Islamic Relief USA and Affiliate

Consolidated Financial Report
December 31, 2015

Contents

Independent Auditor's Report

To the Board of Directors
Islamic Relief USA
Alexandria, Virginia

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of Islamic Relief USA and Affiliate (IRUSA) which comprise the consolidated balance sheet as of December 31, 2015, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Islamic Relief USA and Affiliate as of December 31, 2015, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited IRUSA's 2014 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 25, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

RSM US LLP

McLean, Virginia
June 6, 2016

Islamic Relief USA and Affiliate

Consolidated Balance Sheet
December 31, 2015
(With Comparative Totals for 2014)

	2015	2014
Assets		
Cash	**$ 39,866,905**	$ 40,177,917
Investments	**1,513,326**	1,119,005
Accounts receivable	**26,253**	9,267
Prepaid expenses and other assets	**60,250**	147,404
Inventory – in-kind	**11,554,168**	4,918,245
Property and equipment, net	**4,011,624**	4,157,222
	$ 57,032,526	$ 50,529,060
Liabilities and Net Assets		
Liabilities:		
Accounts payable	**$ 944,613**	$ 840,744
Grants payable	**14,789,854**	16,235,853
Total liabilities	**15,734,467**	17,076,597
Net assets:		
Unrestricted	**14,950,333**	13,402,265
Temporarily restricted	**26,347,726**	20,050,198
	41,298,059	33,452,463
	$ 57,032,526	$ 50,529,060

See notes to consolidated financial statements.

Islamic Relief USA and Affiliate

Consolidated Statement of Activities
Year Ended December 31, 2015
(With Comparative Totals for 2014)

	Unrestricted	Temporarily Restricted	2015 Total	2014 Total
Support and revenue:				
Contributions	$ 22,306,018	$ 36,902,512	$ 59,208,530	$ 61,754,695
In-kind contributions	-	50,208,736	50,208,736	51,132,756
Net assets released from restriction	80,813,720	(80,813,720)	-	-
Total support and revenue	103,119,738	6,297,528	109,417,266	112,887,451
Expenses:				
Program services	88,799,600	-	88,799,600	124,062,733
Management and general	2,655,503	-	2,655,503	3,292,986
Fundraising	10,246,407	-	10,246,407	8,984,675
Total expenses	101,701,510	-	101,701,510	136,340,394
Change in net assets before other income	1,418,228	6,297,528	7,715,756	(23,452,943)
Other income:				
Foreign currency exchange gain	127,143	-	127,143	15,222
Unrealized gain on investments	2,697	-	2,697	105,535
Total other income	129,840	-	129,840	120,757
Change in net assets	1,548,068	6,297,528	7,845,596	(23,332,186)
Net assets:				
Beginning	13,402,265	20,050,198	33,452,463	56,784,649
Ending	$ 14,950,333	$ 26,347,726	$ 41,298,059	$ 33,452,463

See notes to consolidated financial statements.

Islamic Relief USA and Affiliate

Consolidated Statement of Cash Flows
Year Ended December 31, 2015
(With Comparative Totals for 2014)

	2015	2014
Cash flows from operating activities:		
Change in net assets	**$ 7,845,596**	$ (23,332,186)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Unrealized gain on investments	**(2,697)**	(105,535)
Depreciation	**373,897**	156,740
Donated investments	**(391,624)**	(369,306)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	**(16,986)**	131,938
Inventory – in-kind	**(6,635,923)**	19,648,268
Prepaid expenses and other assets	**87,154**	(65,910)
(Increase) decrease in:		
Accounts payable	**103,869**	(811,188)
Grants payable	**(1,445,999)**	1,849,609
Net cash used in operating activities	**(82,713)**	(2,897,570)
Cash flows from investing activities:		
Purchase of property and equipment	**(228,299)**	(336,785)
Sales of investments	**570,894**	-
Purchase of investments	**(570,894)**	-
Net cash used in investing activities	**(228,299)**	(336,785)
Net decrease in cash	**(311,012)**	(3,234,355)
Cash:		
Beginning	**40,177,917**	43,412,272
Ending	**$ 39,866,905**	$ 40,177,917

See notes to consolidated financial statements.

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Islamic Relief USA and Affiliate is comprised of two entities: Islamic Relief USA and 88 Wheeler Foundation, LLC (Wheeler Foundation) collectively referred to as IRUSA. Islamic Relief USA, a 501(c)(3) organization, was organized under the Nonprofit Public Benefit Corporation Law and Section 23701(f) of the California Revenue and Taxation Code. Islamic Relief USA provides relief and development assistance in underdeveloped and war-torn countries. Islamic Relief USA provides food, clothing and medicine to the needy on a worldwide basis through governmental organizations and relief agencies. Islamic Relief USA assists in the establishment and operation of training centers, schools, hospitals, clinics and other projects that serve refugees throughout the world. The majority of Islamic Relief USA's programs are administered through grants with Islamic Relief Worldwide (IRW), which is based in the United Kingdom.

Wheeler Foundation is a single member Limited Liability Company used to purchase and hold real estate property.

Islamic Relief USA's mission is to provide relief and development in a dignified manner regardless of gender, race, or religion and works to empower individuals in their communities and give them a voice in the world.

IRUSA programs are as follows:

Emergency and relief: The primary functions of these projects are: (1) to survey and assess the needs of areas suffering from natural or man-made disasters such as earthquakes, floods and wars, and to provide immediate relief in the form of shelters, food packets and urgent medical care; and (2) to distribute needed help to the homeless and the needy in the United States and abroad. IRUSA's projects include the rebuilding of homes, schools and hospitals after the immediate relief is provided.

Ramadan Food Distribution: The Ramadan Food Distribution, which occurs throughout the month of Ramadan, focuses on the distribution of supplementary food packages to needy families. They contain food staples such as rice, beans, sugar, cooking oil, etc.

Udhiyah/Qurbani: The Udhiyah/Qurbani Program is another seasonal food distribution program that focuses on providing meat to families who may otherwise not have reliable access to meat throughout the year. The typical package distributed to each family consists of 5 kg of fresh meat, usually beef or lamb.

Development projects: The objective of the development projects is to give people the confidence to participate in their own development and to secure their own future without the need for continuing external assistance. The projects include water, sanitation, health and nutrition programs and income generation projects.

Education and training projects: These education projects provide adult literacy and language classes, school sponsorships, high school learning materials and equipment.

Orphan assistance project: The orphan assistance project provides cash stipends to orphans throughout the world, and may be used to support their education, health, nutrition, shelter and other needs. Orphan support projects also provide services for the vulnerable and needy families of the orphan, which may include healthcare, livelihood support, food assistance or education.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Income generation projects: These projects are designed to provide essential healthcare, medicine, referrals, medical equipment, training, and other services for needy communities, especially to vulnerable mothers and children lacking access to adequate health services.

Health and nutrition projects: These projects are designed to provide essential healthcare and medicine to poor communities using integrated health programs aimed at caring for children traumatized and injured by armed conflict and crisis, and offer medical aid and care for mothers and children in areas that lack adequate health services.

Domestic projects: Every year, IRUSA hosts Day of Dignity™ events nationwide. IRUSA partners with and provides grant support to implementing grassroots organizations in each of the local communities where Day of Dignity™ is hosted. The event connects homeless, needy and vulnerable individuals to medical care providers, food assistance, clothing assistance and other social services and programs available to them. IRUSA has provided gifts-in-kind at these events in the form of hygiene kits and school kits. First held in 2004, Day of Dignity™ is now in its twelfth year and has benefited thousands of Americans.

In addition, IRUSA supports the United Nations "Millennium Development Goals" and works on humanitarian projects that promote the following goals: (1) eradicate extreme poverty and hunger; (2) achieve universal primary education; (3) promote gender equality and empower women; (4) reduce child mortality; (5) improve maternal health; (6) combat HIV/AIDS, malaria and other diseases; (7) ensure environmental sustainability; and (8) promote global partnership for development.

A summary of IRUSA's significant accounting policies follows:

Principles of consolidation: All intercompany accounts and transaction between IRUSA and the Wheeler Foundation have been eliminated in the consolidated financial statements.

Basis of accounting: IRUSA prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Consequently, revenue is recognized when earned and expense is recognized when the obligation is incurred.

Basis of presentation: IRUSA follows Accounting Standards Codification (ASC) 958-10, Not-for-Profit Entities. Under ASC 958-205, Not-for-Profit Entities, Presentation of Financial Statements, IRUSA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. At December 31, 2015, IRUSA had no permanently restricted net assets.

Financial risk: IRUSA maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. IRUSA has not experienced any losses in such accounts. IRUSA believes it is not exposed to any significant financial risk on cash.

Investments: Investments are stated at fair value. Investments acquired by gift or bequest are recorded at fair value at the date of donation. IRUSA maintains only equity mutual funds and common stock that are Level 1 investments. Cash held for long-term investments is reported as investments.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Receivables: Receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a quarterly basis. The majority of IRUSA's receivables are comprised mainly of amounts billed on grants, which are billable when expenditures are incurred. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. A receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 30 days. There was no provision for doubtful accounts at December 31, 2015.

Property and equipment: Property and equipment purchases over $5,000 are capitalized and stated at cost. Depreciation is provided using the straight-line method over estimated useful lives of the assets based on cost. The estimated useful lives of the assets range from three to ten years for furniture and equipment and up to 40 years for building and improvements. Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Impairment of long-lived assets: IRUSA reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Grants payable: Grants are recognized as liabilities in the year IRUSA makes the unconditional commitment and communicates it to the grantee.

Contributed services: IRUSA received services donated by its members in carrying out IRUSA's mission. No amounts have been reflected in the consolidated financial statements for those services, since they do not meet the criteria for recognition under ASC 958-605, Not-for-Profit Entities, Revenue Recognition.

Contributions: Unconditional contributions are recorded as revenue at fair value in the year a donation is received from the donor. Conditional contributions are recognized when the condition has been substantially met. Contributions with donor imposed restrictions are reported as temporarily restricted net assets. When the stipulated purpose has been met or time constraint met, the contribution is reported as net assets released from restriction. IRUSA has no permanently restricted contributions.

In-kind contributions: Donated materials for use in IRUSA's operations are recorded as in-kind contribution revenue and expense at their estimated fair value, based on published wholesale prices or independent supplier quotations. When donated material is in transit, IRUSA maintains the gifts-in-kind as inventory at their estimated fair value. Donated materials are used exclusively for IRUSA's humanitarian assistance programs.

Functional allocation of expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. General and administrative expenses included those expenses that are not directly identifiable with any specific functions, but provide for overall support and directions of IRUSA.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Advertising and marketing costs: IRUSA follows the policy of charging the production costs of advertising and marketing to expense (as incurred). Advertising and marketing expense for the year ended December 31, 2015, was $1,167,397.

Employee leasing and related expenses: IRUSA has entered into an employee leasing agreement with TriNet, a licensed professional employer organization, to share several important employer responsibilities. Therefore, as “co-employers”, IRUSA and TriNet have agreed that TriNet is the employer of record for administrative purposes, and issues payroll, administers benefits, and provides certain human resources (HR) services while IRUSA retains the responsibility as the worksite employer for directing your day-to-day work and IRUSA’s business affairs.

Foreign currency transactions: Expenses that are incurred in foreign currencies are translated into U.S. Dollars at the rate of exchange in effect during the month of the transaction. Gains and losses from foreign currency transactions are included in change in net assets.

Use of estimates: The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes: IRUSA is generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, IRUSA qualifies for charitable contributions deductions and has been classified as an organization that is not a private foundation. Income which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. There was no net tax liability for unrelated business income tax at December 31, 2015.

Management has evaluated IRUSA’s tax positions and has concluded that IRUSA has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the guidance for uncertainty in income taxes. IRUSA files tax returns in the U.S. federal jurisdictions. Generally, IRUSA is no longer subject to U.S. federal or state and local income tax examinations by tax authorities for years before 2012.

Comparative financial information: The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with IRUSA’s consolidated financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Reclassification: Certain items in the December 31, 2014, summarized comparative information have been reclassified to comply with the current year presentation. These reclassifications had no effect on previously reported change in net assets or net assets.

Subsequent events: IRUSA evaluated subsequent events through June 6, 2016, which is the date the consolidated financial statements were available to be issued.

Note 2. Investments

Investments at December 31, 2015, consist of the following:

Common stock	$	844,667
Exchange traded funds		377,475
Cash and money market accounts		165,293
Mutual funds		125,891
	$	1,513,326

Investment income for the year ended December 31, 2015, was $2,697.

Note 3. Property and Equipment

Property and equipment and accumulated depreciation consist of the following at December 31, 2015:

Asset Category	Estimated Lives	Cost	Accumulated Depreciation	Net
Land	-	$ 1,303,279	$ -	$ 1,303,279
Building and building improvements	3-40 years	2,866,793	713,586	2,153,207
Furniture and equipment	3-7 years	954,386	399,248	555,138
		$ 5,124,458	$ 1,112,834	$ 4,011,624

Depreciation expense for the year ended December 31, 2015, was $373,897.

Note 4. Temporarily Restricted Net Assets

Changes in temporarily restricted net assets during 2015 consist of the following:

	Beginning Balance	Additions	Releases From Restrictions	Ending Balance
In-kind contributions	$ 4,918,245	$ 50,208,736	$ (43,572,813)	$ 11,554,168
Zakat & Sadaqa	3,467,670	6,757,260	(3,829,403)	6,395,527
Orphans	5,158,761	10,942,040	(10,731,801)	5,369,000
Emergency and relief	3,665,745	12,765,559	(14,516,215)	1,915,089
Income generation	1,941,738	860,353	(2,285,780)	516,311
Health and nutrition	555,182	257,524	(437,058)	375,648
Education and training	121,459	141,578	(91,959)	171,078
Development	35,490	52,464	(37,149)	50,805
Udhiya/Qurbani & Feed the needy	185,908	5,125,734	(5,311,542)	100
	$ 20,050,198	$ 87,111,248	$ (80,813,720)	$ 26,347,726

Note 5. Contributions

The breakdown of the category of contributions for the year ended December 31, 2015, is as follows:

Zakat & Sadaqa	$ 15,482,426
Income generation	14,229,747
Emergency and relief	12,880,238
Orphans	10,942,040
Udhiya/Qurbani & Feed the needy	5,224,058
Health and nutrition	258,160
Education and training	141,578
Development	50,283
	$ 59,208,530

Note 6. Gifts-in-Kind

During 2015, IRUSA received gifts-in-kind totaling $50,208,736, which consisted of $43,712,954 in pharmaceutical products, $6,014,253 in non-pharmaceutical products, $403,029 in nutritional supplements and $78,500 in hygiene kits. Gifts-in-kind were intended for distribution in the following locations:

	Valued Amounts (USD)
Gifts-in-kind intended country for distribution	
Mali	$ 11,554,168
Niger	11,034,132
Guinea	10,996,372
Burkina Faso	10,128,283
Turkey/Syrian Refugees	3,550,866
Morocco	1,103,458
Liberia	1,029,043
Kenya	430,662
Sierra Leone	303,252
U.S. Programs	78,500
	$ 50,208,736

Gifts-in-kind revenue is recognized in circumstances in which IRUSA has sufficient discretion over the use and disposition of the items to recognize a contribution in conformity with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605-25 (Topic “Not-For-Profit Entities,” Subtopic “Revenue Recognition,” Section “Recognition”).

Note 6. Gifts-in-Kind (Continued)

Types of gifts-in-kind:

Pharmaceutical products include prescription and nonprescription drugs such as: general anesthetics, local anesthetics, preoperative medications, analgesics/antipyretics/anti-inflammatory/anti-rheumatic drugs, anthelminthics, antibiotics, anti-leprosy drugs, anti-malarial drugs, anti-herpes drugs, anti- migraine drugs, anti-anemia drugs (iron), anti-coagulants, anti-anginals, anti-fungal drugs, topical antibiotic creams, anti-pruritic lotions, astringents/disinfectants/antiseptics, antacids/anti-ulcer drugs, anti-hemorrhoidal drugs, oral rehydration salts, insulins and other anti-diabetic agents, water for injections and vitamins/minerals. These drugs are distributed internationally to treat various ailments that affect beneficiaries of all ages.

Non-pharmaceutical products consist of non-drug medical supplies and equipment (such as sutures, scalpels, bandages, gloves and wheelchairs), newborn supplies, hygiene kits, bedding and blankets, orphans supplies such as children's clothing and books, toys and school supplies. These non-pharmaceutical products were distributed to beneficiaries: (1) to the needy within the United States during Islamic Relief USA's annual "Day of Dignity" and (2) internationally to those most in need, typically in areas affected by human and natural disaster.

Valuation methodology:

Pharmaceutical products: IRUSA primarily uses exit market pricing data for pharmaceutical donations received from January 1, 2015, through December 31, 2015. In cases where no exit market data exists, a secondary valuation source is used.

Non-pharmaceutical products: The value of the non-pharmaceutical products in the amount of $6,092,753 is provided by the donor and is based on the fair market value at the time of donation.

Inventory: IRUSA reports gifts-in-kind expense when it distributes the gifts-in-kind for program use. IRUSA's policy is to distribute gifts-in-kind as promptly as possible, undistributed gifts-in-kind are recorded as inventory. For the year ended 2015, a shipment of pharmaceutical products valued at $11,554,168 and intended for distribution in Mali remained in customs awaiting clearance to ship and, therefore, were not received for use by beneficiaries.

Note 7. Retirement Plan

IRUSA has a defined contribution 401(k) retirement plan for its leased employees. All full-time leased employees who have over a year of service are eligible to participate. Each year, IRUSA matches each employee's plan contribution in an amount not exceeding 6% of that employee's annual salary. IRUSA contributed $206,140 for the year ended December 31, 2015.

Note 8. Fair Value Measurements

IRUSA follows the Fair Value Measurement Topic of the ASC. This topic establishes a single authoritative definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair value measurements. The topic applies to all assets and liabilities that are being measured and reported on a fair value basis. This topic enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The topic requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, IRUSA performs a detailed analysis of the assets and liabilities that are subject to the topic. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy:

	Total	Level 1	Level 2	Level 3
Common stock:				
Consumer goods	$ 246,792	$ 246,792	$ -	$ -
Technology	219,628	219,628	-	-
Industrial goods	136,206	136,206	-	-
Healthcare	108,703	108,703	-	-
Financial	34,535	34,535	-	-
Basic materials	33,126	33,126	-	-
Energy	33,074	33,074	-	-
Communication	32,603	32,603	-	-
	844,667	844,667	-	-
Mutual funds:				
Large growth	125,891	125,891	-	-
	125,891	125,891	-	-
Exchange traded funds	377,475	377,475	-	-
	$ 1,348,033	$ 1,348,033	$ -	$ -

Note 9. Subsequent Events

IRUSA is in the process of incorporating IRUSA WAQF, which will have IRUSA as the sole member. IRUSA WAQF will hold endowment funds which will be used to generate investment income for the benefit of IRUSA. IRUSA WAQF will also file for exemption from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. After December 31, 2015, IRUSA transferred $8 million to IRUSA WAQF's account to fund the board-designated endowment.

RSM

RSM US LLP

Independent Auditor's Report on the Supplementary Information

To the Board of Directors
Islamic Relief USA
Alexandria, Virginia

We have audited the consolidated financial statements of Islamic Relief USA and Affiliate (collectively, IRUSA), as of and for the year ended December 31, 2015, and have issued our report thereon, which contained an unmodified opinion on those consolidated financial statements. See pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole.

The consolidated schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material aspects in relation to the consolidated financial statements as a whole.

RSM US LLP

McLean, Virginia
June 6, 2016

Islamic Relief USA and Affiliate

Consolidated Schedule of Functional Expenses
Year Ended December 31, 2015

	Program Services	Management and General	Fundraising	Total
In-kind donations sent to relief sites	$ 43,572,813	$ -	$ -	$ 43,572,813
International grants	37,485,100	-	-	37,485,100
Employee leasing and related expenses	2,348,267	843,924	4,966,160	8,158,351
Handling and related costs	3,473,596	-	-	3,473,596
Domestic grants	1,245,460	-	-	1,245,460
Venue and catering	1,000	-	1,183,903	1,184,903
Advertising and marketing	39,607	240	1,127,550	1,167,397
Travel	316,242	115,091	595,317	1,026,650
Bank charges and credit card fees	-	986,382	-	986,382
Events and sponsorship	1,239	-	588,815	590,054
Equipment and location rent	85	-	385,192	385,277
Depreciation	-	373,897	-	373,897
Artist performance and honorarium	-	586	355,824	356,410
Printing	40,465	30,382	275,383	346,230
Postage	8,557	19,021	254,944	282,522
Telecommunications	62,407	59,683	143,781	265,871
Conference and meeting	6,641	-	122,774	129,415
Office expenses	30,098	44,715	41,422	116,235
Computer hardware and equipment	18,915	69,766	26,760	115,441
Tax and licenses	28,477	30,727	47,143	106,347
Professional fees	42,594	16,653	43,959	103,206
Accounting and legal fees	39,857	31,872	24,857	96,586
Insurance	20,476	19,586	47,183	87,245
Professional education and training	17,704	11,979	15,440	45,123
Other	-	999	-	999
	$ 88,799,600	$ 2,655,503	$ 10,246,407	$ 101,701,510