LIFE FOR RELIEF AND DEVELOPMENT, INC.

Audited Financial Statements

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017
LIFE FOR RELIEF AND DEVELOPMENT, INC.

Contents

Report on Audited Financial Statements 3

Financial Statements

Statement of Financial Position 4
Statement of Activities 5
Statement of Cash Flow 6
Financial Statement Notes 7-10
Al-Hassan, Howell, Sadaps CPA, P.C.
A Professional Corporation

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, 2017 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, 2017 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 18, 2018.
LIFE FOR RELIEF AND DEVELOPMENT, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017

ASSETS

CURRENT ASSETS

- Cash and Cash Equivalents $7,145,655
- Prepaid expenses 96,714

TOTAL CURRENT ASSETS $7,242,369

FIXED ASSETS

- Land $57,750
- Building 327,250
- Building Improvements 456,304 841,304
- Equipment, Furniture and Fixtures 240,437
- Automobile 40,855

TOTAL FIXED ASSETS $1,122,596
Less Accumulated Depreciation 608,473

NET FIXED ASSETS 514,123

OTHER ASSETS

- Employee Advance 11,300
- Security deposits 1,710

TOTAL OTHER ASSETS 13,010

TOTAL ASSETS $7,769,502

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES

- Accounts Payable $-

TOTAL CURRENT LIABILITIES $-

TOTAL LIABILITIES $-

FUND BALANCE

- Fund Balance - Unrestricted $7,131,717
- Fund Balance - Current 637,785

TOTAL FUND BALANCES $7,769,502

TOTAL LIABILITIES AND FUND BALANCES $7,769,502

See Accompanying Accountants’ Audit Report
LIFE FOR RELIEF AND DEVELOPMENT, INC.
STATEMENT OF ACTIVITIES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017

REVENUE

Direct Public Support - Cash & Non-Cash $10,702,940
Interest Income 3,449

TOTAL REVENUE $10,706,389

OPERATING EXPENSES

Emergency Disaster Relief Expenditures $782,966
Educational Expenditures 2,560,759
Health and Safety Expenditures 431,423
Seasonal Program Expenditures 732,068
Social Program Expenditures 1,351,851
Water Treatment and Sanitation Expenditures 135,300
Zakat Program Expenditures 124,460
Indirect and General Program Expenditures 2,056,477
Human Development Program 28,000
Fundraising Expenditures 777,376
Management and General Expenditures 1,087,924

Total Expenditures $10,068,604

Fund Balance - Unrestricted $637,785

Fund Balance - Unrestricted $637,785

See Accompanying Accountants' Audit Report
LIFE FOR RELIEF AND DEVELOPMENT, INC.
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2017

Cash Flows from operating Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Fund Balance</td>
<td>$637,785</td>
</tr>
<tr>
<td>Add: Adjustments to reconcile net income to net cash:</td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>$35,942</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>$60,550</td>
</tr>
<tr>
<td>Other Assets</td>
<td>$9,247</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash flow provided by operating activities</td>
<td>$733,524</td>
</tr>
</tbody>
</table>

Cash flows from investing activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of Fixed Assets</td>
<td>$259,579</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>$259,579</td>
</tr>
</tbody>
</table>

Cash flows from financing activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security Deposits</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided by financing activities</td>
<td></td>
</tr>
</tbody>
</table>

Net increase in cash equivalents | $993,103 |
Cash and cash equivalents at the beginning of the year | $6,329,822 |
Cash and cash equivalents at the end of the year | $7,322,925 |
Financial Statement Notes December 31, 2017

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

**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, 2017.

**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 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, 2017, from which the information was derived.

**Use of Estimates**

The financial 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 at 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**

Security deposit of $1710 for the postage machine.
Prepaid Expenses

As of December 31, 2017 the organization prepaid Expenses are $ 96,714 towards the projects undertaken currently.

June 18, 2018.