

**UNITED
MUSLIM
RELIEF**

**ANNUAL REPORT
2016**

UMRELIEF.ORG

“ I am proud of the strides we have made as an organization to increase our impact while improving the lives of more than 2 million people around the world in 2016. ”

Abed Ayoub



FOREWORD FROM THE CEO

Dear Friends,

Every organization has specific years that are marked by challenges and development. For us, that year was 2016. It was a year in which we invested greatly in the infrastructure of the organization and experienced the natural growing pains of a three-year-old organization. I can confidently say that this year solidified the existence of UMR as a leading Muslim NGO, and gave us lessons that will lead us to further success. I am proud of the strides we have made as an organization to increase our impact while improving the lives of more than 2 million people around the world in 2016.

At the start of the year, we had a beginning balance of \$1,207,680 USD. By year's end, support for our programs had increased and generated a revenue around 29 million USD. In 2016, we expended a total budget of \$30,647,808 worldwide. This success was in large part due to the hard work and dedication of UMR staff and volunteers, but more so the tremendous support that we received from our donors and partners.

In 2016, we further established UMR by formalizing the overall organization structure; ensuring a solid checks and balances system and addressing any systematic gaps that could hinder our growing success. This structure allowed the expansion of UMR programs and the establishment of the second international UMR office in Kenya. Our programs portfolio also grew significantly, with programs spanning various spheres of relief and development: global health, food security, WASH (water, sanitation and hygiene), economic empowerment, education, livelihood, and orphan and widow care. Our domestic portfolio- largely driven by our university chapters- expanded services to help Syrian refugees resettle and integrate seamlessly into our communities, conduct advocacy campaigns online and offline- including a letter-writing campaign to President Obama on the Aleppo crisis, and emergency response support for Haiti and Aleppo. These programs garnered wide support and provided the bedrock of our two major campaigns during Ramadan and Winter.

We also expanded the support functions of the organization through the establishment of departments of Operations and Advocacy and Outreach. In the current political climate, we saw the need for our voice to be heard in humanitarian foreign and domestic policy decisions. A few highlights from our advocacy and outreach work in 2016 include meetings with high-level officials at the White House, participating in the World Humanitarian Summit in Turkey, speaking at the United Nations General Assembly week in New York City and the Youth Human Rights Council Forum in Geneva, Switzerland. We became an official member of leading NGO coalitions, including Inter Action, Crisis Action, and Shoulder-to-Shoulder interfaith coalition. We served as a member on the national White House Refugee Welcome Committee, and co-sponsored a Ramadan Iftar with the United States Institute of Peace. Our goal for 2017 is to further engage with our elected officials within our humanitarian capacity with the aim of UMR being a stakeholder in influencing national and international policy.

The road ahead is long and difficult, but with your continued support, we will be able to eradicate poverty and help bring about a world in which every individual has an equal chance at a secure and happy life.

Sincerely,

Abed

Abed Ayoub
President and CEO
United Muslim Relief

Programs

Programs are the lifeblood of any NGO; when programs are successful, an NGO is successful. We worked hard to develop our programs from conceptual ideas to tangible successful outcomes that planted the seed of sustainable growth for the impacted communities. UMR's programs range from providing the most basic needs for human survival (food and water), to developing long-term solutions to empower beneficiaries to lead secure and positive livelihoods. As part of our programs portfolio, UMR develops major campaigns such as Ramadan and Qurbani. One of the major focuses of Ramadan is the distribution of food packages to feed families for the month of Ramadan.

Last year 56,852 beneficiaries benefitted from the Ramadan food packages that fed families of up to 7 people for the entire month.

Our Qurbani campaign has the purpose of giving the gift of meat to as many people in need as possible, many of whom rarely eat meat due to the high cost and lack of access to it. Qurbani is an essential part of the celebration of the Eid Al-Adha holiday, and **UMR distributed 2940 Udhya to over 70,560 beneficiaries in 2016.**







Food Security

Food is a fundamental need for the survival of human life. The world food summit of 1996 defined food security as existing “when all people at all times have access to sufficient, safe, nutritious food to maintain a healthy and active life”¹.

Food security is built on three pillars: food availability, food access, and food use. Some 795 million people in the world do not have enough food to lead a healthy active life- that’s about one in nine people on earth. Poor nutrition causes nearly half (45%) of deaths in children under five - 3.1 million children each year². Food security is a complex issue-interconnected to health, sustainable economic development, environment, and trade. Since one of our key priorities in providing basic needs for survival in 2016 was food security, UMR successfully implemented two major food distribution campaigns globally:

Ramadan

Lebanon
(Syrian refugees)

45,244

of Beneficiaries



Palestine
(Gaza & Westbank)

3,966

of Beneficiaries



Jordan
(Palestinian/
Syrian refugees)

3,200

of Beneficiaries



Myanmar

2,692

of Beneficiaries



Ethiopia

1,750

of Beneficiaries



56,852

Total # of Beneficiaries

Qurbani

UMR provided:



2,940

Udhya (Qurbani meat)



70,560

Underserved
communities members

Countries aided:

- *Bangladesh
- *Eritrean (Refugees)
- *India
- *Jordan (Refugees)
- *Kashmir
- *Kenya
- *Lebanon
- *Malawi
- *Myanmar
- *Pakistan
- *Palestine (Gaza & West Bank)
- *Somalia
- *Sri Lanka
- *Sudan
- *Syria (Northern & besieged area)
- *Uganda
- *Yemen

¹Source: <http://www.who.int/trade/glossary/story028/en/>

²Source: <https://www.wfp.org/hunger/stats>

Water, Sanitation & Hygiene

Water pervades every aspect of human existence. It is the building block of life, and for far too many people, it remains a scarce luxury. The world is experiencing a global water crisis- where 1 in 10 people lack access to water and 1 in 3 people lack access to a toilet³. With expected increases in global population, food and water demand is predicted to increase by 50% by 2030⁴, emphasizing the importance of addressing this crisis head-on.

UMR firmly believes that clean water, basic latrines and good hygiene practices are essential for the survival and development of children. With around 2.4 billion people who do not use improved sanitation, and 663 million who do not have access to improved water sources, the lives of millions of people are at risk without these basic needs, especially children. For children under five years old, water- and sanitation-related diseases are one of the leading causes of death.

Every day, over 800 children die from preventable diseases caused by a lack of sanitation and hygiene. To create access to safe water opportunity for students and communities in Gelealo Woreda, Ethiopia, UMR constructed a Rainwater Harvesting (RWH) system. Constructing water schemes and availing access to water in the school compound will significantly increase the attendance of girls and reduce their absence from class and dropout rates. Until the summer (rainy season), the reservoir will be filled with water via water trucking from other areas. This project also raised hygiene and sanitation awareness to students and the community surrounding the school through workshops and trainings on best sanitation and hygiene practices. In addition, to help girls improve their hygiene practice, sanitary pads were procured and delivered to each girl.

More than 14,400 beneficiaries have benefited from this project.

UMR provided 9 gallons (72 – 16 oz. bottles) of water to 250 families in Flint, Michigan who are not able to use the water in their homes because the water pipes in the area are corroded and have high level of lead which is a health hazard to the people to use the water that piped into their homes.

Another grim reality is the alarming number of women and children who trek miles from their home to collect water for their household. This often makes attending school less of a priority due to the amount of energy and time it takes to make this daily journey.

In order to address this problem, **UMR strategically built over 225 water wells centered around schools and larger community homes in Bangladesh, Cambodia, and Pakistan; with a total of 398,305 beneficiaries.**

³Source: <http://water.org/water-crisis/water-sanitation-facts/>

⁴Source: <http://www.unwater.org/water-cooperation-2013/water-cooperation/facts-and-figures/en/>





Healthcare

Poor hygiene practices and sanitation facilities are one of the biggest threats to global health. The poorest of the poor, around the world, have the worst health. Those at the bottom of the distribution of global and national wealth, those marginalized and excluded within countries, and countries themselves disadvantaged by historical exploitation present an urgent moral and practical focus for action.⁵ Over one billion people lack access to healthcare⁶ on a yearly basis, which continues to demonstrate the high priority of healthcare on the global scale.

UMR is passionate about providing psychosocial support to vulnerable communities in need after experiencing the trauma of conflict in their homeland. In 2016, UMR partnered with Johanniter to provide children the ability to develop themselves while building resilience and strength in the process of re-establishing their communities and livelihood during the Syrian crisis. This program created Child-Friendly Spaces for victims to cope and heal their emotions through psychosocial, communicative, imaginative, and physical activities. **The program was based in the Al-Shajara neighborhood in Amman, Jordan, and ultimately supported 550 women, teens, and children refugees.**

UMR provided the dental supplies and equipment in free health clinics for the poor in Pakistan. The shipment total cost and beneficiaries are **230,000 USD and 20,000 respectively.**

UMR is dedicated to providing underprivileged hospitals and clinics with the medication and medical supplies needed to maintain the supply and demand of their patients' day in and day out.

In 2016 UMR carried out this dedication with an unprecedented amount of in-kind donations to communities in desperate need of medicine and medical supplies. UMR distributed these supplies in the following countries:

Palestine (Gaza and West Bank), Bosnia, Sierra Leone, Somalia, Syria, Niger and Morocco.

As part of UMR's mission to provide the necessary medicine and medical supplies to sustain and maintain underprivileged hospitals and clinics, we are also dedicated to delivering proper medical, oral and dental hygiene care to communities where a dire need is present. In partnership with Islamic Medical Association of North America (IMANA) **in 2016, UMR sent a team of doctors, dentists, and other health professionals to multiple regions and treated 109 patients with cataract surgeries in Jordan.**

⁵Source: <http://www.globalissues.org/article/588/global-health-overview>

⁶Source: <http://www.globalissues.org/issue/587/health-issues>

Education

Education empowers people. It is the mechanism in which an individual from the lowest socio-economic status, or from a war-torn region, or from a disenfranchised institution; is able to build a successful future that they dream of. As many as 476 million children and young people between the ages of 3 and 18 live in 35 countries affected by crises. 80 million of them have had their education disrupted or destroyed by emergencies and protracted crises. The situation for girls is even worse, being 2.5 times more likely to be out of school than boys in countries affected by conflict. Less than two percent of all humanitarian funding has gone to education every year since 2010, with a current estimated \$9 billion gap for education in emergencies annually⁷.

Through donor-led capacity development, UMR is dedicated to identifying and filling the gaps in education aid. Our goal is to increase the technical skills and expertise of our beneficiaries by delivering and administering education, both in the classroom and in the education ministry – a key part of a more systemic approach to improving education.

In 2016, our major education campaign was the Creating Sustainable Access to Quality Education Facilities for Drought Affected Pastoralist School Children in the Afar region of Ethiopia.

The Afar region has one of the lowest education net enrolment ratios (NER) at 32%, far below the national average of 85%. More rural and remote Woredas within Afar have an even lower NER of 20% (Ministry of Education (MoE), 2011).

This low enrolment mainly attributes to absence of access to education at all levels.

The existing poor access to education combined with the drought facing the pastoralist has severely affected the teaching learning activities. Tens of thousands of students are already out of school due to lack of access to education and majority of students who were attending their education have already dropped out of their school due the effect of drought. Continued and unresolved lack of access to water has aggravated the problem. **School aged and enrolled** female students are forced to miss class and drop out of school to fetch water from a very distant place. Sometimes the distance takes a whole day on foot travel for round trip highly affecting the participation of girls in education.

In partnership with KELEM, we successfully constructed a school with five classrooms, provided short term training for teachers, delivered scholastic materials to ensure effective teaching-learning processes, and conducted WASH training to teachers, staff and students.

This school is the first of its kind in its community and supports more than 200 beneficiaries per year.

In Jordan, we organized a 'Back to School' drive in collaboration with Baitulmaal, where **18,400 children were provided with brand new backpacks to fill with a wide range of new school supplies of their choice.**

In Jordan, UMR provided 5,700 ONE WORLD Futbols to schools and youth groups. **239,400 (5700X 42 individuals) individuals benefited from the program.**

⁷Source: http://whsturkey.org/Contents/Upload/SS4%20Education_0byqtqqo.y5z.pdf



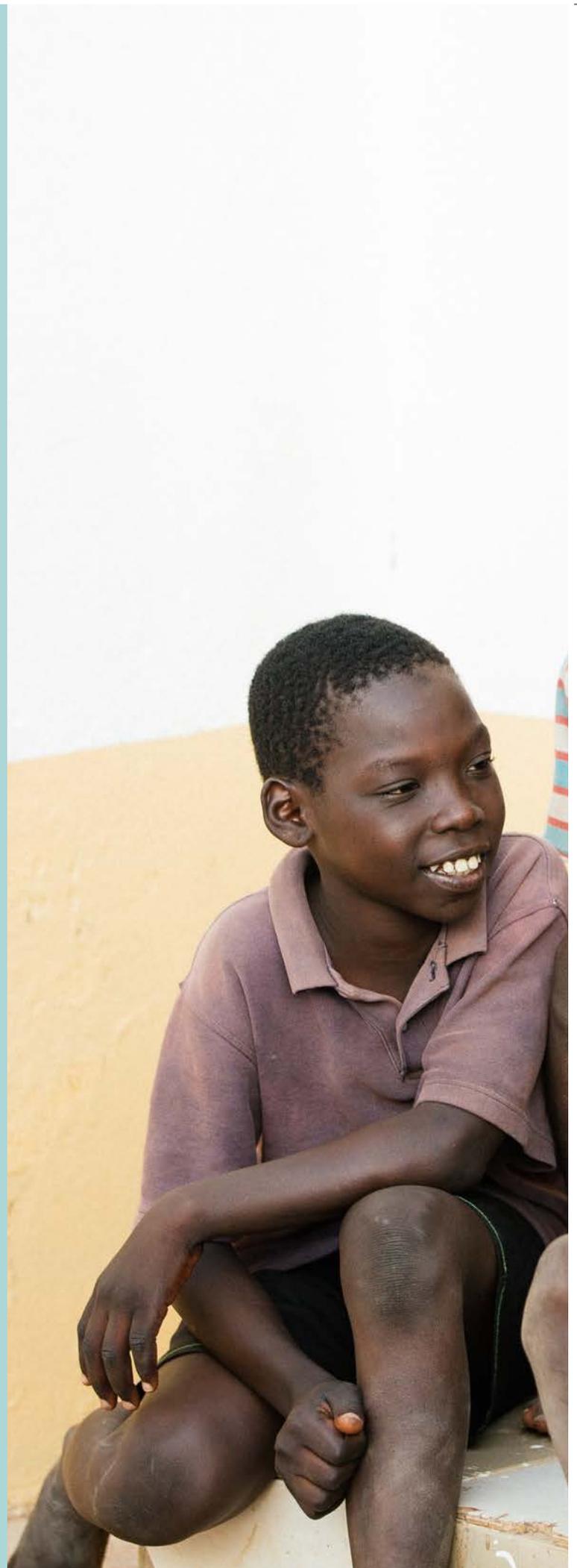
Orphan Care

The absence of one or both parents should never force a child into a life of destitution. The estimated number of orphans globally currently reported by the US Government and UNICEF, include: 17.8 million children worldwide who have lost both parents (“double orphan”), and 153 million children worldwide who have lost one parent (“single orphan”)⁸. Sponsoring a positive future for an orphan is to offer the gift of a new life⁹. That orphan becomes an integral part of an extended family and gains the potential to build a brighter future for themselves.

In partnership with Life for Relief and Development and Orphans in Need in 2016, **UMR sponsored 2,205 orphan beneficiaries** in Bangladesh, India, Pakistan, Sierra Leone, and Sri Lanka. Our donors’ sponsorships go directly to support an orphan in all aspects of life: health, nutrition, shelter, and education. In practice, this takes place after a detailed assessment of needs and setting realistic, long-term objectives. Our sponsors provide a regular donation that pays for food, clothing, medicine, and education for children in some of the most desperate and deprived areas in the world. The sponsorship goes beyond short-term fixes, and focuses on the **long-term welfare of young lives in need.**

⁸Source: <http://mercyprojects.org/150-million-risk-children/?gclid=CNiRrHKqswCFZNZhgodrvsDxQ>

⁹Source: <http://www.orphansinneed.org.uk/>







Emergency Response

Emergencies occur nearly every day and affect thousands of communities around the world, leaving people in urgent need of help to survive and recover. While some emergencies, such as Typhoon Haiyan in the Philippines and Cyclone Phailin in India in 2013, gain widespread media coverage, many others are poorly publicized and receive little public attention.

The circumstances can range from catastrophic rapid-onset natural disasters and disease outbreaks to slow-onset crises such as food shortages, drought, and gender-based violence and displacement of populations due to war and civil unrest. Both rapid and slow-onset emergencies can erase hard-won development gains and hinder progress, significantly reducing community resilience. After decades of natural and manmade disasters, often exacerbated by climate change and chronic conflict, many countries are facing emergencies as the “new normal”¹⁰. It is our responsibility to protect our planet from man made conflict and crises, whether it be war or the destruction of the environment.

UMR is dedicated to ensuring that the pressing state of people suffering due to war and natural disasters receive the emergency response needed to guarantee their public safety and health by addressing all the concerns that pertain to their livelihood.

In 2016, we held a Winter Campaign for Syrian Refugees in Jordan, Turkey, and Lebanon where we distributed essential blankets, fuel and clothing to 14,350 beneficiaries.

Also, the Syrian crisis in Aleppo caused for international attention due to thousands of civilians having been trapped in the region. Overall, an estimated **4.9 million people** are in need in besieged and hard-to-reach areas¹¹. Therefore, UMR created an emergency campaign to aid 109,150 refugees from Aleppo and Mosul in countries where they are seeking hopes for resettlement and stability.

This past year, Ethiopia suffered from an extreme drought known as, El Nino. Due to this catastrophe, livestock deaths and water shortages were widely reported. Disease outbreaks and food insecurity still persist in pocket areas. Partners estimate that **300,000 children** will become severely malnourished in 2017, **5.6 million** will require food assistance, and **9.2 million** would be without safe drinking water. The distress induced from the drought called for an emergency response in several regions of Ethiopia, in which **UMR was able to provide food items for 1750 beneficiaries impacted by the drought through Ramadan food distribution program.**

Lastly, Haiti suffered from massive destruction from Hurricane Matthew. An estimated **600,000 children** are stalked by disease, malnutrition, and a dire need for assistance.¹² Many of these children are left homeless and at high risk for developing infectious diseases. In efforts to reduce such a risk, **UMR distributed hygiene kits to nearly 200 people outside of the city of Jacmel, Haiti.**

¹⁰Source: <http://www.gatesfoundation.org/What-We-Do/Global-Development/Emergency-Response>

¹¹Source: <http://www.un.org/apps/news/story.asp?NewsID=55830#.Wlj9ePkrJPY> Published: December 19th, 2016 12:09 EST

¹² Source: <http://www-un-org/apps/news/story.asp?NewsID=55476#.Wlka2PkrJPY>

Advocacy

UMR is on a mission to position itself as a top international NGO serving as a resource and partner to the United Nations (UN), multiple international coalitions and US government agencies. In our efforts to achieve this overall goal, UMR established an Advocacy and Outreach Department in 2016 focused on finding long-term solutions, impacting policy pertaining to humanitarian aid and development, and gaining exposure and publicity.

Our advocacy campaigns build on the insights generated by our programs around the world. We know that we can only withstand the impact of our programs—and take that impact to scale—by influencing and challenging governments and other institutions with power and resources to change their own policies. Advocacy encompasses research and policy analysis, outreach, communications and public campaigning. In different situations, our advocacy can be focused on securing formal policy changes, driving implementation, or creating an enabling environment for change.

Our advocacy goals are simple:

- 1. To prioritize basic rights before basic needs.**
- 2. To address the root cause, not just the symptoms.**
- 3. To empower beneficiaries to be constituents; enabling two-way learning.**

In 2016, our advocacy platform focused on humanitarian access, access to healthcare, education in emergency settings, economic empowerment, and investment in vulnerable communities.

We were extremely successful in laying the groundwork for our advocacy department with many highlights, including: conducting advocacy trainings for staff and university chapters; successfully completing two major advocacy campaigns on campuses across the country for the crises of Rohingya and Syria; participating in historic events hosted by the White House and State Department; becoming an official member of strategic coalitions including InterAction, Crisis Action, and Shoulder-to-Shoulder; speaking at the United Nations General Assembly Week on the UN Women, Microsoft, and Malala Fund #YesGirls Event; serving as a member on the White House Refugee Welcome Committee to help resettle refugees in the United States; and co-hosting a successful inter-faith iftar with over 250 people in attendance.

In 2017, the Advocacy and Outreach department will continue to build momentum and increase the impact of UMR campaigns nationally and internationally. UMR will prioritize engaging with the new administration to educate and raise awareness on our mission and work helping millions of people worldwide. UMR will heavily utilize its large grassroots network of over 30 university chapters as drivers to achieve sustainable change nationally and internationally. Our grassroots network is creating a bigger impact on issues that are important to UMR and protecting our core values and mission to see a more equitable world for all.



THE WHITE HOUSE SUMMIT ON GLOBAL DEVELOPMENT

REAL LIVES. REAL OUTCOMES

THE WHITE HOUSE SUMMIT ON GLOBAL DEVELOPMENT

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REAL LIVES. REAL OUTCOMES

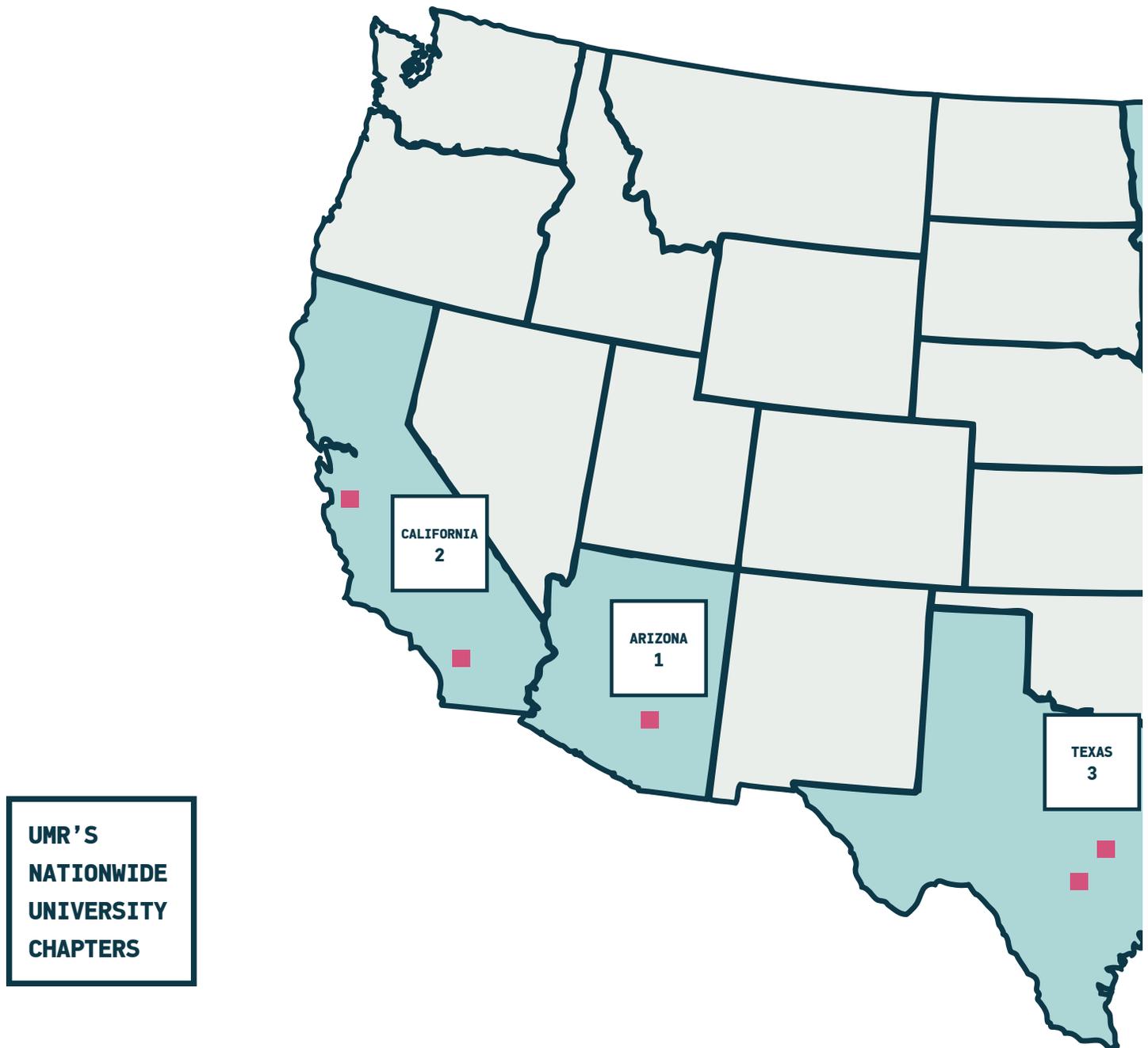
THE WHITE HOUSE SUMMIT ON GLOBAL DEVELOPMENT

THE WHITE HOUSE SUMMIT ON GLOBAL DEVELOPMENT

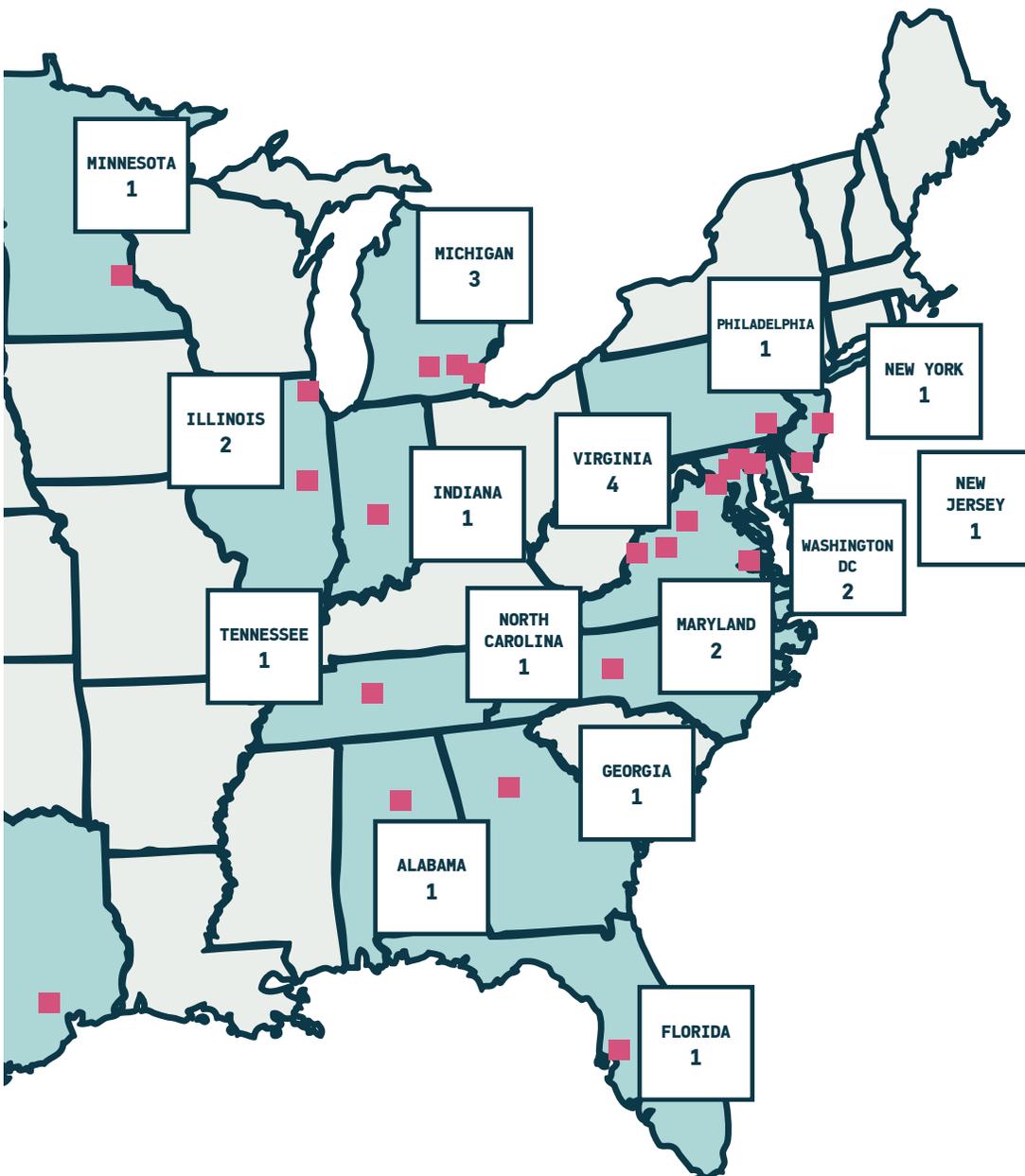
REAL LIVES. REAL OUTCOMES

University Chapters

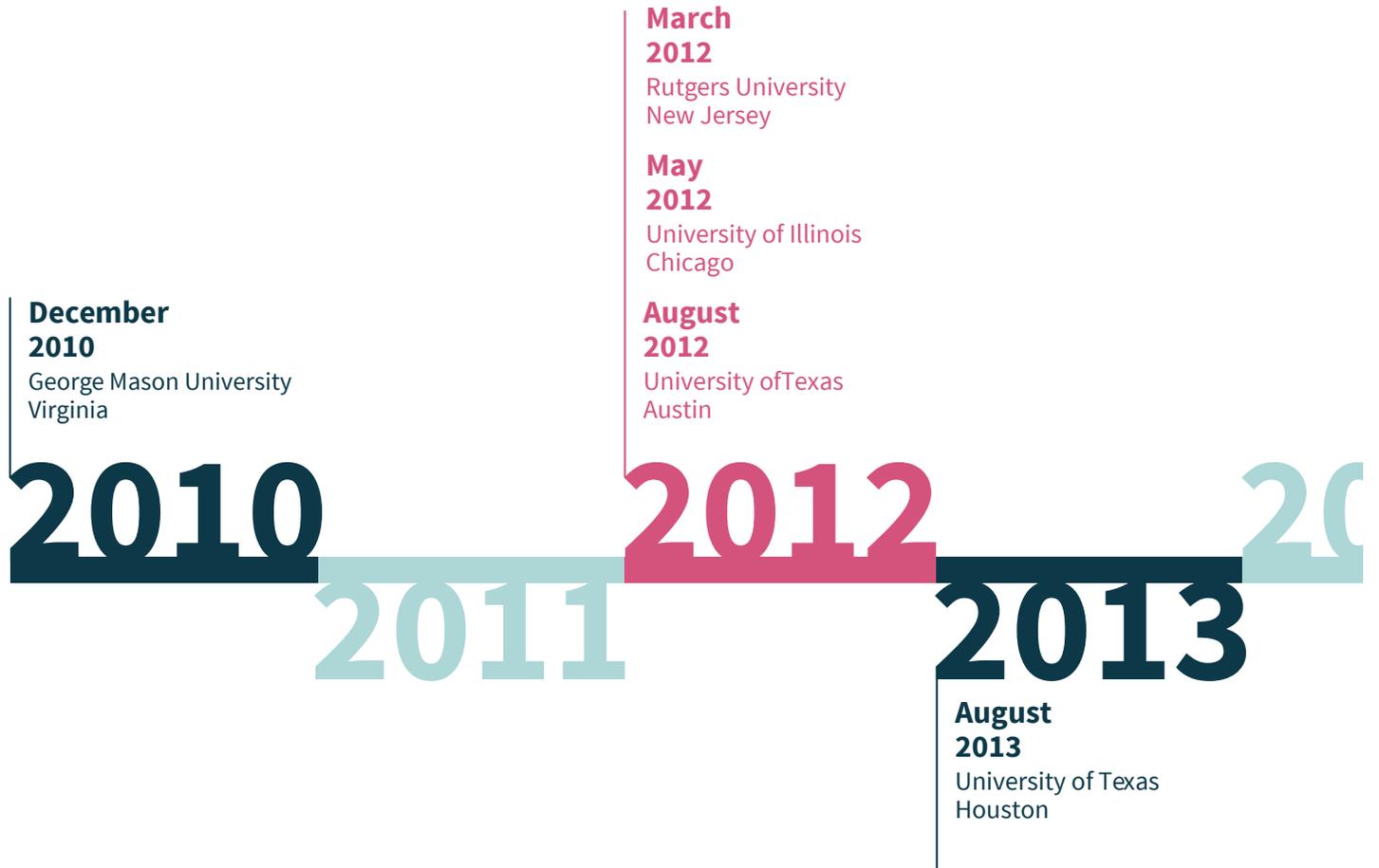
UMR serves as the lead Muslim NGO that invests in grassroots organizing through university chapters across the United States. Several organizations have chapters in schools around the nation, but UMR's chapters are unique. The mentorship and opportunities provided from the national office for chapters is exceptional, including leadership, advocacy, campaigning and Project Management Professional (PMP) trainings offered.



UMR chose to work with students in universities ranging from ages 18-25 because this is a key age for students to get involved in that which feeds their passions, and nurture that passion as they enter the workforce. They are looking for opportunities to learn, gain experience, and use their voice to improve the world around them. University students are at the brink of developing their lives professionally, which allows UMR to mentor students through these life transitions and build a life-long bond with them.



University Chapter Timeline



**UMR'S
NATIONWIDE
UNIVERSITY
CHAPTERS**

2014 2015 2016

September 2016

University of Alabama
Birmingham

December 2016

University of Texas
San Antonio

December 2016

Stanford University

January 2015

Arizona State University

February 2015

University of Michigan Dearborn	Eastern Michigan University	University of Michigan Ann Arbor
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March 2015

Brooklyn College (Brooklyn, NY)	Temple University (Phila, PA)	Virginia Tech University (Blacksburg, VA)	DePaul University (Chicago)
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May 2015

University of North Carolina Charlotte	Virginia Commonwealth University
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June 2015

Atlanta, GA Chapter	College of William & Mary
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July 2015

University of Indiana

August 2015

John Hopkins University	University of California Riverside	University of Illinois Urbana-Champaign
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September 2015

George Washington University

October 2015

Vanderbilt University

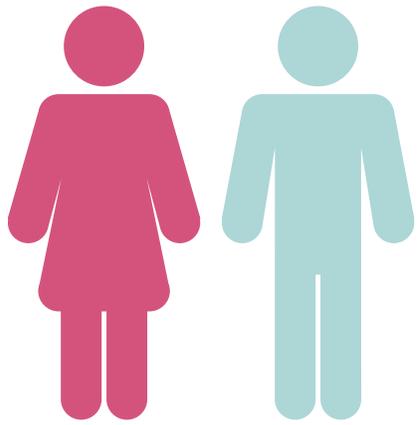
November 2015

University of Maryland, Baltimore Co.
(UMBC)

December 2015

Georgetown University	University of Minnesota Twin Cities	Tampa, FL Chapter
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Impact and Outreach



4,000

Total Volunteers



25,000

Social Media Followers

Community Service

1. Project Downtown | Feeding the Homeless

Project downtown is our chapters' initiating event. Chapters start out by getting a group of friends together to distribute food to the homeless. This developed into providing services beyond just handing out food. More experienced chapters seek to provide job support, hygiene education and materials to help tackle the root causes of poverty.

People fed/
meals prepared: **13,000** 

2. Sports Tournaments | Basketball/Volleyball/ Dodgeball

UMR chapters are constantly finding new innovative ways to raise awareness and funds for the causes they are most passionate about. In 2016, the chapters held sports tournaments to raise funds for UMR programs supporting the people of Haiti, Aleppo, and Ethiopia. They designed custom shirts, trophies, and medals for their students; establishing an annual tradition on their campus.

Funds raised: **\$10,000** 

Events

Our university chapters host innovative and creative events that are unique to UMR. This includes our National Day of Service, where chapters conduct local service opportunities in over 25 cities across the nation; Qurbani distribution; and clothing drives for resettled refugees. We take pride in the strong work ethic and successful community outreach of our chapters.

Events in 2016:

200 

General Body Meetings:

40 

Event attendees: 15,000 

Shiekh Shuaib Khan

Shiekh Shuaib is the new Imam for the GMU MSA! He has been an Imam for over seven years, and is a well-known community leader at the

 **GEORGE
MASON**
UNIVERSITY



Quotes from Chapter Members

“Joining United Muslim Relief has inspired me to give back to my community both on a local, and global level. It has benefitted me spiritually, in that we are helping those in need, and giving back as a form of sadaqa. I am blessed and grateful to be a part of an organization that strives to make a positive change in almost every area possible. May God perpetually bless this organization for all the good it has done.”

Hilal, Board Member, University of Minnesota – Twin Cities, MN

“I started the GW UMR chapter thinking it was going to be my way of giving back to the community and leaving a legacy at GW but it ended up being the other way around. This opportunity has allowed me to grow into the person I am today and I feel so blessed to have been a part of this beautiful organization. **UMR has left its mark all over the world and has left its mark with me and I hope to stay involved no matter where I end up after graduation.**”

Taiyah, UMR Alum, George Washington University – Washington, DC

“Joining UMR is, hands down, one of the best decisions I have made. Every time I do something related to UMR I gain a sense of purpose and happiness. This organization is truly incredible with all the giving back it does and I am honored to be a part of it.”

Kulsum, UMR Alum, University of Texas Dallas – Dallas, TX

I've never been exposed to an organization such as UMR, it's an all in one, holistic, student run organization, for students, by students, with the potential to impact all of humanity. **I've been involved in numerous student run leadership development organizations, but by far, UMR is the freshest breath of fresh air, who's aims are to do humanitarian relief and development work with the emphasis on leaving after the area is self-sufficient and sustainable."**

Muhammad Washim, Outreach Coordinator – Atlanta Chapter

I just wanted to say UMR has had the strongest impact on my life. **I'll never forget the experiences I've had or the lessons I've learned. I'm so grateful for the opportunities I've been given under UMR.** I already feel lonely without my UMR family but I know the next year will be even greater insha'Allah. I hope we continue to grow as an organization and that we continue to inspire our communities from Maryland to Berkeley to Houston and beyond."

Sarah Khan, UMR Alum, University of Texas – Dallas Chapter

Volunteerism

UMR strives to engage all members of our community by recruiting youth and professional volunteers. Since UMR is a President's Volunteer Service Award (PSVA) Leadership Level Organization, we are able to provide rewards to 1,000 UMR volunteers with a President's Volunteer Service Award for their commitment to humanity. Our professional volunteers bring their passion for relief and development & special expertise to our young and vibrant UMR workforce. Volunteer opportunities vary from short term (3-6 months) to long term (one year or more) in the fields of Health, Project & Operation Management, and Event Management. All of our volunteer opportunities are School Service Learning Certifiable, which amplifies the great recognition of being a UMR volunteer.





United Muslim Relief Financial Statements December 31, 2016

**(with comparative financial information
as of and for the year ended December 31, 2015)**

with Independent Auditor's Report

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Independent Auditor's Report

To The Board of Directors of United Muslim Relief

We have audited the accompanying financial statements of United Muslim Relief (a nonprofit organization) as of December 31, 2016 and the related statements of activities and cash flows 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.

Auditors' 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 of 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 auditors' 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 United Muslim Relief as of December 31, 2016 and the change in the net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles in United States of America.

Report on Summarized Comparative Information

We have previously audited United Muslim Relief financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 13, 2016. In our opinion, the summarized comparative information presented herein as of and of the year ended December 31, 2015, is consistent in all material respects, with the audited financial statements from which it has been derived.

Raya CPA & Consulting Services, LLC.
Fairfax, Virginia
6/28/2017

United Muslim Relief

Statement of Financial Position

December 31, 2016 and 2015

(with summarized comparative financial information for the year ended December 31, 2015)

	2016			2015
	Unrestricted	Temporary Restricted	Total	Total
Assets				
Current Assets				
Cash	\$ 215,985	\$ 825,672	\$ 1,041,657	\$ 1,502,814
Pledges receivables	3,805	403,837	407,642	1,021,752
Field offices	10,278	8,244	18,522	3,632
Prepaid expenses	-	-	-	48,126
Total current assets	230,068	1,237,753	1,467,821	2,576,324
Fixed Assets				
Property, equipment and furniture	43,905	-	43,905	30,925
Accumulated depreciation	(11,034)	-	(11,034)	(3,148)
Fixed assets - net	32,871	-	32,871	27,777
Total Assets	\$ 262,939	\$ 1,237,753	\$ 1,500,692	\$ 2,604,101
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	\$ 75,553	\$ 85,963	\$ 161,516	\$ 159,167
Due to partners	-	774,608	774,608	56,506
Payroll liability	33,413	-	33,413	-
Grants payable	-	-	-	34,368
Payroll taxes liability	3,718	-	3,718	17,211
Total current liabilities	112,684	860,571	973,255	267,252
Net Assets	150,255	377,182	527,437	2,336,849
Total Liabilities	\$ 262,939	\$ 1,237,753	\$ 1,500,692	\$ 2,604,101

The accompanying notes are an integral part of these financial statements

United Muslim Relief

Statement of Activities

Year Ended December 31, 2016

(with summarized comparative financial information for the year ended December 31, 2015)

	2016				2015
	Unrestricted	Temporary Restricted	Permanently Restricted	Total	Total
Revenue and Support					
Contributions	\$ 970,235	\$ 4,438,568	\$ -	\$ 5,408,803	\$ 7,451,623
In-kind donations	5,950	23,469,570	-	23,475,520	73,118,226
Net assets released from restrictions	28,790,837	(28,790,837)	-	-	-
Total revenue and support	29,767,022	(882,699)	-	28,884,323	80,569,849
Expenses					
Programs	28,040,584	-	587,205	28,627,789	76,314,121
Management	1,683,184	-	-	1,683,184	1,347,902
Fundraising	382,762	-	-	382,762	1,314,577
Total expenses	30,106,530	-	587,205	30,693,735	78,976,600
Change in net assets	(339,508)	(882,699)	(587,205)	(1,809,412)	1,593,249
Net assets, beginning of the year	489,763	1,259,881	587,205	2,336,849	743,600
Net assets, end of the year	\$ 150,255	\$ 377,182	\$ -	\$ 527,437	\$ 2,336,849

The accompanying notes are an integral part of these financial statements

United Muslim Relief

Statement of Cash Flow

Year Ended December 31, 2016

(with summarized comparative financial information for the year ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
Operating Activities		
Change in net assets	\$ (1,809,412)	\$ 1,593,249
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	7,886	3,148
Decrease in pledge receivable	614,110	(1,021,752)
Field offices	(14,890)	(3,632)
Decrease (increase) in prepaid expenses	48,126	(48,126)
Increase in accounts payable	2,349	150,261
Increase in partners' balance	718,102	56,506
Increase in payroll liabilities	33,413	-
(Decrease) increase in grants payable	(34,368)	34,368
Increase in payroll taxes	(13,493)	-
Net cash (used) provided by operating activities	<u>(448,177)</u>	<u>764,022</u>
Investing Activities		
Purchase of fixed assets	<u>(12,980)</u>	<u>(30,925)</u>
Net cash used by investing activities	(12,980)	(30,925)
Net increase in cash for the period	(461,157)	733,097
Cash at the beginning of the period	<u>1,502,814</u>	<u>769,717</u>
Cash at the end of the period	<u><u>\$ 1,041,657</u></u>	<u><u>\$ 1,502,814</u></u>

The accompanying notes are an integral part of these financial statements

United Muslim Relief

Statement of Activities

Year Ended December 31, 2016

(with summarized comparative financial information for the year ended December 31, 2015)

	2016				2015
	Program Services	Management & General	Fundraising	Total	
In-kind donations	\$ 23,469,570	\$ 5,950	\$ -	\$ 23,475,520	\$ 73,118,226
Donations	3,455,273	-	-	3,455,273	2,158,675
Salaries and benefits	643,502	1,330,650	-	1,974,152	1,586,207
Travel	316,092	26,271	51,431	393,794	318,622
Contractors and sponsorship	251,692	55,563	155,140	462,395	692,953
Printing and office supplies	206,000	88,524	40,781	335,305	413,464
Advertising and promotion	103,105	15,560	6,957	125,622	217,108
Conferences	93,193	6,611	48,274	148,078	184,980
Telecommunications	28,274	15,940	836	45,050	23,292
Rent	24,016	89,376	10,458	123,850	-
Equipment	14,481	306	3,108	17,895	21,363
Bank charges	7,565	22,011	65,777	95,353	121,398
Depreciation and amortization	4,996	2,890	-	7,886	3,148
Licenses and dues	3,595	-	-	3,595	25,631
Gifts	100	-	-	100	4,312
Insurance	-	1,316	-	1,316	496
Professional services	-	22,215	-	22,215	81,536
Other	6,336	-	-	6,336	5,189
Total	\$ 28,627,790	\$ 1,683,183	\$ 382,762	\$ 30,693,735	\$ 78,976,600

The accompanying notes are an integral part of these financial statements

United Muslim Relief

Notes to Financial Statements Year Ended December 31, 2016

1. Organization's Background

United Muslim Relief is an exempt (501) (c) (3) non-for-profit organization established in July 2010 after the earthquake in Haiti under the name Muslims Without Borders, located in Falls Church, Virginia. At that time, the mission of the organization was a student based relief agency dedicated to helping alleviate suffering from natural disasters throughout the world. In September 2013, the organization changed its name to United Muslim Relief (UMR) and widened its mission to focus on building humanities coalitions to tackle development needs all over the world. The organization responds to the emergency arising from natural disaster and conflicts across the world by providing medications, clean water, food and shelter. The organization also provides sponsorships programs to orphans and orphanages in Asia, Africa and Middle East to help communities lift themselves up from poverty. The main source of its revenues is driven from donations and fundraising.

2. Summary of Significant Accounting Policies

- Basis of preparation

The Organization prepares its financial statements on the accrual basis of accounting generally accepted in the United State of America. Under this method, revenue is recognized when earned and expenses are recognized when incurred.

- Basis of presentation

UMR follows the Not-for-Profit Topic of the FASB Accounting Standards Codification (the Codification). Under this topic, UMR is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- Use of an estimate

The preparation of financial statements in accordance 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, disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

- Cash and financial risk

Cash and cash equivalent include cash on hand and checking held with banks. The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits of \$250,000. As of December 31, 2016 and 2015, the uninsured balance was \$1,041,657 and 980,590, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on cash.

- Other current assets

Other current assets consist of prepaid expenses and transfers to foreign field offices' bank accounts. Expenses are recognized in the year to which they relate.

- Property, furniture and equipment

Property and equipment purchases are recorded at cost and, if donated at fair value, depreciation is computed on the straight-line basis.

- Restricted and unrestricted revenue

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted revenue, depending on the existence and/or nature of any donor restrictions.

All donor-restricted revenue is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give are measured at fair value and reported as increases in net assets. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

- In-kind donations

UMR receives substantial support from its pharmaceutical partner suppliers to accomplish the organization's purpose. In recording contributions of pharmaceuticals, UMR relies upon a third-party independent appraiser to ensure independent valuation. Both branded and generic pharmaceuticals are recorded using the method of evaluation known as the Sales Comparison Approach for goods commonly sold in the marketplace. The market used in this evaluation is based on the Wholesale Acquisition Cost (WAC) in the United States.

The Organization provided in kind pharmaceutical donation to the following countries:

	2016	2015
Syria	\$ 21,056,147	\$ 21,965,863
Nigeria	1,941,000	286,871
Morocco	438,621	1,408,662
USA	33,801	-
Bosnia	-	12,165,118
Nepal	-	6,257,392
Palestine	-	7,346,899
Sierra Leon	-	9,258,837
Somalia	-	2,131,275
Yemen	-	12,237,908
Total	\$ 23,469,570	\$ 73,058,826

United Muslim Relief

Notes to Financial Statements Year Ended December 31, 2016

- Restricted cash and endowment fund

UMR lost three of its volunteers in tragic shooting in North Carolina. In February 2015, an endowment fund was established to honor their humanitarian legacy. UMR raised \$587,205 as permanently restricted funds for this endowment in 2015. The aim of the endowment fund was to invest and support humanitarian programs, both in the U.S.A and internationally.

According to FASB Staff Position (FSP) FAS 117-1, a non-profit Organization shall disclose information to enable users of financial statements to understand policies related to its endowment funds, and the annual financial statements shall include a description of the governing board's interpretation of the law that underlies the Organization's net asset classification of donor-restricted endowment funds.

The recommended view under the guidance provided by the Financial Accounting Standards Board (FASB) for the new Uniform Act (UPMIFA) is to continue to define permanently restricted net assets as the historic dollar-value of donor-restricted gifts to endowment. Historic-dollar-value is defined as the fair value of the original gift and subsequent gifts as of the gift dates, and accumulations to the permanent endowment made in accordance with the direction of the applicable donor instrument. Under this definition, the remaining portion of the fund, i.e. reinvested returns on invested endowment funds, are booked on the financial records as temporarily restricted net assets. According to the FASB, this view provides the most faithful representation of the Organization's fiduciary duty for its donor restricted endowment funds, and is both workable and appropriate.

If the Organization's board adopts this recommendation, our financial reporting methodology will remain the same. Since there is also a preference for the governing board's interpretation of the relevant law to be consistent from year-to-year going forward, it is our intention to make this a permanent decision, to be reviewed in the event of future changes in the law, relevant court activity and additional guidance from FASB.

The state of Virginia, effective October 1, 2012, has enacted a version of UPMIFA: Chapter 11 of the Code of Virginia, titled "Uniform Prudent Management of Institutional Funds Act." It is part of Title 64.2, titled "Wills, Trusts, and Fiduciaries." The Uniform Prudent Management of Institutional Funds Act, a model act approved by the Uniform Law Commission that serves as a guideline for states to use in enacting legislation. This replaces a previous law, UMIFA, the Uniform Management of Institutional Funds Act.

Under UMIFA, spending below the historic-dollar-value of an endowment was not permitted; the accounting definition of permanently restricted funds was the historic-dollar-value of a donor-restricted gift to endowment. Under UPMIFA, the historic-dollar-value threshold is eliminated, and the governing board has discretion to determine appropriate expenditures of a donor-restricted endowment fund in accordance with a robust set of guidelines about what constitutes prudent spending.

Although UPMIFA offers short-term spending flexibility, the explicit consideration of the preservation of funds among factors for prudent spending suggests that a donor-restricted endowment fund is still perpetual in nature. As is the case in the current financial environment, there is no guarantee that the permanently restricted amount of an endowment will remain intact at all times. Under UPMIFA, the board is permitted to determine and continue a prudent payout amount, even if the market value of the fund is below historic dollar-value. There is an expectation that, over time, the permanently restricted amount will remain intact. This perspective is aligned with the accounting standards definition that permanently restricted funds are those that must be held in perpetuity even though the historic-dollar-value may be dipped into on a temporary basis.

Resolution

The Organization has interpreted the Virginia Law as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets.

Spending Policy

The aim was to help establish a separate legal entity to administer and control the endowment funds. In 2016, a separate 501(c) (3) legal charity entity was established under the name UMR Endowment, with an independent governing board. The new entity has an endowment managing board that consists of members, among them members of the family of the honorable victims. The United Muslim Relief's board passed a resolution ordering the full transfer of the Endowment funds, which had a separate bank account. Subsequently, all the recorded "Permanently Restricted Funds" was audited internally, and transferred to the new entity (UMR-Endowment).

As of December 31, 2016, the entire balance of the endowment has been transferred to UMR-Endowment.

United Muslim Relief

Notes to Financial Statements Year Ended December 31, 2016

- Cash donations

UMR has directly donated cash to programs activities in various countries worldwide, directly implemented by UMR or through partners, to cover various humanitarian needs in healthcare, emergency response, orphan care, clean water, food packages, education, and economic empowerment. The organization provided the below cash donation:

	2016	2015
Jordan	\$ 1,101,744	\$ 253,708
Orphans in Multi-countries	804,939	176,214
Palestine	588,173	270,356
Ethiopia	246,424	-
Kenya	163,782	29,809
Lebanon	162,181	159,975
USA	120,045	85,556
Nigeria	39,938	33,034
Pakistan	38,975	154,015
Niger	35,086	46,506
Burma/Myanmar	29,280	22,321
Bangladesh	14,176	70,116
Yemen	12,485	148,125
Sudan	6,483	41,467
Turkey	6,080	25,000
Central African Republic	2,254	20,000
Darfur	45	99,844
Sierra Leon	-	90,400
Syria	12,444	228,416
Nepal	14,145	46,300
Somalia	-	37,231
Morocco	-	29,000
Others	56,593	80,782
Total	\$ 3,455,273	\$ 2,148,175

- Revenue Recognition

UMR has cost-reimbursable grants with Johanniter Foundation. Revenue from these grants is recognized as allowable costs are incurred on the basis of direct costs plus allowable indirect costs. Direct and indirect expenses incurred, but not reimbursed, under these grants are reported as grants and receivable in the accompanying statement of financial position. Funds received, but not yet expended, under grants and contracts are reflected as "Due to Beneficiaries" in the accompanying statement of financial position.

UMR recognizes unrestricted contributions as revenue in the period received or when the unconditional promise to give is made. UMR reports contributions as temporarily restricted support if they are received with donor or grantor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as net assets released from restrictions.

- Contribution Receivable

The unconditional promise to give is recorded in the statement of financial position in the account receivable line. As of December 31, 2016 and 2015, the organization has a balance of \$407,642 and \$1,021,752, respectively of receivable that is expected to be collected within 12-month period. The organization has not recorded allowance for doubtful amount.

Contribution pledged or committed by the donor during the year that have not been received are reported as pledges receivable in the accompanying statement of financial position.

- Grants to Recipients

UMR issues grant funds to recipients to implement programs worldwide, under the terms of the grants agreements and records these amounts as grants. Any amounts due to recipients are reflected in accounts payable as grants payable in the accompanying statement of financial position. In 2016, UMR expanded its programs rapidly, and granted to partners domestically and internationally \$2,025,361, with a considerable portion toward its orphans' sponsorship, winter relief, and refugees (mainly Syrian) programs worldwide, comparing to \$810,374 in 2015. As of December 31 2016 and 2015, the Organization recorded \$774,608 and 56,506, respectively, payable to recipients.

- Transactions in Foreign Currencies

UMR conducts many of its programs through field offices in foreign countries, and accordingly, transacts in the local currencies of those countries. These foreign currency transactions are translated into U.S. dollars at the appropriate exchange rates when each transaction is executed.

- Foreign Operations

In 2015, UMR has established field offices in Jordan and Kenya to expand its programs operations. In 2016, the Organization open new filed office in United Kingdom. The Organization continued supporting and strengthening its field offices by expanded its field programs, especially in Jordan, to serve Syrian refugees. However, the future of these offices may be adversely affected by a number of potential factors, such as changes in the political climate. As of December 31, 2016, UMR implemented number of programs directly through these offices, through private grants and public donations.

United Muslim Relief

Notes to Financial Statements Year Ended December 31, 2016

Jordan office continued working in two grants in partnership with Johanniter foundation to implement a psycho-social support program for Syrian refugee children, as well as establish two safe spaces through "Child Friendly Spaces" program in northern Jordan for Syrian refugees' children affected by Syrian war. The grants revenue were recognized on spending basis, recording the funds as liabilities and recognize the revenue monthly based on the funds spent and allocated to the programs in accordance with the grants contract conditions. The Organization's field offices share of direct program spending was around 30% of the total year spending, including indirect costs, for the year ended December 31, 2016.

- Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Costs which could be directly identified with a specific program were charged to that program, but items for general use or not directly identifiable were allocated to Management & General. Costs, which directly identified with fundraising, including fundraising labor costs, are allocated to fundraising expenses.

- Tax Exempt Status

United Muslim Relief is incorporated exempt from federal income tax under section (501) (c) (3) of Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes. Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The Organization has no uncertain tax position that requires recognition or disclosure in the financial statements.

- Subsequent Events

The management has evaluated the subsequent events in consideration of the financials through June 28, 2017 the date the financial statements were available to be issued. The Organization has no material recognizable subsequent events.

Notes



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