

UOSSM USA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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, 2018, and the related statement of activities, functional expenses and cash flows for the year ended December 31, 2018, 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, 2018, and the change in its net assets and its cash flows for the year ended December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

Donald Ford

July 16, 2019

UOSSM USA
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018 AND 2017

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
ASSETS		
Cash and cash equivalents	\$ 128,826	\$ 26,485
Advances to sub-grantees	71,500	-
Grants and contracts receivable	10,968	13,433
Prepaid expenses and other assets	4,057	1,674
Intangible Assets, Net	<u>690</u>	<u>750</u>
Total assets	<u>\$ 216,041</u>	<u>\$ 42,342</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 17,131	\$ 31,791
Refundable advance	-	397
Grant funds payable	<u>5,021</u>	<u>10,000</u>
Total liabilities	<u>22,152</u>	<u>42,188</u>
NET ASSETS		
Without donor restrictions	116,608	154
With donor restrictions	<u>77,281</u>	<u>-</u>
Total net assets	<u>193,889</u>	<u>154</u>
Total liabilities and net assets	<u>\$ 216,041</u>	<u>\$ 42,342</u>

See accompanying notes to the financial statements

UOSSM USA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT						
Contributions, grants and contracts	\$ 333,619	\$ 408,070	\$ 741,689	\$ 811,242	118,211	\$ 929,453
In-kind contributions	104,750		104,750	35,207		35,207
Net assets released from restrictions	330,789	(330,789)	-	173,419	(173,419)	-
Total revenues and other support	<u>769,158</u>	<u>77,281</u>	<u>846,439</u>	<u>1,019,868</u>	<u>(55,208)</u>	<u>964,660</u>
EXPENSES						
Program services	<u>530,532</u>	<u>-</u>	<u>530,532</u>	<u>907,246</u>	<u>-</u>	<u>907,246</u>
Supporting services:						
Management and general	58,938	-	58,938	137,806	-	137,806
Fundraising	<u>63,234</u>	<u>-</u>	<u>63,234</u>	<u>9,844</u>	<u>-</u>	<u>9,844</u>
Total support services	<u>122,172</u>	<u>-</u>	<u>122,172</u>	<u>147,650</u>	<u>-</u>	<u>147,650</u>
Total expenses	<u>652,704</u>	<u>-</u>	<u>652,704</u>	<u>1,054,896</u>	<u>-</u>	<u>1,054,896</u>
Change in net assets	116,454	77,281	193,735	(35,028)	(55,208)	(90,236)
Net assets at beginning of year	<u>154</u>	<u>-</u>	<u>154</u>	<u>35,182</u>	<u>55,208</u>	<u>90,390</u>
NET ASSETS AT END OF YEAR	<u>\$ 116,608</u>	<u>\$ 77,281</u>	<u>\$ 193,889</u>	<u>\$ 154</u>	<u>\$ -</u>	<u>\$ 154</u>

See accompanying notes to the financial statements

UOSSM USA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services			Supporting Services			Total Supporting Services	Total Expenses
	Medical Services and Supplies	International	Regional	Total Program Services	Management and General	Fundraising		
Salaries and wages	12,361	51,566	6,494	70,421	60,402	37,085	97,487	167,908
Employee benefits				-			-	-
Payroll taxes	986	3,782	253	5,021	3,967	2,824	6,791	11,812
Salaries-National Staff	19,461			19,461			-	19,461
Professional services		30,480	825	31,305	170		170	31,475
Accounting fees				-	6,500		6,500	6,500
Legal fees			6,546	6,546	2,160		2,160	8,706
Consultants	13,609	1,122	7,121	21,852	15,205	9,783	24,988	46,840
Temporary Labor				-			-	-
Advertising and promotion				-	353	4,504	4,857	4,858
Office expenses	550			550	101		101	651
Information technology				-	3,330		3,330	3,330
Communication - Telephone and Internet	1,600		490	2,090	3,903		3,903	5,994
Occupancy	3,759		995	4,754	7,558		7,558	12,312
Equipment	1,544		(2,350)	(806)			-	(806)
Travel		1,056		1,056	948		948	2,004
Vehicle	8,655			8,655			-	8,655
Capital Expenditure-Vehicles				-			-	-
Project Materials and Supplies	25,354			25,354			-	25,354
Conferences, conventions and meetings				-			-	-
Interest				-			-	-
Insurance	675	157		832	2,433		2,433	3,265
Printing	30			30	1,081	1,187	2,268	2,298
Dues, subscriptions and reference				-	1,820	28	1,848	1,848
Training and development				-			-	-
Grants and other assistance	241,460	39,407		280,867			-	280,867
Subawards				-			-	-
Filing, Registrations	47	645	141	834	1,110	2,073	3,183	4,017
Bank Fees	1,276		34	1,310	1,497		1,497	2,807
Depreciation and amortization				-	60		60	60
Bad debt expense				-	458		458	458
Transportation	1,171			1,171			-	1,171
Other	447			447	411		411	858
Indirect Cost Allocation	33,768	12,822	2,193	48,783	(54,531)	5,749	(48,783)	-
TOTAL	366,753	141,037	22,742	530,533	58,938	63,234	122,171	652,704

See accompanying notes to the financial statements.

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)	-
TOTAL	752,033	12,978	142,234	907,245	137,806	9,845	147,651	1,054,896

See accompanying notes to the financial statements.

UOSSM USA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017

CASH FLOWS FROM OPERATING ACTIVITIES	December 31, 2018	December 31, 2017
Change in net assets	\$ 193,735	\$ (90,236)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Amortization of intangible assets	60	60
(Increase) decrease in:		
Advances to sub-grantees	(71,500)	197,850
Grants and contracts receivable	2,465	3,688
Prepaid expenses	(2,383)	3,293
Security deposit		
Intangible assets		
Increase (decrease) in:		
Accounts payable and accrued expenses	(19,639)	(558)
Refundable advance	(397)	(414,064)
Deferred rent		(1,500)
Net cash provided by (used in) operating activities	<u>102,341</u>	<u>(301,467)</u>
Net increase (decrease) in cash and cash equivalents	102,341	(301,467)
Cash and cash equivalents, beginning of year	<u>26,485</u>	<u>327,952</u>
Cash and cash equivalents, end of year	<u><u>\$ 128,826</u></u>	<u><u>\$ 26,485</u></u>

See accompanying notes to the financial statements.

UOSSM USA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2018 AND 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, 2018 and 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, 2018 and 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, 2018 AND 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:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of UOSSM USA's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of UOSSM USA or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Revenue recognition -

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contract revenue is treated as an exchange transaction, and accordingly, 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, 2018, refundable advance totaled \$0.

In-kind contributions -

UOSSM USA receives contributions of donated goods and professional services to further its programs. Contributions of \$104,750, representing the fair value of these goods and services, have been recorded as revenue and expense in the accompanying financial statements for the year ended December 31, 2018 and 2017.

UOSSM USA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018 AND 2017

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

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.

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.

Reclassifications -

Certain prior year amounts have been reclassified to conform to the current year presentation.

New accounting pronouncement -

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. When effective, the ASU will supersede FASB ASC 840, *Leases*, and add Topic 842, *Leases*, to the FASB ASC. For most nonprofit organizations, ASU 2016-02 is effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early application is permitted. (FASB ASC 842-10-65-1)

Subsequent to the issuance of ASU 2016-02, the FASB issued the following ASUs to amend and clarify certain matters related to FASB ASC 842 and related guidance:

- ASU 2018-01, *Leases (Topic 82): Land Easement Practical Expedient for Transition to Topic 842*
- ASU 2018-10, *Codification Improvements to Topic 842, Leases*
- ASU 2018-11, *Leases (Topic 842): Targeted Improvements*
- ASU 2018-20, *Leases (Topic 842): Narrow-Scope Improvements for Lessors*

For organizations that have not early adopted FASB ASC 842, the effective dates of the subsequently issued ASUs are the same as the effective dates of ASU 2016-02. With the exception of certain provisions in ASU 2018-11 and ASU 2018-20, as noted herein, the amendments in the subsequently issued ASUs were effective upon issuance for nonprofit organizations that have already adopted ASU 2016-02. The impact of these changes on UOSSM USA's financial statements has yet to be determined.

UOSSM USA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018 AND 2017

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

UOSSM USA's assets are sequenced according to their nearness of conversion to cash and liabilities sequenced according to the nearness of their maturity and use of cash.

UOSSM USA's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$52,000 at December 31, 2018 and \$10,000 at December 31, 2017).

The following represents UOSSM USA's financial assets at December 31, 2018 and 2017:

Financial assets at year end:	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 128,826	\$ 26,485
Advances to sub-grantees	71,500	
Grants and contracts receivable	<u>10,968</u>	<u>13,433</u>
Total financial assets	211,294	39,918
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>77,281</u>	<u>-</u>
	77,281	-
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 134,013</u>	<u>\$ 39,918</u>

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Program Services	<u>\$77,281</u>	<u>\$0</u>

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

	<u>2018</u>	<u>2017</u>
Program Services	<u>\$330,789</u>	<u>\$173,419</u>

4. SUBSEQUENT EVENTS

In preparing these financial statements, UOSSM USA has evaluated events and transactions for potential recognition or disclosure through July 16, 2019, the date the financial statements were issued.