

FINANCIAL STATEMENTS

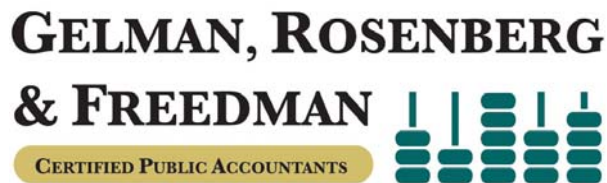
UOSSM USA

**FOR THE YEAR ENDED DECEMBER 31, 2016
AND THE PERIOD JANUARY 29, 2015
(DATE OF INCORPORATION) THROUGH
DECEMBER 31, 2015**

UOSSM USA

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	2
EXHIBIT A - Statements of Financial Position, as of December 31, 2016 and December 31, 2015	3
EXHIBIT B - Statement of Activities and Changes in Net Assets, for the Year Ended December 31, 2016 and the Period January 29, 2015 (Date of Incorporation) through December 31, 2015	4
EXHIBIT C - Statement of Functional Expenses, for the Year Ended December 31, 2016	5
EXHIBIT D - Statement of Functional Expenses, for the Period January 29, 2015 (Date of Incorporation) through December 31, 2015	6
EXHIBIT E - Statements of Cash Flows, for the Year Ended December 31, 2016 and the Period January 29, 2015 (Date of Incorporation) through December 31, 2015	7
NOTES TO FINANCIAL STATEMENTS	8 - 11



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
UOSSM USA
Chevy Chase, Maryland

We have audited the accompanying financial statements of UOSSM USA, which comprise the statements of financial position as of December 31, 2016 and December 31, 2015, and the related statements of activities and change in net assets, functional expenses and cash flows for the year ended December 31, 2016 and for the period January 29, 2015 (Date of Incorporation) through December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UOSSM USA as of December 31, 2016 and December 31, 2015, and the change in its net assets and its cash flows for the year ended December 31, 2016 and the period January 29, 2015 (date of incorporation) through December 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

May 8, 2017

4550 MONTGOMERY AVENUE • SUITE 650 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • FAX: (301) 951-3570 • WWW.GRFCPA.COM

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE HORWATH INTERNATIONAL
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

UOSSM USA

**STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016 AND DECEMBER 31, 2015**

	December 31, 2016	December 31, 2015
CURRENT ASSETS		
Cash and cash equivalents	\$ 327,952	\$ 358
Advances to sub-grantees	197,850	-
Grants and contracts receivable	17,121	3,966
Prepaid expenses and other assets	4,117	3,000
	547,040	7,324
NONCURRENT ASSETS		
Security deposit	850	-
Intangible assets, net	810	870
	1,660	870
TOTAL ASSETS	\$ 548,700	\$ 8,194

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 42,349	\$ 1,518
Refundable advance	414,461	-
Deferred rent	1,500	-
	458,310	1,518
NET ASSETS		
Unrestricted	35,183	6,676
Temporarily restricted	55,207	-
	90,390	6,676
TOTAL LIABILITIES AND NET ASSETS	\$ 548,700	\$ 8,194

See accompanying notes to financial statements.

UOSSM USA

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016
AND THE PERIOD JANUARY 29, 2015 (May 8, 2017 OF INCORPORATION)
THROUGH DECEMBER 31, 2015**

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Contributions, grants and contracts	\$ 229,402	\$ 348,394	\$ 577,796	\$ 54,355	\$ 6,700	\$ 61,055
In-kind contributions	33,000	-	33,000	3,000	-	3,000
Other	850	-	850	-	-	-
Net assets released from restrictions	293,187	(293,187)	-	6,700	(6,700)	-
Total support and revenue	556,439	55,207	611,646	64,055	-	64,055
EXPENSES						
Program Services	461,207	-	461,207	7,174	-	7,174
Supporting Services:						
Management and General	62,645	-	62,645	46,709	-	46,709
Fundraising	4,080	-	4,080	3,496	-	3,496
Total supporting services	66,725	-	66,725	50,205	-	50,205
Total expenses	527,932	-	527,932	57,379	-	57,379
Change in net assets	28,507	55,207	83,714	6,676	-	6,676
Net assets at beginning of period	6,676	-	6,676	-	-	-
NET ASSETS AT END OF PERIOD	\$ 35,183	\$ 55,207	\$ 90,390	\$ 6,676	\$ -	\$ 6,676

See accompanying notes to financial statements.

UOSSM USA

STATEMENT OF FUNCTIONAL EXPENSES
FOR YEAR ENDED DECEMBER 31, 2016

	Program Services			Supporting Services				Total Expenses
	Medical Services	International	Regional	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and wages	\$ 2,094	\$ -	\$ 1,254	\$ 3,348	\$ 39,475	\$ -	\$ 39,475	\$ 42,823
Employee benefits	-	-	-	-	2,050	-	2,050	2,050
Payroll taxes	196	-	100	296	3,455	-	3,455	3,751
Professional services	-	29,760	-	29,760	7,860	-	7,860	37,620
Accounting fees	-	-	-	-	4,807	-	4,807	4,807
Legal fees	-	1,400	840	2,240	9,885	-	9,885	12,125
Consultants	9,380	-	8,700	18,080	15,577	-	15,577	33,657
Temporary labor	-	-	-	-	5,350	-	5,350	5,350
Advertising and promotion	-	-	-	-	-	2,430	2,430	2,430
Office expenses	-	-	915	915	352	-	352	1,267
Occupancy	-	-	653	653	5,987	-	5,987	6,640
Equipment	-	-	7,778	7,778	-	-	-	7,778
Travel	-	9,537	7,158	16,695	2,638	-	2,638	19,333
Conferences, conventions and meetings	-	-	235	235	-	-	-	235
Printing	-	-	-	-	126	1,279	1,405	1,405
Dues, subscriptions and reference	-	-	-	-	2,079	-	2,079	2,079
Grants and other assistance	310,771	-	-	310,771	-	-	-	310,771
Subawards	29,526	-	-	29,526	-	-	-	29,526
Filing, registrations	-	-	-	-	1,375	-	1,375	1,375
Bank fees	-	-	-	-	757	-	757	757
Depreciation and amortization	-	-	-	-	60	-	60	60
Bad debt expense	-	-	-	-	1,979	-	1,979	1,979
Other	-	-	-	-	114	-	114	114
Indirect cost allocation	34,143	4,070	2,697	40,910	(41,281)	371	(40,910)	-
TOTAL	\$ 386,110	\$ 44,767	\$ 30,330	\$ 461,207	\$ 62,645	\$ 4,080	\$ 66,725	\$ 527,932

See accompanying notes to financial statements.

UOSSM USA

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE PERIOD JANUARY 29, 2015 (DATE OF INCORPORATION)
THROUGH DECEMBER 31, 2015**

	Program Services		Supporting Services		Total Expenses
	Medical Services	Management and General	Fundraising	Total Supporting Services	
Professional services	\$ -	\$ 27,200	\$ -	\$ 27,200	\$ 27,200
Consultants	-	6,888	-	6,888	6,888
Temporary labor	-	3,640	-	3,640	3,640
Travel	-	7,113	3,289	10,402	10,402
Printing	-	76	207	283	283
Dues, subscriptions and reference	-	437	-	437	437
Grants and other assistance	7,174	-	-	-	7,174
Filing, registrations	-	1,250	-	1,250	1,250
Bank fees	-	75	-	75	75
Depreciation and amortization	-	30	-	30	30
TOTAL	\$ 7,174	\$ 46,709	\$ 3,496	\$ 50,205	\$ 57,379

See accompanying notes to financial statements.

UOSSM USA

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
AND THE PERIOD JANUARY 29, 2015 (May 8, 2017 OF INCORPORATION)
THROUGH DECEMBER 31, 2015

	December 31, 2016	December 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 83,714	\$ 6,676
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Amortization of intangible assets	60	30
(Increase) decrease in:		
Advances to sub-grantees	(197,850)	-
Grants and contracts receivable	(13,155)	(3,966)
Prepaid expenses	(1,117)	(3,000)
Security deposit	(850)	-
Intangible assets	-	(900)
Increase (decrease) in:		
Accounts payable and accrued expenses	40,831	1,518
Refundable advance	414,461	-
Deferred rent	1,500	-
Net cash provided by operating activities	327,594	358
Net increase in cash and cash equivalents	-	358
Cash and cash equivalents, beginning of period	358	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 327,952	\$ 358

See accompanying notes to financial statements.

UOSSM USA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016 AND THE PERIOD JANUARY 29, 2015 (May 8, 2017 OF INCORPORATION) THROUGH DECEMBER 31, 2015

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization -

UOSSM USA was incorporated in the State of Texas on January 29, 2015. UOSSM USA is an independent, non-profit humanitarian and medical non-governmental organization, founded to support the health-related needs and well-being of people and communities affected by crises and their aftermath, regardless of nationality, ethnicity, gender, religion or political affiliation.

UOSSM USA is governed by a U.S. National Board of Directors, who work with a network of physicians, health-care professionals and other professionals to fulfill the mission of the Organization: delivering quality medical care and relief to people in need.

UOSSM USA is a member of a larger international umbrella group based in France, the International Union of Medical Care and Relief Organizations (UOSSM), an organization well-known for its long history of extensive medical humanitarian work to support the Syrian people in crisis since 2012. UOSSM USA strives to support the work of UOSSM and empower the local communities and people affected by the ongoing Syrian crisis. UOSSM USA receives the majority of its support from private sources.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

The accompanying financial statements include the financial activities of UOSSM USA during the year ended December 31, 2016 and the period January 29, 2015 (Date of Incorporation) through December 31, 2015.

Cash and cash equivalents -

UOSSM USA reports as cash and cash equivalents operating funds deposited with local financial institutions.

Bank deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year ended December 31, 2016 and period January 29, 2015 (Date of Incorporation) through December 31, 2015, UOSSM USA maintains cash balances at financial institutions in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Grants, contracts and advances -

Grants and contracts receivable represent amounts due from funding organizations for reimbursable expenses incurred in accordance with the terms of the agreements. Grants receivable, contracts receivable and advances approximate fair value. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor.

UOSSM USA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016 AND THE PERIOD JANUARY 29, 2015 (May 8, 2017 OF INCORPORATION) THROUGH DECEMBER 31, 2015

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net asset classification -

The net assets are reported in two self-balancing groups as follows:

Unrestricted net assets include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of UOSSM USA and include both internally designated and undesignated resources.

Temporarily restricted net assets include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of UOSSM USA and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions.

Revenue recognition -

Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

Contract revenue is treated as an exchange transaction, and accordingly, unrestricted revenue is recognized when benchmarks are met or when qualifying expenditures are incurred; any funds received in advance of achieving benchmarks or incurring qualifying expenditures are recorded as refundable advances.

Refundable advance represent contract funding received in advance of incurring the related expenses. As of December 31, 2016, refundable advance totaled \$414,461.

In-kind contributions -

UOSSM USA receives contributions of rent/utilities and donated professional services to further its programs. Contributions of \$33,000 and \$3,000, representing the fair value of the use of these facilities and services, have been recorded as revenue and expense in the accompanying financial statements for the year ended December 31, 2016 and the period January 29, 2015 (Date of Incorporation) through December 31, 2015.

Tax status -

UOSSM USA is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Fund is not a private foundation and is a publicly supported organization as described in Section 509(a)(1) of the Internal Revenue Code.

UOSSM USA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
AND THE PERIOD JANUARY 29, 2015 (May 8, 2017 OF INCORPORATION)
THROUGH DECEMBER 31, 2015

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Uncertain tax positions -

For the periods January 1, 2016 through September 30, 2016 and January 29, 2015 (Date of Incorporation) through December 31, 2015, UOSSM USA has documented its consideration of FASB ASC 740-10, Income Taxes, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the accompanying financial statements.

Use of estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New accounting pronouncement -

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Statement of Activities and Change in Net Assets. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. Early adoption is permitted. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of UOSSM USA's financial statements, it is not expected to alter UOSSM USA's reported financial position.

2. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2016

Program Services	<u>\$ 55,207</u>
-------------------------	-------------------------

The following temporarily restricted net assets were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Program Services	<u>\$ 293,187</u>
-------------------------	--------------------------

UOSSM USA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
AND THE PERIOD JANUARY 29, 2015 (May 8, 2017 OF INCORPORATION)
THROUGH DECEMBER 31, 2015**

3. COMMITMENTS

UOSSM USA leases office space in Texas under an agreement set to expire on November 30, 2017. The agreement required an initial security deposit of \$1,756, which was paid (and expensed by UOSSM USA) at the commencement of the lease. Future minimum lease payments required under this agreement during the year ended December 31, 2017 total \$19,321.

UOSSM subleases space (in Texas) to an unrelated third party organization under an agreement set to expire on November 30, 2017. Sublease income expected to be received during the year ended December 31, 2017 is \$16,500. As of December 31, 2016, UOSSM USA has \$1,500 of deferred rent for advance receipt for January 2017 rent.

Effective November 1, 2016, UOSSM USA entered into a lease for office space in Washington, DC under a month-to-month sublease agreement set to expire on June 30, 2018. The lease requires a monthly payment of \$850 (plus an initial security deposit of \$850), and is cancelable with 30 days of notice to the landlord.

4. SUBSEQUENT EVENTS

In preparing these financial statements, UOSSM USA has evaluated events and transactions for potential recognition or disclosure through May 8, 2017, the date the financial statements were issued.