

# **UOSSM USA**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

**UOSSM USA**

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**DONALD R. FORD**

**CERTIFIED PUBLIC ACCOUNTANT**  
**A LIMITED LIABILITY COMPANY**  
**MEMBER**

AMERICAN INSTITUTE OF CPAS  
SOCIETY OF LOUISIANA CPAS

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
UOSSM USA  
Chevy Chase, Maryland

I have audited the accompanying financial statements of UOSSM USA, which comprise the statement of financial position as of December 31, 2017, and the related statement of activities, functional expenses and cash flows for the year ended December 31, 2017, 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**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UOSSM USA as of December 31, 2017, and the change in its net assets and its cash flows for the year ended December 31, 2017 in accordance with accounting principles generally accepted in the United States of America.

*Donald Ford*

November 2, 2018

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**EXHIBIT A****UOSSM USA  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2017**

|  | <b>December 31,<br/>2017</b> |
|--|------------------------------|
| <b>ASSETS</b>                            |                              |
| Cash and cash equivalents                | \$ 26,485                    |
| Advances to sub-grantees                 | -                            |
| Grants and contracts receivable          | 13,433                       |
| Prepaid expenses and other assets        | 1,674                        |
| Intangible Assets, Net                   | <u>750</u>                   |
| Total assets                             | <u>\$ 42,342</u>             |
| <b>LIABILITIES</b>                       |                              |
| Accounts payable and accrued liabilities | \$ 41,791                    |
| Refundable advance                       | 397                          |
| Deferred revenue/Refundable advance      | <u>-</u>                     |
| Total liabilities                        | <u>42,188</u>                |
| <b>NET ASSETS</b>                        |                              |
| Unrestricted                             | 154                          |
| Temporarily restricted                   | <u>-</u>                     |
| Total net assets                         | <u>154</u>                   |
| Total liabilities and net assets         | <u>\$ 42,342</u>             |

**UOSSM USA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                       | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Total</u>       |
|---------------------------------------|---------------------|-----------------------------------|--------------------|
| <b>REVENUES AND OTHER SUPPORT</b>     |                     |                                   |                    |
| Contributions, grants and contracts   | \$ 811,242          | \$ 118,211                        | \$ 929,453         |
| In-kind contributions                 | 35,207              |                                   | 35,207             |
| Other                                 |                     |                                   | -                  |
| Net assets released from restrictions | <u>173,419</u>      | <u>(173,419)</u>                  | <u>-</u>           |
| Total revenues and other support      | <u>1,019,868</u>    | <u>(55,208)</u>                   | <u>964,660</u>     |
| <b>EXPENSES</b>                       |                     |                                   |                    |
| Program services                      | <u>907,246</u>      | <u>-</u>                          | <u>907,246</u>     |
| Supporting services:                  |                     |                                   |                    |
| Management and general                | 137,806             | -                                 | 137,806            |
| Fundraising                           | <u>9,844</u>        | <u>-</u>                          | <u>9,844</u>       |
| Total support services                | <u>147,650</u>      | <u>-</u>                          | <u>147,650</u>     |
| Total expenses                        | <u>1,054,896</u>    | <u>-</u>                          | <u>1,054,896</u>   |
| Change in net assets                  | (35,028)            | (55,208)                          | (90,236)           |
| Net assets at beginning of year       | <u>35,182</u>       | <u>-</u>                          | <u>35,182</u>      |
| <b>NET ASSETS AT END OF YEAR</b>      | <u>\$ 154</u>       | <u>\$ (55,208)</u>                | <u>\$ (55,054)</u> |

UOSSM USA  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2017

|                                       | Program Services |               |                | Supporting Services    |                        |              |                           | Total Expenses   |
|---------------------------------------|------------------|---------------|----------------|------------------------|------------------------|--------------|---------------------------|------------------|
|                                       | Medical Services | International | Regional       | Total Program Services | Management and General | Fundraising  | Total Supporting Services |                  |
| Salaries and wages                    | 26,071           | 2,901         | 25,720         | 54,692                 | 107,631                | 1,033        | 108,664                   | 163,356          |
| Employee benefits                     | -                | -             | -              | -                      | -                      | -            | -                         | -                |
| Payroll taxes                         | 1,091            | 102           | 1,417          | 2,610                  | 7,119                  | 77           | 7,196                     | 9,806            |
| Professional services                 | -                | 5,220         | 6,483          | 11,703                 | 1,035                  | -            | 1,035                     | 12,738           |
| Accounting fees                       | 4,000            | -             | 1,400          | 5,400                  | 4,784                  | -            | 4,784                     | 10,184           |
| Legal fees                            | 735              | 2,100         | 8,062          | 10,897                 | 2,590                  | -            | 2,590                     | 13,487           |
| Consultants                           | 63,439           | -             | 58,968         | 122,407                | 29,690                 | 6,666        | 36,356                    | 158,763          |
| Temporary Labor                       | -                | -             | -              | -                      | -                      | -            | -                         | -                |
| Advertising and promotion             | -                | -             | -              | -                      | 167                    | -            | 167                       | 167              |
| Office expenses                       | 4                | -             | 2,216          | 2,220                  | 6,020                  | -            | 6,020                     | 8,240            |
| Information technology                | -                | -             | 91             | 91                     | 1,798                  | -            | 1,798                     | 1,889            |
| Occupancy                             | 5,953            | -             | 5,490          | 11,443                 | 10,614                 | -            | 10,614                    | 22,057           |
| Equipment                             | 3,808            | -             | 3,118          | 6,926                  | 212                    | -            | 212                       | 7,138            |
| Travel                                | -                | 1,250         | 1,538          | 2,788                  | 728                    | -            | 728                       | 3,516            |
| Vehicle                               | 735              | 37            | 9,866          | 10,638                 | -                      | -            | -                         | 10,638           |
| Capital Expenditure-Vehicles          | 20,079           | -             | -              | 20,079                 | -                      | -            | -                         | 20,079           |
| Project Materials and Supplies        | 41,962           | -             | -              | 41,962                 | -                      | -            | -                         | 41,962           |
| Conferences, conventions and meetings | -                | -             | 370            | 370                    | -                      | 726          | 726                       | 1,096            |
| Interest                              | -                | -             | -              | -                      | -                      | -            | -                         | -                |
| Insurance                             | 40               | -             | -              | 40                     | 2,340                  | -            | 2,340                     | 2,380            |
| Printing                              | -                | 188           | 205            | 393                    | 830                    | 448          | 1,278                     | 1,671            |
| Dues, subscriptions and reference     | -                | -             | -              | -                      | 1,812                  | -            | 1,812                     | 1,812            |
| Training and development              | -                | -             | -              | -                      | -                      | -            | -                         | -                |
| Grants and other assistance           | 166,341          | -             | 292            | 166,633                | -                      | -            | -                         | 166,633          |
| Subawards                             | 384,026          | -             | -              | 384,026                | -                      | -            | -                         | 384,026          |
| Filing, Registrations                 | -                | -             | 3,946          | 3,946                  | 163                    | -            | 163                       | 4,109            |
| Bank Fees                             | -                | -             | 758            | 758                    | 1,706                  | -            | 1,706                     | 2,464            |
| Depreciation and amortization         | -                | -             | -              | -                      | 60                     | -            | 60                        | 60               |
| Bad debt expense                      | -                | -             | -              | -                      | 5,480                  | -            | 5,480                     | 5,480            |
| Transportation                        | 734              | -             | -              | 734                    | -                      | -            | -                         | 734              |
| Other                                 | -                | -             | 66             | 66                     | 345                    | -            | 345                       | 411              |
| Indirect Cost Allocation              | 33,015           | 1,180         | 12,228         | 46,423                 | (47,318)               | 895          | (46,423)                  | -                |
| <b>TOTAL</b>                          | <b>752,033</b>   | <b>12,978</b> | <b>142,234</b> | <b>907,245</b>         | <b>137,806</b>         | <b>9,845</b> | <b>147,651</b>            | <b>1,054,896</b> |

**EXHIBIT D**

**UOSSM USA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|   | <b>December 31,<br/>2017</b> |
|---|------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                              |
| Change in net assets  | \$ (90,236)                  |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: |                              |
| Amortization of intangible assets   | 60                           |
| (Increase) decrease in:   |                              |
| Advances to sub-grantees  | 197,850                      |
| Grants and contracts receivable   | 3,688                        |
| Prepaid expenses  | 3,293                        |
| Security deposit  | -                            |
| Intangible assets   | -                            |
| Increase (decrease) in:   |                              |
| Accounts payable and accrued expenses   | (558)                        |
| Refundable advance  | (414,064)                    |
| Deferred rent   | <u>(1,500)</u>               |
| Net cash provided by (used in) operating activities   | <u>(301,467)</u>             |
| Net increase (decrease) in cash and cash equivalents  | (301,467)                    |
| Cash and cash equivalents, beginning of year  | <u>327,952</u>               |
| <b>Cash and cash equivalents, end of year</b>   | <u><u>\$ 26,485</u></u>      |

**UOSSM USA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED DECEMBER 31, 2017**

**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, 2017.

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, 2017, 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**  
**YEAR ENDED DECEMBER 31, 2017**

**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, 2017, refundable advance totaled \$397.

In-kind contributions –

UOSSM USA receives contributions of rent/utilities and donated professional services to further its programs. Contributions of \$35,207, 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, 2017.

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**  
**YEAR ENDED DECEMBER 31, 2017**

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

Uncertain tax positions -

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, 2017

|                         |                    |
|-------------------------|--------------------|
| <b>Program Services</b> | <b><u>\$ 0</u></b> |
|-------------------------|--------------------|

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:

|                         |                          |
|-------------------------|--------------------------|
| <b>Program Services</b> | <b><u>\$ 173,419</u></b> |
|-------------------------|--------------------------|

**UOSSM USA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**

**3. COMMITMENTS**

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 November 2, 2018, the date the financial statements were issued.