

AID FOR ORPHANS RELIEF
FOUNDATION, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

AID FOR ORPHANS RELIEF FOUNDATION, INC.

CONTENTS

	<u>Page No.</u>
Independent Auditors' Report	1 - 2
Exhibits:	
A Statements of Financial Position.....	3
B Statements of Activities	4 - 5
C Statements of Cash Flows	6
Notes to Financial Statements	7 - 9

INDEPENDENT AUDITOR'S REPORT

Aid for Orphans Relief Foundation, Inc.
1952 Whitney Avenue
Hamden, CT 06517

We have audited the accompanying financial statements of Aid for Orphans Relief Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years 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

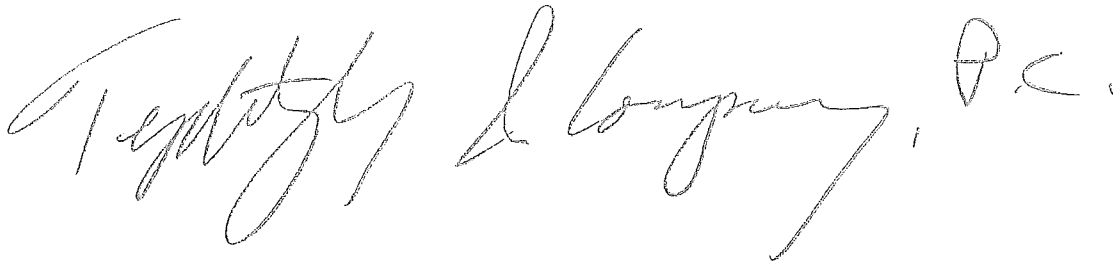
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Aid for Orphans Relief Foundation, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Teplitzky & Company, P.C." The signature is written in dark ink and is positioned in the upper middle section of the page.

Woodbridge, Connecticut

August 10, 2016

AID FOR ORPHANS RELIEF FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash	\$ 4,546	\$ 8,904
Inventory	<u>3,222</u>	<u>3,572</u>
Total Current Assets	<u>7,768</u>	<u>12,476</u>
Total Assets	<u>\$ 7,768</u>	<u>\$ 12,476</u>
LIABILITIES AND NET ASSETS		
Accrued Expenses	<u>\$ 4,078</u>	<u>\$ 2,034</u>
Net Assets		
Unrestricted	3,690	2,942
Temporarily Restricted	<u>-</u>	<u>7,500</u>
Total Net Assets	<u>3,690</u>	<u>10,442</u>
Total Liabilities and Net Assets	<u>\$ 7,768</u>	<u>\$ 12,476</u>

See accompanying notes and independent accountant's report.

Exhibit A: Page 3

AID FOR ORPHANS RELIEF FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015		2014			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenue						
Contributions:						
Corporate Foundation Individual	\$ 7,650	-	\$ 7,650	\$ 5,255	-	\$ 5,255
Total Contributions	60,280	-	60,280	66,296	2,500	68,796
	72,930	-	72,930	75,551	7,500	83,051
Donated Rent and Materials	1,040,431	-	1,040,431	987,265	-	987,265
Special Event Income	-	-	-	150	-	150
Net Assets Released from Restrictions:						
Restrictions Satisfied by Payments	7,500	(7,500)	-	16,500	(16,500)	-
Total Support and Revenue	1,120,861	(7,500)	1,113,361	1,079,466	(9,000)	1,070,466
Expenses						
Program Costs	1,028,240	-	1,028,240	973,445	-	973,445
General and Administrative	25,525	-	25,525	25,775	-	25,775
Fundraising	66,348	-	66,348	90,826	-	90,826
Total Expenses	1,120,113	-	1,120,113	1,090,046	-	1,090,046
Change in Net Assets	748	(7,500)	(6,752)	(10,580)	(9,000)	(19,580)
Net Assets - Beginning of Year	2,942	7,500	10,442	13,522	16,500	30,022
Net Assets - End of Year	\$ 3,690	\$ -	\$ 3,690	\$ 2,942	\$ 7,500	\$ 10,442

See accompanying notes and independent accountant's report.
Exhibit B: Page 4

AID FOR ORPHANS RELIEF FOUNDATION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015			2014			
	Program Costs	General and Administrative	Fundraising	Total	General and Administrative	Fundraising	Total
Personnel Expenses							
Salaries	\$ -	-	\$ 58,878	\$ 58,878	-	\$ 61,040	\$ 61,040
Payroll Taxes	-	-	6,691	6,691	-	7,953	7,953
Total Personnel Expenses	-	-	65,569	65,569	-	68,993	68,993
Other Expenses							
Advertising and Promotion	-	-	-	-	-	17,543	17,543
Professional Fees	-	3,925	-	3,925	3,800	1,244	5,044
Office Supplies and Expenses	350	-	168	518	-	1,639	1,639
Contributions	7,331	-	-	7,331	-	-	-
Rent	-	21,600	-	21,600	21,600	-	21,600
Insurance	-	-	592	592	-	1,387	1,387
Dues and Subscriptions	-	-	-	-	-	-	-
Conferences and Meetings	-	-	19	19	375	20	395
Shipping	1,728	-	-	1,728	-	-	2,152
Nutritional and Medical Supplies	1,018,831	-	-	1,018,831	-	-	971,293
Total Other Expenses	1,028,240	25,525	779	1,054,544	25,775	21,833	1,021,053
Total	\$ 1,028,240	\$ 25,525	\$ 66,348	\$ 1,120,113	\$ 25,775	\$ 90,826	\$ 1,090,046

See accompanying notes and independent accountant's report.
Exhibit B: Page 5

AID FOR ORPHANS RELIEF FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (6,402)	\$ (19,580)
Adjustments to Reconcile Changes in Net Assets to Net Cash Used in Operating Activities:		
Decrease (Increase) in:		
Contributions Receivable	-	14
Grants Receivable	-	1,500
Inventory	-	(3,572)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	<u>2,044</u>	<u>1,314</u>
Net Cash Used in Operating Activities	<u>(4,358)</u>	<u>(20,324)</u>
Net Decrease in Cash	(4,358)	(20,324)
Cash - Beginning of Year	<u>8,904</u>	<u>29,228</u>
Cash - End of Year	<u>\$ 4,546</u>	<u>\$ 8,904</u>

See accompanying notes and independent accountant's report.
Exhibit C: Page 6

AID FOR ORPHANS RELIEF FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

NOTE 1 – NATURE OF ACTIVITIES

Aid for Orphans Relief Foundation, Inc. (the “Organization”) is a non-profit organization which was incorporated in 2010 for the purposes of helping orphaned children living in the United States and abroad by providing medical and wellness treatments and services that would otherwise be unavailable. The Organization currently provides assistance in the United States, Africa (Ghana, Kenya, Uganda and Cameroon), Europe (Poland and Ukraine), and Asia (Philippines).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 958-605, *Not for Profit Entities, Revenue Recognition*. Under FASB ASC 958-605, the Organization 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.

Unrestricted net assets represent resources, other than donor-restricted contributions that may be expended at the discretion of the Board of Directors.

Temporarily restricted net assets represent contributions that are restricted by the donor as to purpose or time of expenditure.

Permanently restricted net assets represent resources that have donor-imposed restrictions that require that the principal be maintained in perpetuity but permit the Organization to expend the income earned thereon. The Organization did not have any permanently restricted net assets as of December 31, 2015 and 2014.

Contributions

The Organization accounts for contributions in accordance with the recommendations of the FASB ASC 958-605. In accordance with FASB ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restriction support, depending on the existence or nature of any donor restrictions.

AID FOR ORPHANS RELIEF FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All donor-restricted support 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 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.

Allocation of Expenses

Program and supporting service costs have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the financial statements. Accordingly actual results could differ from those estimates.

Donated Rent and Materials

Donated rent and materials of \$1,040,431 and \$987,265 were recorded at fair market value, and have been included in revenue and expenses for the years ended December 31, 2015 and 2014, respectively. In addition, the Organization receives significant amounts of other donated services and materials related to its operations that were not recognized in the financial statements because they did not meet the criteria for recognition under FASB ASC 958-605.

Advertising

The Organization expenses advertising costs as incurred.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Management is not aware of any uncertain tax positions taken by the Organization as defined in FASB Accounting Standards Codification Topic 740. Tax years ended December 31, 2012 through December 31, 2014 remains subject to examination.

AID FOR ORPHANS RELIEF FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Date of Management's Review

Subsequent events have been evaluated through August 10, 2016, which is the date the financial statements were available to be issued. No events occurred that require disclosure or adjustment to the financial statements.

NOTE 3 – CONTRIBUTIONS RECEIVABLE

Contributions receivable represent commitments by donors to provide future funding. Contributions receivable are payable within one year.

NOTE 4 – CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash at various financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation, however, at times, balances during the year may exceed the insured limits. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash.

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

As of December 31, 2015 and 2014, the Organization's temporarily restricted net assets consisted of the following:

	<u>2015</u>		<u>2014</u>
Nutritional and Medical Supplies	\$	0	\$ 7,500