

RAHMA RELIEF FOUNDATION

**Financial Statement
Year Ended December 31, 2017
and
Independent Auditor's Report**

RAHMA RELIEF FOUNDATION

**Financial Statements
Year Ended December 31, 2017
and
Independent Auditor's Report**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Rahma Relief Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of the Rahma Relief Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Rahma Relief Foundation as of December 31, 2017 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.

Willoughby Hills, Ohio
May 21, 2019, except as to note on Revision, which is as of February 28, 2020

RAHMA RELIEF FOUNDATION

Statement of Financial Position

December 31, 2017

ASSETS	<u>2017</u>
Cash	\$ 14,959.05
Cash - Chase Bank	100.00
Cash - Chase Bank	124,360.00
Cash - Huntington Bank	144,215.96
Cash - PNC Bank	235,971.03
Cash - PNC Bank	<u>365.64</u>
Total Cash	519,971.68
Donations receivable - Paypal	24,333.26
Prepaid Dues	3,000.00
Furniture, Equipment & Vehicle	23,258.63
Less: Accumulated Depreciation	<u>(4,768.72)</u>
Net Fixed Assets	<u>18,489.91</u>
TOTAL ASSETS	<u><u>\$ 565,794.85</u></u>
LIABILITIES	
Credit Card Payable	\$ 985.94
Payroll Liabilites	<u>2,316.97</u>
Total Liabilities	3,302.91
NET ASSETS	
Net Assets Without Donor Restrictions	562,491.94
Net Assets With Donor Restrictions	
Total Net Assets	<u><u>562,491.94</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 565,794.85</u></u>

The accompanying notes are an integral part of these financial statements

RAHMA RELIEF FOUNDATION

Statement of Activities

For the Year Ended December 31, 2017

	<u>2017</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS	
Support and other contributions	
Contributions	\$ 3,529,130.98
Donations in kind	<u>66,104,886.00</u>
Total support and other contributi	<u>69,634,016.98</u>
Expenses	
Program services	68,810,646.93
Supporting services:	
Fundraising	362,286.29
Administrative and general	<u>162,559.81</u>
Total expenses	<u>69,335,493.03</u>
INCREASE IN UNRESTRICTED NET ASSETS	298,523.95
NET ASSETS at BEGINNING OF YEAR	<u>263,967.99</u>
NET ASSETS at END OF YEAR	<u>\$ 562,491.94</u>

The accompanying notes are an integral part of these financial statements

RAHMA RELIEF FOUNDATION

Statement of Cash Flows

For the Year Ended December 31, 2017

	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in Net Assets Without Donor Restrictions	\$ 298,523.98
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Depreciation and Amortization	4,651.72
(Increase) Decrease in donations receivable	(15,524.27)
(Increase) Decrease Prepaid	(3,000.00)
(Increase) Decrease in Liabilities	(1,414.29)
Net cash provided by operating activities	<u>283,237.14</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash Payment for Purchases of Equipment	(22,673.63)
Net cash used by investing activities	<u>(22,673.63)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Net cash provided by financing activities	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	260,563.51
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>259,408.20</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 519,971.71</u></u>

The accompanying notes are an integral part of these financial statements

RAHMA RELIEF FOUNDATION

Schedule of Functional Expenses

For the Year Ended December 31, 2017

	Program Services	Supporting Services		2017 Total
		Fundraising	Administrative and General	
Grants Paid	\$ 2,552,252.21			\$ 2,552,252.21
Donations In Kind	66,104,886.00			66,104,886.00
Dues and Subscriptions	2,000.00			2,000.00
Food Assistance	1,462.20			1,462.20
Food, Clothing, Supplies	16,535.00			16,535.00
Foreign Office Expenses	21,354.00			21,354.00
In Kind Non Cash Donations	7,156.00			7,156.00
Refugee Assistance Program	12,286.50			12,286.50
Shipping Expenses	92,715.02			92,715.02
Consulting Fees			\$ 15,750.00	15,750.00
Repairs & Maintenance			1,101.27	1,101.27
Depreciation			4,651.72	4,651.72
Equipment Rental & Maint			205.64	205.64
Office Supplies			4,442.23	4,442.23
Accounting Fee			2,103.00	2,103.00
Legal Fees			535.00	535.00
Rent, Parking, Utilities			11,039.91	11,039.91
Postage Mailing Service			316.25	316.25
Telephone, Telecommunications			749.00	749.00
Bank Service Charges			2,668.82	2,668.82
Credit and Collection Fees			311.56	311.56
Dues and Subscriptions			1,326.43	1,326.43
Officers Compensation			57,084.66	57,084.66
Salaries & Wages			50,169.50	50,169.50
FICA			8,204.95	8,204.95
FUTA			179.08	179.08
UIA			1,479.79	1,479.79
Insurance-Liability, D & O			241.00	241.00
Advertising and Promotions		\$ 53,244.77		53,244.77
Outside Contract Services		93,932.10		93,932.10
Conferences, Conventions, Meetings		4,000.00		4,000.00
Travel and Lodging		82,203.27		82,203.27
Auto Expense		1,987.03		1,987.03
Credit Collection Fees		12,849.18		12,849.18
Event Expense		109,467.59		109,467.59
Hall Rent		1,142.50		1,142.50
Meals		70.39		70.39
Postage Mailing Service		3,300.00		3,300.00
Fundraising Expenses-Other		89.46		89.46
Totals	\$ 68,810,646.93	\$ 362,286.29	\$ 162,559.81	\$ 69,335,493.03

The accompanying notes are an integral part of these financial statements

RAHMA RELIEF FOUNDATION
Notes to Financial Statements
For the Year Ended December 31, 2017

DESCRIPTION, VISION, MISSION, and CORE VALUES OF THE FOUNDATION

The Rahma Relief Foundation (Rahma) is a United States nonprofit organization that provides aid to people affected by current crises in Syria, Jordan, Yemen, Lebanon and elsewhere.

Vision

A world in where every community is provided the opportunity to be more efficient and sustainable.

Mission

Dedication to humanity by assisting the most vulnerable communities by responding to crisis, implementing programs to achieve social equity, create development strategies, and facilitate self-sufficient sustainability.

Core Values

Compassion--dedicating ourselves to improving the lives of those we serve and to treating each other with care and respect, **Transparency**--conducting ourselves with openness in all aspects of our work and open to discussion and to improving how we work to reflect our values, **Integrity**--fulfilling our promises through behavior that reflects our honesty, responsibility, and fairness to doing what is right for our beneficiaries, and **Humanity**--striving to alleviate human suffering and promote understanding, cooperation and respect for the human being.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Rahma and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are assets on which no restrictions have been placed or that arise from the general operations of Rahma. The liquid available resources to meet cash needs for general expenditures within one year of the of financial position date are in high quality bank accounts. At December 31, 2017, Rahma has cash balances of \$519,971 to meet cash needs for general expenses of \$162,560.

RAHMA RELIEF FOUNDATION
Notes to Financial Statements
For the Year Ended December 31, 2017

Net Assets With Donor Restrictions

Net assets with donor restrictions are assets of which the use is restricted by the donor or grantor for a specific time period or purpose. Assets restricted by donors and grantors for specific operating purposes are reported in unrestricted revenue, gains and other support to the extent expended within the period. In the absence of explicit donor stipulations, restrictions on capital gifts are eliminated when the capital gift is placed in service. At the present time there are no donor restrictions on the net assets of Rahma.

When a restriction expires as stated by the donor, when a stipulated time restriction ends, or a program is accomplished, restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give cash and other assets to Rahma are reported on the statement of activities as restricted contributions at their net realizable value at the date the promise is received. Conditional promises to give and indications of intention to give, if any, are reported at fair value at the date assets are received.

Furniture, Equipment and Depreciation

Furniture and equipment are stated at cost, and depreciation is provided by charges to appropriate expense categories using the straight-line method over the estimated useful lives of five years. Expenditures for maintenance, repairs, minor renewals and betterments which do not improve or extend the useful life of the respective asset are expensed. All other expenditures for renewals and betterments are capitalized. The assets and related depreciation accounts are adjusted for property retirements and disposals with the resulting gain or loss included in income. Depreciation for 2017 was \$4,651.

Income Taxes

Rahma was established under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRS). The IRS has ruled that the Rahma Relief Foundation is a charitable tax-exempt organization which is exempt from federal income taxation under Section 501(c)(3) of the IRS Code and classified as other than a private foundation.

Tax returns for the years after 2015 are subject to review by various federal, state and local governmental taxing authorities, generally for three years after they are filed.

Use of Estimates

The preparation of the financial statements in conformity with the United States Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RAHMA RELIEF FOUNDATION
Notes to Financial Statements
For the Year Ended December 31, 2017

Concentration of Credit Risk

Financial instruments which potentially expose Rahma to concentrations of credit risk include cash, cash equivalents and investments. Rahma maintains cash balances only with financial institutions having a high credit quality.

At various times during the year, cash balances in the banks may have exceeded the federally insured limits of \$250,000 for each deposit ownership category. At December 31, 2017, cash and cash equivalents were \$519,972 none of which exceeded the insured limit.

Credit risk with respect to contributions is limited due to the large number by individual donors, and the credit worthiness of foundation and corporate donors. Currently, Rahma does not receive any government grants. Contributions were from mainly individuals, private foundations and some businesses.

Shipping and Handling costs (Container Costs)

Shipping and handling costs are expensed as incurred and are charged to program costs for the delivery of humanitarian aid to soup kitchens, food pantries and sometimes schools in Syria, Lebanon and Turkey.

Advertising and Promotions

Advertising and promotion expenses are expensed as incurred and totaled \$53,244 for 2017.

Allocation of Costs Among Functions

Costs are reviewed and classified as to function and account upon receipt and processing by the staff of Rahma.

CONTRIBUTIONS AND DONATIONS

Rahma receives contributions from various sources. These sources include individuals, private foundations and businesses. Contributions are recorded as unrestricted, or restricted support depending on the existence and/or nature of any donor restrictions. If a contribution is received in the current year with a donor-imposed restriction that is satisfied within the current year, the contribution is recorded as unrestricted. Donor contributions from all resources are recorded on the statements of activities.

Amounts have been reflected in the financial statements for donated goods, but not for donated services. Donated services are recognized only if they create non-financial assets or require special skills like accountants and attorneys and are provided by those possessing such skills.

RAHMA RELIEF FOUNDATION
Notes to Financial Statements
For the Year Ended December 31, 2017

DONATIONS AND GRANTS RECEIVABLE

Transfers are made regularly from the PayPal account to a Rahma bank account. Because of the size and credit worthiness of PayPal, no provision for collectability is deemed necessary.

No government grants were provided to Rahma Relief Foundation as of December 31, 2017.

RELATED PARTY TRANSACTIONS

There were no related party transactions during the years ended December 31, 2017.

SUBSEQUENT EVENTS

In preparing these financial statements, Rahma evaluated subsequent events and transactions for potential recognition or disclosure through the time financial statements were available to be issued on April 30, 2019. In compliance with applicable accounting standards, all material subsequent events have been recognized either in the financial statements or disclosed in the notes to the financial statements.

REVISION

Subsequent to the release of the financial statements on April 30, 2019, it was determined that certain cash transactions had not been recorded, resulting in overstatement of cash and contributions.

RAHMA 2017 FINANCIAL STATEMENT WORKSHEET

Account #	Account Name	12/31/2017 DR Balance	12/31/2017 CR Balance	Proposed A/E	Proposed A/E	Proposed A/E	Proposed A/E	Proposed A/E	Proposed A/E	12/31/2017 Revised	Program Expenses	Fund Raising	Admin Expenses	12/31/2016 FINAL Total Bal	12/31/2016 Program Expenses	12/31/2016 Admin Expenses	12/31/2016 Fund Raising
	Cash	14959.05								14959.05							
	Chase Bank0668	100.00								100.00							
	10000 Chase Bank 1177	124360.00								124360.00				865.00			
	10100 B0A-7317	3865.00								3865.00				199356.99			
	10200 B0A-9558	440979.26								440979.26							
										2739.96							
										443.16							
	10300 B0A-2999	144215.96								144215.96				56186.21			
	10400 Huntington bank 8065	235971.03								235971.03							
	PNC Bank 8169	365.64								365.64							
	PNC Bank MFA 8257	162186.21								162186.21							
	Citizens Bank 1831									0.00							
										0.00							
	11000 Paypal Receivable	11918.08								24333.26				8808.99			
										0.00							
	12000 CD	3000.00								3000.00				3000.00			
										0.00							
	12100 Prepaid Dues									3000.00							
										0.00							
	13000 Accumulated Deprec									0.00							
	15000 Furniture & Equipment	5610.80								-4768.72				-117.00			
	15100 Computer	2462.83								5610.80				565.00			
	15200 FortiFi	12600.00								2462.83							
	15300 Printer	585.00								12600.00							
	15400 Vehicle									585.00							
										2000.00							
										0.00							
										0.00							
										-985.94				-831.81			
	20100 B0A-9492 Credit Card									0.00							
	20200 B0A-1335 Credit Card									0.00							
										0.00							
										0.00							
	24000 Payroll Liabilities									0.00							
	24100 Federal Liability									-2103.60				-1007.50			
	24200 FUTA Liability									-11.08				-25.56			
	24300 State Withholding									-130.95				-112.45			
	24400 UIA Liability									-71.34				-166.45			
										0.00							
										0.00							
										-263967.99				-181585.83			
	27210 Other Contributions Lab									0.00				0.00			
	32000 Unrestricted Net Assets									0.00							
										-267077.08							
										0.00							
	43470 Food, Clothing, Supplies									-66104886.00				-3024000.00			
	43450 Individual, Business Contributions									-21310.48				-2290421.36			
										162168.21							
										63418.28							
										400018.00							
										2000.00							
										1462.20							
										16535.00							
										66104886.00				3034000.00			
										21354.00							
										2532252.21				1633852.64			
										7156.00				6300.00			
										12286.50				3347.66			
										92715.02				42308.49			
										0.00							
										15750.00				15750.00			
										1101.27				13790.00			
										4651.72				500.00			
										205.64				117.00			
										4442.23				167.01			
										2103.00				621.34			
										535.00				2106.00			
										11039.91							
										316.25				1767.00			
										749.00				1793.00			
										2668.82							

Tot Assets 266885.19

-831.81
-2573.43
-117.00
565.00
-1311.96

-3405.24
-5314421.36

63100	Credit and Collection Fees	311.56	311.56	311.56	311.56	311.56	339.90	339.90	339.90
63210	Dues and Subscriptions	4326.43	1326.43	1326.43	1326.43	20.00	20.00	20.00	
63231	Officers Compensation	57084.66	57084.66	57084.66	57084.66	31700.00	31700.00	31200.00	
63232	Salaries and Wages	50169.50	50169.50	50169.50	50169.50	16710.00	16710.00	16710	
63233	FICA	8204.95	8204.95	8204.95	8204.95	3665.12	3665.12	3665.12	
63234	FUTA	179.08	179.08	179.08	179.08	116.76	116.76	116.76	
63235	UIA	1479.79	1479.79	1479.79	1479.79	916.77	916.77	916.77	
65120	Insurance - Liability, D and O	241.00	241.00	241.00	241.00				
68100	Advertising and Promotion	53244.77	53244.77	53244.77	53244.77	20928.08	20928.08	20928.08	
68110	Outside Contract Svcs	93932.10	93932.10	93932.10	93932.10	16795.00	16795.00	16795.00	
68120	Conference, Convention, Mtg	4000.00	4000.00	4000.00	4000.00	14400.00	14400.00	14400.00	
68130	Travel & Lodging	80799.12	80799.12	82203.27	82203.27	76775.53	76775.53	76775.53	
68150	Auto Expense	1987.03	1987.03	1987.03	1987.03	729.64	729.64	729.64	
68180	Credit Collection Fees	7062.97	7062.97	12849.18	12849.18	17545.37	17545.37	17545.37	
68190	Event Expense	109467.59	109467.59	109467.59	109467.59	91664.39	91664.39	91664.39	
68210	Hall Rent	1142.50	1142.50	1142.50	1142.50	9412.50	9412.50	9412.50	
68240	Meals	70.39	70.39	70.39	70.39	650.00	650.00	650.00	
68250	Postage, Mailing Service	3300.00	3300.00	3300.00	3300.00				
68000	Fundraising Expenses - Other	89.46	89.46	89.46	89.46				
		4386734.12	-4386734.12	651271.19	-651271.19	0.00	68810646.93	362266.29	162559.81

0 4909808.79 73829.90 248400.51 Tot Exps 5232039.20

AJE 1 Adjust Payroll for 2017 activity
 AJE 2 Adjust Payroll for 2016 activity
 AJE 3 Record Depreciation for 2017
 AJE 4 Reclass Vehicle from Exp to Asset
 AJE 5 Reclass Dues from Exp to Asset