

LIFE FOR RELIEF AND DEVELOPMENT, INC.

Audited Financial Statements

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015



Al-Hassan, Howell & Sadaps CPA P.C.

A Professional Corporation

5322 FIFTEEN MILE RD, SUITE C STERLING HEIGHTS, MI 48310

PHONE (586) 978-7340 FAX (586) 978-9123

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Life for Relief and Development, Inc.

INDEPENDENT AUDITOR'S REPORT

To the Management of Life for Relief and Development Inc.:

We have audited the accompanying statement of financial position of Life for Relief and Development, Inc. (a nonprofit organization) as of December 31, 2015 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Life for Relief and Development, Inc. as of December 31, 2015 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Sam T. Sadaps CPA

Fahd Al-Hassan

July 05, 2016.

LIFE FOR RELIEF AND DEVELOPMENT, INC.

STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2015

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	6,329,822	
Prepaid expenses		83,663	
TOTAL CURRENT ASSETS			\$ 6,413,485

FIXED ASSETS

Land	\$	57,750	
Building		792,586	
Building Improvements		456,304	1,306,640
Equipment, Furniture and Fixtures		238,314	
Automobile		61,050	
TOTAL FIXED ASSETS	\$	1,606,004	
Less Accumulated Depreciation		659,773	

NET FIXED ASSETS

946,231

OTHER ASSETS

Employee Advance		13,515	
Prepaid Expenses		69,351	
Security deposits		797	
TOTAL OTHER ASSETS			83,663

TOTAL ASSETS

\$ 7,443,379

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES

Accounts Payable	\$	-	
TOTAL CURRENT LIABILITIES			\$ -

TOTAL LIABILITIES

\$ -

FUND BALANCE

Fund Balance - Unrestricted	\$	6,749,552	
Fund Balance - Current		693,827	
TOTAL FUND BALANCES	\$		7,443,379

TOTAL LIABILITIES AND FUND BALANCES

\$ 7,443,379

See Accompanying Accountants' Audit Report

LIFE FOR RELIEF AND DEVELOPMENT, INC.

STATEMENT OF ACTIVITIES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015

REVENUE

Direct Public Support - Cash & NonCash	\$	51,461,299	
Gain(Loss) on Investments		24,794	
			<hr/>
TOTAL REVENUE	\$	51,486,093	

OPERATING EXPENSES

Emergency Disaster Relief Expenditures	\$	829,692	
Educational Expenditures		5,383,606	
Health and Safety Expenditures		36,825,748	
Seasonal Program Expenditures		1,169,780	
Social Program Expenditures		3,181,171	
Water Treatment and Sanitation Expenditures		114,251	
Zakat Program Expenditures		152,076	
Indirect and General Program Expenditures		1,041,908	
Fundraising Expenditures		611,306	
Management and General Expenditures		1,482,728	
			<hr/>
Total Expenditures	\$	50,792,266	
Fund Balance - Unrestricted	\$	693,827	
			<hr/>
Rounding Differences		-	
Fund Balance - Unrestricted	\$	693,827	



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Financial Statement Notes December 31, 2015

Summary of Significant Accounting Policies and Procedures

Organization overview – Life for Relief and Development, Inc. (Life) is an active corporation being originally incorporated in the state of California on December 17, 1992 under its' original name of International Relief Association, Inc. as a nonprofit organization formed under Internal Revenue Code Section 501 (c) (3) and therefore exempt from federal income taxes. Life provides disaster relief and humanitarian assistance to the people throughout the world irrespective of race, color or religion. The main source of donations comes from the organizations donor base through a number of collection locations. In addition the organization received durable goods as well as direct contributions to foreign programs from a variety of companies.

The organization is controlled by the corporate offices located in Southfield, Michigan with a number of satellite offices located in strategic countries falling under corporate control. The foreign offices maintain the responsibility to administer the various programs, support of Life for Relief and Development's mission, coordinate the allocation of donated goods, and to maintain a positive image and presence within the specified country. The various programs include water treatment and sanitation, social programs, seasonal programs, human development, emergency disaster relief, and education and school services.

The accompanying consolidated financial statements present the consolidated statement of financial position and the consolidated statement of activities. Life for Relief and Development, Inc. maintain the records using fund accounting as the controlling methodology. This method ensures adequate observations of limitations and restriction controls for use of funds within the various programs supported by the organization. The accompanying financial statements reflect a consolidated reporting where funds with similar characteristics have been combined in groups. All in-kind contributions have been shown as donations received and distributed.

The consolidated financial statements for Life for Relief and Development, Inc. have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) in the United States of America. Life for Relief and Development, Inc. follows the Financial Standards



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Boards in its Statement of Financial Accounting Standards (SFAS) No. 117,
Financial Statements for Not-For-Profit organizations.

Income Taxes

Life for Relief and Development, Inc. is a nonprofit organization exempt from federal income taxes under Internal Revenue Code Section 501 (c) (3) except on net income derived from unrelated business activities. There was no such tax liability for the year ended December 31, 2015.

Revenue Recognition

All contributions including pledges which include unconditional promises to give are recognized as revenues in the period received or promised. Conditional contributions are recorded when the condition has been met. All contributions are considered to be

unrestricted unless specifically restricted by the donor. Donations where the donor has stipulated the use are reported in the temporarily or permanently restricted net asset class.

Upon expiration of the donor restriction, temporary restricted net assets are released and reclassified to unrestricted net assets in the statement of activities. Donor-restricted funds are reported in the temporarily restricted net asset class irrespective of the fact that such restrictions would be met in the current reporting period.

Revenue, expenses, gains and losses are classified based on the absence of donor-imposed restrictions. The net assets of the organization and changes therein are classified and reported as follows:

- **Unrestricted net assets:** included those assets that are not subject to any donor imposed stipulations.
- **Temporarily restricted net assets:** included those net assets subject to donor-imposed restrictions that may be met either by the organization or through the passage of time. When the restriction conditions are met the net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- **Permanently restricted net assets:** includes net assets that are subject to donor-imposed or other legal restrictions requiring the principle to be



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- maintained by the organization.

The consolidated financial statements are presented with certain prior year comparative information. This information does not include sufficient details to constitute a presentation in conformity with generally accepted accounting principles (GAAP). Accordingly, such information should be read in conjunction with the organization's consolidated financial statements for the year ended December 31, 2015, from which the information was derived.

Use of Estimates

The financials statements were prepared in conformity with generally accepted accounting principles (GAAP) and require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements. These estimates and assumptions may affect disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses. Actual results could differ from management's estimates.

Investments

Investments are reported a fair value. Marketable security investments with a determinable fair value are reflected in the statement of financial position. Accordingly marketable securities donated are recorded as contributions based at their estimated fair market value at the date of donations.

Fixed Assets

Fixed assets are stated at cost. Depreciation is computed using the MACRS method over the estimated useful life of the asset.

Security Deposit