

**UNITED MISSION FOR RELIEF & DEVELOPMENT  
FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021  
AND INDEPENDENT AUDITOR'S REPORT THEREON**

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# Independent Auditor's Report

To the Board of Directors of  
United Mission for Relief & Development

## Disclaimer of Opinion

We were engaged to audit the financial statements of United Mission for Relief & Development (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

We do not express an opinion on the accompanying financial statements of United Mission for Relief & Development. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

## Basis for Disclaimer of Opinion

Due to inadequacies in the Organization's accounting records, we were unable to form an opinion regarding the amounts recorded as Program Expenses in the accompanying statement of activities in the amount of \$1.1 million.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Mission for Relief & Development's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditor's Responsibilities for the Financial Statements

Our responsibility is to conduct an audit of United Mission for Relief & Development's financial statements in accordance with auditing standards generally accepted in the United States of America and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are required to be independent of United Mission for Relief & Development and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit.

*Raya CPA & Consulting Services, LLC.*

Chantilly, Virginia

March 14, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 2,441,106	\$ -	\$ 2,441,106
Pledges receivable	-	200,052	200,052
Due from field offices	-	10,709	10,709
Prepaid expenses	8,795	-	8,795
Employee loan	14,625	-	14,625
<b>Total current assets</b>	<b>2,464,526</b>	<b>210,761</b>	<b>2,675,287</b>
<b>Non-Current Assets</b>			
Employee loan	43,875	-	43,875
Fixed Assets, net	3,697	-	3,697
Lease right-of-use asset	191,010	-	191,010
<b>Total non-current assets</b>	<b>238,582</b>	<b>-</b>	<b>238,582</b>
<b>Total Assets</b>	<b>\$ 2,703,108</b>	<b>\$ 210,761</b>	<b>\$ 2,913,869</b>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 115,084	\$ -	\$ 115,084
Payroll liability	27,528	-	27,528
Lease liability	111,202	-	111,202
<b>Total current liabilities</b>	<b>253,814</b>	<b>-</b>	<b>253,814</b>
<b>Long Term liabilities</b>			
Lease liability	81,606	-	81,606
<b>Total long-term liabilities</b>	<b>81,606</b>	<b>-</b>	<b>81,606</b>
<b>Total liabilities</b>	<b>335,420</b>	<b>-</b>	<b>335,420</b>
<b>Net Assets</b>	<b>2,367,688</b>	<b>210,761</b>	<b>2,578,449</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,703,108</b>	<b>\$ 210,761</b>	<b>\$ 2,913,869</b>

**UNITED MISSION FOR RELIEF & DEVELOPMENT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Donations and Support</b>			
Contributions	\$ 1,037,942	\$ 4,586,236	\$ 5,624,178
In-kind donations	-	18,395,451	18,395,451
Net assets released from restrictions	22,974,858	(22,974,858)	-
Total donations and support	24,012,800	6,829	24,019,629
<b>Expenses</b>			
Program expenses	22,358,111	-	22,358,111
General and administrative	861,623	-	861,623
Total Expenses	23,219,734	-	23,219,734
Forgiveness of Paycheck Protection program loan	166,200	-	166,200
Changes in net assets	959,266	6,829	966,095
Net assets, beginning of the year	1,408,422	203,932	1,612,354
Net assets, end of the year	\$ 2,367,688	\$ 210,761	\$ 2,578,449

**UNITED MISSION FOR RELIEF & DEVELOPMENT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**Cash flows from operating activities:**

Change in net assets	\$	966,095
Adjustment to reconcile change in net assets to net cash provided by (used in) from operating activities:		
Depreciation and amortization		3,976
(Increase) decrease in assets		
Pledges receivable		(179,052)
Due from field offices		15,567
Prepaid expenses		(5,363)
Employee loan		(58,500)
Lease right-of-use asset		103,540
Decrease in liabilities		
Accounts payable		(56,049)
Payroll liability		(11,395)
Lease liability		(104,643)
<b>Net cash provided by operating activities</b>		<b><u>674,176</u></b>

**Cash flows from financing activities:**

Forgiveness of Paycheck Protection program loan		(166,200)
Cash flows used in financing activities		<u>(166,200)</u>

Net increase in cash and cash equivalents		507,976
Cash and cash equivalents, beginning		<u>1,933,130</u>
<b>Cash and cash equivalents, ending</b>		<b><u>\$ 2,441,106</u></b>

**Supplemental cash flow information related to leases**

Right-of-use asset	\$	103,540
Lease liability	\$	(104,643)
Operating cash flow from operating leases	\$	146,385

**UNITED MISSION FOR RELIEF & DEVELOPMENT**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

	Program Services				Supporting Services			Total
	Health care support	Emergency Relief	Economic Empowerment and Education	Total	Management and general	Fundraising	Total	
In-kind donations	15,507,365	2,076,846	811,239	\$ 18,395,451	-	-	-	\$ 18,395,451
Donations	2,143,698	287,098	112,144	2,542,939	-	-	-	2,542,939
Salaries and benefits	709,565	95,030	37,120	841,714	366,166	-	366,166	1,207,880
Marketing	252,125	33,766	13,189	299,081	-	-	-	299,081
Contractors and sponsorship	33,758	4,521	1,766	40,045	7,252	209,551	216,804	256,849
Travel	61,764	8,272	3,231	73,267	44,303	60,721	105,023	178,290
Rent	36,697	4,915	1,920	43,531	77,374	25,480	102,854	146,385
Printing and offices supplies	79,454	10,641	4,156	94,251	30,147	9,212	39,359	133,610
Bank charges	4,226	566	221	5,013	12,476	-	12,476	17,489
Telecommunications	6,113	819	320	7,252	4,707	279	4,986	12,238
Licenses and dues	629	84	33	746	11,409	-	11,409	12,155
Insurance	8,372	1,121	438	9,931	-	-	-	9,931
Depreciation	3,352	449	175	3,976	-	-	-	3,976
Professional services	771	103	40	914	1,103	1,443	2,546	3,460
<b>Total</b>	<b>\$18,847,889</b>	<b>\$2,524,231</b>	<b>\$ 985,992</b>	<b>\$ 22,358,111</b>	<b>\$ 554,936</b>	<b>\$ 306,687</b>	<b>\$ 861,623</b>	<b>\$ 23,219,734</b>

**UNITED MISSION FOR RELIEF &DEVELOPMENT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31,2021**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

United Mission for Relief & Development (UMR) is an exempt 501 (c)(3) non-for-profit organization established in July 2010. The organization responds to the emergency situation arising from natural disaster and conflicts across the world by providing health services, economic empowerment, education, rehabilitation, clean water and food security. In 2020, the organization continued the implementation of its strategy to focus on development projects, parallel to the relief efforts, mainly in Eastern Africa and Middle East & North Africa (MENA) regions. The programs are in the areas of child and orphan's protection, women economic empowerment with its signature project (Jasmine), and the adopt village initiative (AVP). The main source of its revenues is driven from donations and fundraising.

**Basis of accounting**

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 two classes of net assets: without donor restrictions and with donor restrictions.

**Use of estimates**

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.

**Contributions**

Contributions, including unconditional promises to give, are recognized in the period received. Contributions received are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for a future period, or are restricted by the donor for specific purposes are reported as contributions with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as contributions without donor restrictions.



**UNITED MISSION FOR RELIEF & DEVELOPMENT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**Cash and cash equivalents**

UMR considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents. At December 31, 2021, cash and cash equivalents consisted of checking accounts and money market accounts.

**Pledges receivable**

Pledges are written unconditional promises to make future payments. Pledges meeting the requirements specified by Accounting Standard Codification, are included in the financial statements as pledges receivable and recognized as revenue in the period pledged. Pledge payments extending beyond one year are discounted to recognize the present value of the future cash flows. In addition, an allowance for doubtful pledges is recorded as determined by management.

**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 and equipment**

Property and equipment are capitalized and stated at cost. Assets acquired through donation are recorded at their estimated fair value at the date of the gift. Assets with values greater than or equal to \$1,000 and estimated useful lives extending beyond one year are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the assets which range from five years to thirty-nine years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense.

**Net Assets**

UMR follows ASC 958, Not-for-Profit Entities. Under ASC 958-205, Not-for-Profit Entities, Presentation of Financial Statements, UMR is required to report information regarding its financial position and activities according to the following classes:

Net assets without donor restrictions:

- Undesignated net assets: are net assets whose use is not restricted by donors or designated by the board of directors.
  
- Board designated net assets: are net assets designated by the board of directors for a specific purpose. UMR did not have board designated net assets.

Net assets with donor restrictions: consist of assets whose use is limited by donor-imposed time and/or purpose restrictions.

**UNITED MISSION FOR RELIEF & DEVELOPMENT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**Functional Expense Allocation**

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

**Tax Exempt Status**

UMR is exempt from income tax under section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to UMR's tax exempt purpose is subject to taxation as unrelated business income. Currently, UMR has no obligation for any unrelated business income tax.

Management has assessed UMR's tax positions and concluded that there are no uncertain tax positions that require recognition or disclosure in the financial statements. With few exceptions, year ending on or before December 31, 2017 are no longer subject to examination by federal and state taxing authorities.

**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.

**Leases**

UMR determines if an arrangement is a lease at its inception. Operating lease right-of-use ("ROU") assets are included in "Other non-current assets," and operating lease liabilities are included in "Accrued liabilities" and "Other non-current liabilities" as of December 31, 2021 on the balance sheet.

A rate implicit in the lease when readily determinable is used in arriving at the present value of lease payments. As most of UMR's leases do not provide an implicit rate, UMR uses an incremental borrowing rate based on information available at lease commencement date for most of its leases. The incremental borrowing rate is based on UMR's U.S. dollar denominated senior unsecured borrowing curves using public credit ratings adjusted down to a collateralized basis using a combination of recovery rate and credit notching approaches and translated into major contract currencies as applicable. Since UMR's borrowing rate is not readily-available, UMR elected to use the risk-free rate, which is the 20 year US Treasury rate, at the date adoption of the standard.

UMR's lease terms may include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. UMR does not separate lease components from non-lease components across all lease categories. Instead, each separate lease component and non-lease component are accounted for as a single lease component. Lease expense for operating leases is recognized on a straight-line basis. UMR did not have variable leases or finance leases.

**UNITED MISSION FOR RELIEF &DEVELOPMENT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31,2021**

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**In-kind donations**

UMR receives substantial support from in-kind donations. The primarily source of the donations come 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.

**Cash donations**

UMR has directly donated cash to programs activities in various countries worldwide to cover various humanitarian and development needs in food security, COVID-19 emergency response, health, education, women empowerment, child protection and clean water. These programs are directly implemented by organization or in collaboration with local Community Based Organizations (CBO).

**2. LIQUIDITY**

UMR has a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. UMR's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	\$ 2,441,106
Pledges receivable	200,052
Total	<u><u>\$ 2,641,158</u></u>

**3. CONCENTRATION OF CREDIT RISK**

Financial instruments that subject UMR to a concentration of credit risk consist of bank deposits that exceed the Federal Deposit Insurance UMR (FDIC) insurance limits of \$250,000 per depositor per institution. In the event of the Institutions insolvency and liquidation also subjects the UMR to a concentration of credit risk. UMR had \$1,968,003 of money market amounts which are not covered by the FDIC insurance, though covered by SIPC.

**UNITED MISSION FOR RELIEF & DEVELOPMENT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**4. FIXED ASSETS**

Fixed assets consisted of the following at December 31, 2021:

Furniture, fixtures and equipment	\$	13,912
Security Deposits		14,808
Warranty		840
Total		29,560
Less: Accumulated depreciation		(25,863)
Fixed Assets, net	\$	3,697

Depreciation expense for the fiscal year ended December 31, 2021 amounted to \$3,976.

**5. RESTRICTED NET ASSETS**

UMR donor restricted net assets at December 31, 2021:

Health care support	\$	177,672
Emergency relief		23,795
Economic empowerment and education		9,294
Total	\$	210,761

**6. LEASES**

UMR lease(s) office space in Washington D.C., that terminates on August 2023. Total lease expense was \$146,385 for the year ended December 31, 2021. In addition, the Company paid \$146,385 in operating lease liabilities for the year ended December 31, 2021. The remaining lease term has a weighted average of years, and the discount rate has a weighted average of 1.66%.

Maturities of lease liabilities as of December 31, 2021:

2022	\$	120,303
2023		88,284
Total undiscounted lease payments		208,587
Less: present value discount		(15,779)
Total lease liabilities	\$	192,808

**UNITED MISSION FOR RELIEF & DEVELOPMENT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**7. SUBSEQUENT EVENTS**

The management has evaluated the subsequent events in consideration of the financials through March 14, 2023, the date the financial statements were available to be issued. The Organization has no material recognizable subsequent events.