donors are located in Orange and Los Angeles counties.

(9) Subsequent Events

The Society 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 May 13, 2016, the date the financial statements were available for release.

**ISLAMIC SOCIETY OF ORANGE COUNTY
(A NONPROFIT ORGANIZATION)**

Notes to Financial Statements
March 31, 2016 and 2015

(10) Restatement

Beginning net assets have been restated to reflect proper recognition of expense on the transfer of land, buildings and improvements.

The following is a summary of the restatement for the year ending March 31, 2016:

Net assets, beginning, as previously reported	\$ 5,700,773
Restatement	<u>(5,147,411)</u>
Net assets, beginning, as restated	<u>\$ 553,362</u>

The effect of the Society's previously issued 2015 financial statements are summarized as follows:

Statement of Financial Position:

	<u>Previously Reported</u>	<u>Increase (Decrease)</u>	<u>Restated</u>
Current Assets	\$ 182,485	\$ -	\$ 182,485
Noncurrent assets	<u>5,899,722</u>	<u>(5,147,411)</u>	<u>752,311</u>
Total assets	6,082,207	(5,147,411)	934,796
Current liabilities	<u>381,434</u>	<u>-</u>	<u>381,434</u>
Net assets	<u>\$ 5,700,773</u>	<u>\$ (5,147,411)</u>	<u>\$ 553,362</u>

Statement of Activities:

	<u>Previously Reported</u>	<u>Increase (Decrease)</u>	<u>Restated</u>
Revenues and other support	\$ 4,294,894	\$ -	\$ 4,294,894
Expenses and losses	<u>(4,787,957)</u>	<u>-</u>	<u>(4,787,957)</u>
Changes in net assets	(493,063)	-	(493,063)
Net assets at beginning of the year	<u>6,193,836</u>	<u>(5,147,411)</u>	<u>1,046,425</u>
Net assets at end of the year	<u>\$ 5,700,773</u>	<u>\$ (5,147,411)</u>	<u>\$ 553,362</u>

**ISLAMIC SOCIETY OF ORANGE COUNTY
(A NONPROFIT ORGANIZATION)**

SUPPLEMENTARY INFORMATION

Years Ended March 31, 2016 and 2015

ISLAMIC SOCIETY OF ORANGE COUNTY
(A NONPROFIT ORGANIZATION)

Supplementary Information

Schedule of Revenues, Gains, and Other Support
For the Years Ended March 31, 2016 and 2015

	March 31, 2016			March 31, 2015		
	OCM	OCS	Total	OCM	OCS	Total
Local donation - general and food pantry	\$ 405,325	\$ 23,511	\$ 428,836	\$ 262,015	\$ 26,916	\$ 288,931
Kitchen contribution	102,968	-	102,968	103,501	-	103,501
Membership	23,735	-	23,735	28,110	-	28,110
Youth activities	8,763	-	8,763	16,177	-	16,177
Islamic weekend school - tuition	29,505	-	29,505	84,471	-	84,471
Sales and rentals (Rahma Café and Gr8 Finds Store)	267,482	75,157	342,639	357,757	68,098	425,855
Mortuary services	409,754	-	409,754	419,078	-	419,078
Orange Crescent School - registration	-	296,477	296,477	-	268,754	268,754
Orange Crescent School - tuition	-	1,885,072	1,885,072	-	1,681,207	1,681,207
Fundraising	338,696	126,122	464,818	383,325	127,395	510,720
Miscellaneous income	8,556	6,127	14,683	8,345	8,809	17,154
Field trip, food and after school program	-	198,323	198,323	288	157,402	157,690
Zakat and Sadaqa	248,891	-	248,891	293,246	-	293,246
Total revenues, gains, and other support	<u>\$ 1,843,675</u>	<u>\$ 2,610,789</u>	<u>\$ 4,454,464</u>	<u>\$ 1,956,313</u>	<u>\$ 2,338,581</u>	<u>\$ 4,294,894</u>

See accompanying notes and independent accountant's compilation report.

**ISLAMIC SOCIETY OF ORANGE COUNTY
(A NONPROFIT ORGANIZATION)**

Supplementary Information

Schedule of Expenses

For the Years Ended March 31, 2016 and 2015

	March 31, 2016			March 31, 2015		
	OCM	OCS	Total	OCM	OCS	Total
Salaries	\$ 348,716	\$ 1,833,978	\$ 2,182,694	\$ 345,952	\$ 1,721,641	\$ 2,067,593
Fringe benefits allowance	40,115	136,503	176,618	66,293	156,878	223,171
Payroll taxes	33,268	171,523	204,791	30,116	156,554	186,670
Lease and equipment rental	9,314	18,720	28,034	1,557	12,360	13,917
Books (store and weekend school)	1,579	75,911	77,490	1,325	62,279	63,604
Property taxes, license, and payroll services	4,891	16,241	21,132	7,580	14,252	21,832
Special events expenses, travel, field trip, technology	39,571	68,971	108,542	9,160	57,811	66,971
Director and officer, general and workers insurance	18,910	49,264	68,174	15,561	35,280	50,841
Utilities and trash	50,967	73,883	124,850	61,305	75,981	137,286
Telephone	14,306	8,671	22,977	11,121	7,246	18,367
Repairs, maintenance, and landscaping	37,473	30,832	68,305	43,401	25,226	68,627
Janitorial supplies	23,961	6,177	30,138	49,341	2,150	51,491
Office supplies, postage, and miscellaneous dues	7,494	14,071	21,565	11,772	16,744	28,516
Printing, advertising, fundraising, and bank charges	73,536	66,771	140,307	79,114	60,694	139,808
Program, food after school, and school events	260,031	98,616	358,647	333,788	118,981	452,769
Supplies, school and ISOC	1,286	19,807	21,093	2,500	9,383	11,883
Teachers training and outside services	95,269	52,752	148,021	100,566	21,039	121,605
Mortuary services expenses	208,019	-	208,019	269,817	-	269,817
Security	73,167	69,999	143,166	60,268	53,357	113,625
Legal and professional	4,375	-	4,375	25,369	8,050	33,419
Zakat, Sadaqa, and Fitra	307,268	-	307,268	309,547	-	309,547
Total expenses before depreciation	1,653,516	2,812,690	4,466,206	1,835,453	2,615,906	4,451,359
Depreciation expense	20,047	38,861	58,908	201,959	134,639	336,598
Total expenses	<u>\$ 1,673,563</u>	<u>\$ 2,851,551</u>	<u>\$ 4,525,114</u>	<u>\$ 2,037,412</u>	<u>\$ 2,750,545</u>	<u>\$ 4,787,957</u>

See accompanying notes and independent accountant's compilation report.

**ISLAMIC SOCIETY OF ORANGE COUNTY
(A NONPROFIT ORGANIZATION)**

Schedule of Functional Expenditures
For the Year Ended March 31, 2016
(With Comparative Totals For the Year Ended March 31, 2015)

	Program Services			Supporting Services				2016 Total	2015 Total
	Education	Mosque	Total Program Services	Fundraising Expenses	General and Administrative	Total Supporting Services	Depreciation		
Salaries and wages	\$ 1,495,621	\$ 128,242	\$ 1,623,863	\$ -	\$ 558,830	\$ 558,830	\$ -	\$ 2,182,693	\$ 2,067,593
Program expense	70,533	297,165	367,698	19,829	2,313	22,142	-	389,840	446,817
Outside services	22,924	288,978	311,902	3,610	56,379	59,989	-	371,891	397,560
Employee benefits	145,178	38,862	184,040	-	39,124	39,124	-	223,164	252,078
Payroll taxes	139,839	11,087	150,926	-	53,865	53,865	-	204,791	186,670
Utilities and telephone	78,981	61,290	140,271	-	7,556	7,556	-	147,827	155,654
Security	45,964	38,964	84,928	-	58,239	58,239	-	143,167	113,625
Fieldtrips and school events	80,451	736	81,187	-	550	550	-	81,737	78,813
Supplies	28,543	27,320	55,863	-	7,331	7,331	-	63,194	77,366
Repairs and maintenance	17,548	18,024	35,572	-	31,662	31,662	-	67,234	73,588
Books and materials	75,911	1,579	77,490	-	-	-	-	77,490	63,605
Fundraising	-	-	-	53,731	-	53,731	-	53,731	62,627
Legal and professional	-	4,375	4,375	-	-	-	-	4,375	33,419
Bank and credit card charges	13,147	11,788	24,935	-	24	24	-	24,959	33,238
Professional and after school program	19,228	1,086	20,314	-	1,143	1,143	-	21,457	26,611
Insurance	9,700	9,700	19,400	-	2,227	2,227	-	21,627	21,934
Taxes and licenses	11,012	1,568	12,580	-	3,843	3,843	-	16,423	21,729
Rent	11,186	1,815	13,001	5,824	15,033	20,857	-	33,858	16,467
Printing and postage	3,847	6,566	10,413	3,806	1,409	5,215	-	15,628	8,604
Advertising	1,850	1,355	3,205	10,647	-	10,647	-	13,852	3,814
Zakat, Sadaqa, and Fitra	210,340	96,928	307,268	-	-	-	-	307,268	309,547
Depreciation	-	-	-	-	-	-	58,908	58,908	336,598
Total functional expenditures	\$ 2,481,803	\$ 1,047,428	\$ 3,529,231	\$ 97,447	\$ 839,528	\$ 936,975	\$ 58,908	\$ 4,525,114	\$ 4,787,957

See accompanying notes and independent accountant's compilation report.