

**Syrian American Medical Society Foundation**

Financial Statements  
Including Uniform Guidance Reports  
and Independent Auditors' Report

December 31, 2020 and 2019

# Syrian American Medical Society Foundation

Financial Statements  
December 31, 2020 and 2019

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Syrian American Medical Society Foundation

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Syrian American Medical Society Foundation (“the Foundation”), which comprise the statements of financial position as of December 31, 2020 and 2019; 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 controls 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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.

***Auditor's Responsibility (continued)***

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 the Foundation as of December 31, 2020 and 2019, 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.

***Supplementary and Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and are not a required part of the 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 financial statements.

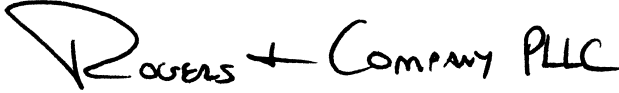
The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 respects, in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report, dated September 28, 2021, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance.

***Other Reporting Required by Government Auditing Standards (continued)***

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia  
September 28, 2021

## Syrian American Medical Society Foundation

### Statements of Financial Position December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 13,288,917	\$ 7,448,325
Investments	1,272,743	1,243,759
Grants and contributions receivable	1,558,354	21,600
Medical student loans receivable	143,266	210,117
Other receivables	475,265	545,841
Prepaid expenses and other assets	118,589	92,468
Property and equipment, net	<u>53,277</u>	<u>92,124</u>
Total assets	<u>\$ 16,910,411</u>	<u>\$ 9,654,234</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 1,945,840	\$ 236,999
Refundable advances	1,529,442	182,681
Deferred rent	<u>70,346</u>	<u>87,892</u>
Total liabilities	<u>3,545,628</u>	<u>507,572</u>
<b>Net Assets</b>		
Without donor restrictions	12,519,224	8,929,627
With donor restrictions	<u>845,559</u>	<u>217,035</u>
Total net assets	<u>13,364,783</u>	<u>9,146,662</u>
Total liabilities and net assets	<u>\$ 16,910,411</u>	<u>\$ 9,654,234</u>

See accompanying notes.

## Syrian American Medical Society Foundation

### Statement of Activities For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Grants and contributions	\$ 35,097,293	\$ 2,845,794	\$ 37,943,087
In-kind contributions	4,691,552	-	4,691,552
Investment return, net	11,291	-	11,291
Other revenue	328,748	-	328,748
Released from restrictions	2,217,270	(2,217,270)	-
Total revenue and support	<u>42,346,154</u>	<u>628,524</u>	<u>42,974,678</u>
<b>Expenses</b>			
Program services:			
Medical relief program	37,268,594	-	37,268,594
Total program services	<u>37,268,594</u>	<u>-</u>	<u>37,268,594</u>
Supporting services:			
Management and general	675,713	-	675,713
Fundraising	812,250	-	812,250
Total supporting services	<u>1,487,963</u>	<u>-</u>	<u>1,487,963</u>
Total expenses	<u>38,756,557</u>	<u>-</u>	<u>38,756,557</u>
<b>Change in Net Assets</b>	3,589,597	628,524	4,218,121
<b>Net Assets, beginning of year</b>	<u>8,929,627</u>	<u>217,035</u>	<u>9,146,662</u>
<b>Net Assets, end of year</b>	<u><u>\$ 12,519,224</u></u>	<u><u>\$ 845,559</u></u>	<u><u>\$ 13,364,783</u></u>

See accompanying notes.

## Syrian American Medical Society Foundation

### Statement of Activities For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Grants and contributions	\$ 29,260,692	\$ 467,035	\$ 29,727,727
In-kind contributions	11,533,958	-	11,533,958
Investment return, net	196,503	-	196,503
Other revenue	4,680	-	4,680
Released from restrictions	341,930	(341,930)	-
<b>Total revenue and support</b>	<u>41,337,763</u>	<u>125,105</u>	<u>41,462,868</u>
<b>Expenses</b>			
Program services:			
Medical relief program	37,961,408	-	37,961,408
<b>Total program services</b>	<u>37,961,408</u>	<u>-</u>	<u>37,961,408</u>
Supporting services:			
Management and general	865,215	-	865,215
Fundraising	848,488	-	848,488
<b>Total supporting services</b>	<u>1,713,703</u>	<u>-</u>	<u>1,713,703</u>
<b>Total expenses</b>	<u>39,675,111</u>	<u>-</u>	<u>39,675,111</u>
<b>Change in Net Assets</b>	1,662,652	125,105	1,787,757
<b>Net Assets</b> , beginning of year, as restated	<u>7,266,975</u>	<u>91,930</u>	<u>7,358,905</u>
<b>Net Assets</b> , end of year	<u>\$ 8,929,627</u>	<u>\$ 217,035</u>	<u>\$ 9,146,662</u>

See accompanying notes.



**Syrian American Medical Society Foundation**

Statement of Functional Expenses  
For the Year Ended December 31, 2020

	Program	Supporting Services			Total
	Services	Management	Fundraising	Total	
	Medical	and General		Supporting	Total
	Relief			Services	Expenses
	Program				
Salaries, wages, and benefits	\$ 17,761,086	\$ 507,376	\$ 322,190	\$ 829,566	\$ 18,590,652
Assistance in foreign operations	1,475,623	-	-	-	1,475,623
Medical equipment	13,292,338	-	-	-	13,292,338
Fuel	1,024,471	-	-	-	1,024,471
Office expenses	736,215	132	575	707	736,922
Travel and entertainment	413,554	1,762	16,788	18,550	432,104
Office rent and utilities	1,251,384	3,276	5,402	8,678	1,260,062
Contracted services	610,116	92,238	76,621	168,859	778,975
Postage and printing	12,458	49	271,048	271,097	283,555
Advertising	19,202	1,140	53,934	55,074	74,276
Conference, convention, and meetings	54,687	-	26,287	26,287	80,974
Equipment	264,402	-	-	-	264,402
Scholarships, dues, subscription, and membership	160,003	573	4,373	4,946	164,949
Storage and shipping	15,337	-	-	-	15,337
Information, technology, and software	177,718	69,167	35,032	104,199	281,917
<b>Total Expenses</b>	<b>\$ 37,268,594</b>	<b>\$ 675,713</b>	<b>\$ 812,250</b>	<b>\$ 1,487,963</b>	<b>\$ 38,756,557</b>

See accompanying notes.

**Syrian American Medical Society Foundation**

Statement of Functional Expenses  
For the Year Ended December 31, 2019

	Program	Supporting Services			Total
	Services	Management	Fundraising	Total	
	Medical	and General		Supporting	Total
	Relief			Services	Expenses
	Program				
Salaries, wages, and benefits	\$ 18,408,417	\$ 497,962	\$ 348,923	\$ 846,885	\$ 19,255,302
Assistance in foreign operations	898,075	-	-	-	898,075
Medical equipment	13,556,863	-	-	-	13,556,863
Fuel	1,279,537	-	-	-	1,279,537
Office expenses	671,205	14,421	83,385	97,806	769,011
Travel and entertainment	736,573	21,180	51,906	73,086	809,659
Office rent and utilities	1,288,747	4,483	8,376	12,859	1,301,606
Contracted services	406,706	263,121	3,985	267,106	673,812
Postage and printing	33,855	2,497	215,322	217,819	251,674
Advertising	50	2,958	25,590	28,548	28,598
Conference, convention, and meetings	418,637	127	39,437	39,564	458,201
Equipment	129,700	-	-	-	129,700
Scholarships, dues, subscription, and membership	13,427	364	14,820	15,184	28,611
Storage and shipping	57,782	-	67	67	57,849
Information, technology, and software	61,834	58,102	56,677	114,779	176,613
<b>Total Expenses</b>	<b>\$ 37,961,408</b>	<b>\$ 865,215</b>	<b>\$ 848,488</b>	<b>\$ 1,713,703</b>	<b>\$ 39,675,111</b>

See accompanying notes.

## Syrian American Medical Society Foundation

### Statements of Cash Flows For the Years Ended December 31, 2020 and 2019

	2020	2019
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 4,218,121	\$ 1,787,757
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	31,778	39,968
Loss on disposal of assets	10,861	-
Realized and unrealized return on investments	(5,151)	(177,631)
Donated stocks	(33,345)	(12,169)
Forgiveness of Paycheck Protection Program loan	(324,000)	-
Change in operating assets and liabilities:		
(Increase) decrease in:		
Grants and contributions receivable	(1,536,754)	3,442,080
Medical student loans receivable	66,851	(15,050)
Other receivables	70,576	(545,841)
Due from affiliate	-	65,879
Prepaid expenses and other assets	(26,121)	(63,465)
Increase (decrease) in:		
Accounts payable and accrued expenses	1,708,841	97,444
Refundable advances	1,346,761	(2,457,158)
Deferred rent	(17,546)	87,892
Net cash provided by operating activities	5,510,872	2,249,706
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(1,974,099)	(424,121)
Proceeds from sales of investments	1,983,611	405,300
Purchases of property and equipment	(3,792)	(132,092)
Net cash provided by (used in) investing activities	5,720	(150,913)
<b>Cash Flows from Financing Activity</b>		
Proceeds from Paycheck Protection Program loan	324,000	-
Net cash provided by financing activity	324,000	-
<b>Net Increase in Cash and Cash Equivalents</b>	5,840,592	2,098,793
<b>Cash and Cash Equivalents, beginning of year</b>	7,448,325	5,349,532
<b>Cash and Cash Equivalents, end of year</b>	\$ 13,288,917	\$ 7,448,325

See accompanying notes.

# Syrian American Medical Society Foundation

Notes to Financial Statements  
December 31, 2020 and 2019

## 1. Nature of Operations

The Syrian American Medical Society Foundation (“the Foundation”) is a nonprofit, nonpolitical educational and humanitarian organization established in 2007. The mission of the Foundation is to be a global medical relief organization that is working on the front lines of crisis relief in Syria, in neighboring countries, and beyond to save lives and alleviate suffering. The Foundation proudly provides medical care and treatment to every patient in need. The Foundation also provides assistance and loans to medical students and interns of Syrian descent. The activities of the Foundation are mostly funded through grants and contributions, and through donated goods and services. The Foundation has foreign field offices in Syria, Jordan, Lebanon, and Turkey.

## 2. Summary of Significant Accounting Policies

### Basis of Accounting and Presentation

The Foundation’s financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. The Foundation reports grants and contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

### Cash Equivalents

For the purpose of the statements of cash flows, the Foundation considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase. Excluded from this definition are amounts held for investment.

## Syrian American Medical Society Foundation

Notes to Financial Statements  
December 31, 2020 and 2019

### 2. Summary of Significant Accounting Policies (continued)

#### Investments

Investments are recorded at fair value based on quoted market prices. Donated securities are recorded at fair value on the date the securities are received. All realized and unrealized gains and losses, net of investment management fees, are reported as a component of net investment return in the accompanying statements of activities.

#### Grants and Contributions Receivable

Grants and contributions receivable represent program expenditures incurred and submitted for approval, in excess of the receipt of funds from the grantor organizations. Grants and contributions receivable that are expected to be collected within one year are recorded at net realizable value. Grants and contributions receivable that are expected to be collected in future years are recorded at the net present value of their estimated future cash flows. All grants and contributions receivable were collectible in less than one year and fully collectible as of December 31, 2020 and 2019.

#### Medical Student Loans Receivable

Medical student loans receivable represents the remaining balance due on small loans made to many medical students. The original loans ranged from \$1,000 to \$4,000 each, and installment payments are recorded as they are received. The face amount of medical student loans receivable is reduced by an allowance for doubtful accounts. The allowance for doubtful accounts reflects the best estimate of probable losses, determined principally on the basis of historical experience and allowances for specifically identified delinquent accounts. All accounts, or portions thereof, that are deemed uncollectible, or that require an excessive collection cost, are written off to the allowance for doubtful accounts. At December 31, 2020 and 2019, management deems all accounts receivable to be fully collectible, and no allowance for uncollectible accounts was established.

#### Property and Equipment

Property and equipment with a cost in excess of \$500 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the individual assets, which range from three to five years. Expenditures for repairs and maintenance are expensed as incurred.

## Syrian American Medical Society Foundation

Notes to Financial Statements  
December 31, 2020 and 2019

### 2. Summary of Significant Accounting Policies (continued)

#### Refundable Advances

Grant receipts that are in excess of matching grant expenses for the year are recognized as refundable advances in the accompanying statements of financial position.

#### Revenue Recognition

The Foundation recognizes grants and contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. The Foundation reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of the Foundation's programs or to a future year.

A portion of the Foundation's revenue is derived from cost-reimbursable government grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific grant provisions plus allowable indirect costs. Revenue recognized on these grants and on grants for which billings have not been presented to, or collected from, the awarding agency is included in grants and contributions receivable in the accompanying statements of financial position. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position.

Revenue from all other sources is recognized when earned.

#### In-Kind Contributions

The value of contributions that enhance a nonfinancial asset, which are considered specialized and can be estimated, and would have been purchased if not donated, are reflected in the accompanying statements of activities as in-kind contributions. In-kind contributions consist of medical supplies, and equipment and services provided by doctors, nurses, and other medical professionals that benefit both program and supporting services. In-kind contributions are recognized as revenue and expense in the accompanying statements of activities at their estimated fair value, as provided by the donor, at the date of receipt.

## Syrian American Medical Society Foundation

Notes to Financial Statements  
December 31, 2020 and 2019

### 2. Summary of Significant Accounting Policies (continued)

#### Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### Advertising Costs

Advertising costs are expensed as incurred, and totaled \$74,276 and \$28,598 for the years ended December 31, 2020 and 2019, respectively.

#### 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 the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### Recently Issued Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in the Foundation's fiscal year 2022.

#### Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through September 28, 2021, the date the financial statements were available to be issued.

## Syrian American Medical Society Foundation

Notes to Financial Statements  
December 31, 2020 and 2019

### 3. Liquidity and Availability

The Foundation regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds.

The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents, and investments, which are available for general expenditures, liabilities, and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Foundation throughout the year. This is done through monitoring and reviewing the Foundation's cash flow needs on a weekly basis. As a result, management is aware of the cyclical nature of the Foundation's cash flow related to the Foundation's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. As part of its liquidity plan, excess cash is invested in publicly-traded investment vehicles, including mutual funds and equity securities, or to support organizational initiatives. The Foundation can liquidate its investments anytime, and therefore the investments are available to meet current cash flow needs.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at December 31:

	2020	2019
Cash and cash equivalents	\$ 13,288,917	\$ 7,448,325
Investments	1,272,743	1,243,759
Grants and contributions receivable	1,558,354	21,600
Medical student loans receivable	143,266	210,117
Other receivables	475,265	545,841
	<hr/>	<hr/>
Total financial assets	16,738,545	9,469,642
Less: restricted by donors with purpose and time restrictions	(845,559)	(217,035)
	<hr/>	<hr/>
Total available for general expenditures	<u>\$ 15,892,986</u>	<u>\$ 9,252,607</u>



## Syrian American Medical Society Foundation

Notes to Financial Statements  
December 31, 2020 and 2019

### 4. Concentrations of Risk

#### Credit Risk

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist of cash and cash equivalents, and investments. The Foundation maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Foundation has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

#### Revenue Risk

During the years ended December 31, 2020 and 2019, approximately 46% and 32%, respectively, of the Foundation's revenue and support were derived from cooperative and grant agreements with federal government agencies. Any significant reduction in revenue and support may adversely impact the Foundation's financial position and operations.

#### Foreign Operations

The Foundation has field offices in Turkey and Jordan for its programmatic purposes. The future results of the Foundation's programs could be adversely affected by a number of potential factors, such as changes in foreign banking laws or changes in the political climate of these countries. The Foundation maintains a majority of its cash in these foreign field offices in U.S. dollars.

As of December 31, 2020, the cash in foreign field offices totaled \$1,224,473, which represents approximately 7% of the Foundation's total assets. The cash held in foreign field offices is held by foreign financial institutions and is not insured by FDIC.

As of December 31, 2019, the cash in foreign field offices totaled \$1,045,193, which represents approximately 11% of the Foundation's total assets. The cash held in foreign field offices is held by foreign financial institutions and is not insured by FDIC.

## Syrian American Medical Society Foundation

Notes to Financial Statements  
December 31, 2020 and 2019

### 5. Investments and Fair Value Measurements

The Foundation follows FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. The Foundation recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

In general, and where applicable, the Foundation uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

The following table presents the Foundation's fair value hierarchy for those investments measured on a recurring basis at December 31, 2020:

	Level 1	Level 2	Level 3	Total
Equities	\$ 856,949	\$ -	\$ -	\$ 856,949
Mutual funds	362,766	-	-	362,766
Money market funds	53,028	-	-	53,028
Total investments	\$ 1,272,743	\$ -	\$ -	\$ 1,272,743

## Syrian American Medical Society Foundation

Notes to Financial Statements  
December 31, 2020 and 2019

### 5. Investments and Fair Value Measurements (continued)

The following table presents the Foundation's fair value hierarchy for those investments measured on a recurring basis at December 31, 2019:

	Level 1	Level 2	Level 3	Total
Equities	\$ 972,676	\$ -	\$ -	\$ 972,676
Mutual funds	243,670	-	-	243,670
Money market funds	27,413	-	-	27,413
<b>Total investments</b>	<b>\$ 1,243,759</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,243,759</b>

Net investment return consists of the following for the years ended December 31:

	2020	2019
Interest and dividends	\$ 17,511	\$ 29,758
Realized and unrealized return	5,151	177,631
Less: investment management fees	(11,371)	(10,886)
<b>Total investment return, net</b>	<b>\$ 11,291</b>	<b>\$ 196,503</b>

### 6. Property and Equipment

Property and equipment consists of the following at December 31:

	2020	2019
Furniture and fixtures	\$ 45,637	\$ 45,637
Office equipment	74,356	71,023
Leasehold improvements	107,560	120,677
<b>Total property and equipment</b>	227,553	237,337
Less: accumulated depreciation and amortization	(174,276)	(145,213)
<b>Property and equipment, net</b>	<b>\$ 53,277</b>	<b>\$ 92,124</b>

## Syrian American Medical Society Foundation

Notes to Financial Statements  
December 31, 2020 and 2019

### 7. Net Assets

Net assets with donor restrictions were restricted for the following at December 31:

	<u>2020</u>	<u>2019</u>
Program restricted:		
Relief efforts	\$ 798,036	\$ 217,035
COVID-19 Mitigation Programs	<u>47,523</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 845,559</u>	<u>\$ 217,035</u>

### 8. Paycheck Protection Program Loan

The Foundation applied for a loan under the Paycheck Protection Program (PPP) pursuant to Division A, Title 1 of the CARES Act, which was enacted on March 27, 2020. The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll through the COVID-19 pandemic, for which the Foundation qualified. After the loans are granted, the Small Business Administration (SBA) will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses (which primarily consist of payroll costs, costs used to continue group healthcare benefits, rent, and utilities).

The PPP loan was granted to the Foundation on April 21, 2020 in the amount of \$324,000. During the covered period, the Foundation incurred qualifying expenditures and applied for forgiveness of the full amount of the PPP loan. The PPP loan was fully forgiven by the SBA on November 24, 2020, and the related amount was recognized as other revenue in the accompanying statement of activities for the year ended December 31, 2020.

### 9. Commitments and Contingencies

#### Operating Leases

The Foundation maintains an operating lease for office space in Washington, D.C., which expires on August 31, 2023. The terms of the lease contain provisions for a free rent period and an annual rental increase of 3% of the base rent. The unamortized portion of the cumulative difference between the actual rent paid and the straight-line rent is reflected as deferred rent in the accompanying statements of financial position.

## Syrian American Medical Society Foundation

Notes to Financial Statements  
December 31, 2020 and 2019

### 9. Commitments and Contingencies (continued)

#### Operating Leases (continued)

The Foundation also leases office spaces in Jordan and Turkey for its field offices. The office space in Turkey is on a month-to-month basis, whereas the Foundation entered into a three-year lease for two office spaces in Jordan effective November 1, 2017, at an annual rent of 33,000 Jordanian Dinars, each equivalent to \$46,415. The Foundation also leases warehouses and storage units in its foreign field offices.

Rent expense under the operating lease agreements totaled \$654,670 and \$749,615 for the years ended December 31, 2020 and 2019, respectively.

Future minimum lease payments under all operating leases are as follows for the years ending December 31:

2021	\$	158,877
2022		163,644
2023		<u>112,369</u>
Total	\$	<u><u>434,890</u></u>

#### Federal Cooperative and Grant Agreements

Funds received from federal government agencies are subject to audit under the provisions of these cooperative and grant agreements. The ultimate determination of amounts received under these cooperative and grant agreements is based upon the allowance of costs reported to and accepted by the oversight agencies. Until such cooperative and grant agreements are closed out, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability exists.

### 10. Related Party Transactions

The Syrian American Medical Society (SAMS) established the Foundation as a separate charitable corporation. SAMS has an agreement with the Foundation, whereby the Foundation provides support to SAMS in recognition of SAMS's efforts and contribution toward the costs of conferences. The Foundation provided \$0 and \$200,000 to SAMS for those activities for the years ended December 31, 2020 and 2019, respectively. An amount due to SAMS totaling \$0 and \$244 is reported in accounts payable and accrued expenses in the accompanying statements of financial position at December 31, 2020 and 2019, respectively.

## Syrian American Medical Society Foundation

Notes to Financial Statements  
December 31, 2020 and 2019

### 11. In-Kind Contributions

The Foundation received the following donated goods and services, which have been reflected as in-kind contributions in the accompanying statements of activities for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Donated medical equipment and supplies	\$ 4,103,827	\$ 10,237,379
Donated medical services	554,380	1,284,410
Donated stocks	<u>33,345</u>	<u>12,169</u>
Total in-kind contributions	<u>\$ 4,691,552</u>	<u>\$ 11,533,958</u>

### 12. Allocation of Expenses from Management and General Activities

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All costs incurred directly for a certain function or program are coded directly and split among those activities. The expenses that are allocated include occupancy, insurance, office supplies, utilities, depreciation and amortization, salaries and wages, benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort.

### 13. Income Taxes

The Foundation is exempt from payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code (IRC). For the years ended December 31, 2020 and 2019, there was no unrelated business income and, accordingly, no federal or state income taxes have been recorded. Contributions to the Foundation are deductible as provided in IRC Section 170(b)(1)(A)(vi). Management has evaluated the Foundation's tax positions and concluded that the Foundation's financial statements do not include any uncertain tax positions.

**SUPPLEMENTARY SCHEDULE AND REPORTS REQUIRED  
BY THE UNIFORM GUIDANCE**

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of  
Syrian American Medical Society Foundation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Syrian American Medical Society Foundation ("the Foundation"), which comprise the statement of financial position as of December 31, 2020; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements, and have issued our report thereon dated September 28, 2021.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



***Internal Control over Financial Reporting (continued)***

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia  
September 28, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Syrian American Medical Society Foundation

***Report on Compliance for the Major Federal Program***

We have audited Syrian American Medical Society Foundation's ("the Foundation") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Foundation's major federal program for the year ended December 31, 2020. The Foundation's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Foundation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

***Auditor's Responsibility (continued)***

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Foundation's compliance.

***Opinion on the Major Federal Program***

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

***Report on Internal Control over Compliance***

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

*Report on Internal Control over Compliance (continued)*

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Rogers + Company PLLC*

Vienna, Virginia  
September 28, 2021

**Syrian American Medical Society Foundation**

Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2020

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Agency or Pass- Through Grant Number</b>	<b>Amount Paid to Subrecipients</b>	<b>Total Federal Expenditures</b>
<u>U.S. Agency for International Development (USAID)</u>				
<i>Pass-through Awards from World Vision, Inc.:</i>				
USAID Foreign Assistance for Programs Overseas	98.001	720FDA18CA00043	\$ -	\$ 11,972,455
USAID Foreign Assistance for Programs Overseas	98.001	720FDA20CA00037	-	3,283,330
<i>Pass-through Award from Relief International, Inc.:</i>				
USAID Foreign Assistance for Programs Overseas	98.001	RI-0394-01	-	1,484,418
Total CFDA 98.001			-	16,740,203
Total U.S. Agency for International Development awards			-	16,740,203
<u>U.S. Department of State</u>				
Overseas Refugee Assistance Program for Near East and South Asia	19.519	SPRMCO19CA0040	150,355	1,145,027
Overseas Refugee Assistance Program for Near East and South Asia	19.519	SPRMCO20CA0139	115,277	495,192
Total CFDA 19.519			265,632	1,640,219
International Programs to Support Democracy, Human Rights and Labor	19.345	SLMAQM18GR2298	219,007	823,948
International Programs to Support Democracy, Human Rights and Labor	19.345	SLMAQM20GR2422	827	3,645
Total CFDA 19.345			219,834	827,593
Investing in People in The Middle East and North Africa	19.021	SSY40019CA0008	254,972	701,773
Total U.S. Department of State awards			740,438	3,169,585
<b>Total Expenditures of Federal Awards</b>			<b>\$ 740,438</b>	<b>\$ 19,909,788</b>

See accompanying notes to the schedule of expenditures of federal awards.

# Syrian American Medical Society Foundation

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2020

## 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the Foundation under the programs of the federal government for the year ended December 31, 2020. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the Foundation, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Foundation.

## 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance. The cost principles indicate that certain types of expenditures are not allowable or reimbursements of allowable costs are limited as to reimbursement.

## 3. Indirect Cost Rate

The Foundation has elected to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

## 4. Reconciliation to Financial Statements

Reconciliation between federal expenditures per the SEFA and grants and contributions revenue per the accompanying statement of activities for the year ended December 31, 2020 is as follows:

Federal expenditures per the schedule of expenditures of federal awards	\$ 19,909,788
Add: non-federal grants	10,684,833
Add: individual contributions	<u>7,348,466</u>
Grants and contributions per statement of activities	<u><u>\$ 37,943,087</u></u>

**Syrian American Medical Society Foundation**

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2020

**Section I – Summary of Auditors’ Results**

***Financial Statements***

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

***Federal Awards***

Internal control over the major program:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported

Type of auditor’s report issued on compliance for the major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? \_\_\_\_\_ Yes   X   No

Identification of the major programs:

CFDA Number	Name of Federal Program or Cluster Title
98.001	USAID Foreign Assistance for Programs Overseas Overseas Refugee Assistance Program for Near East and South Asia
19.519	
19.345	International Programs to Support Democracy, Human Rights and Labor

**Syrian American Medical Society Foundation**

Schedule of Findings and Questioned Costs (continued)  
For the Year Ended December 31, 2020

**Section I – Summary of Auditors’ Results (continued)**

***Federal Awards (continued)***

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?                    \_\_\_\_\_ Yes      X   No

**Section II – Financial Statement Findings**

There were no financial statement findings reported during the 2020 audit.

**Section III – Major Federal Programs Findings and Questioned Costs**

There were no findings or questioned costs over major federal programs during the 2020 audit.



**Syrian American Medical Society Foundation**

Corrective Action Plan  
For the Year Ended December 31, 2020

There were no findings for the year ended December 31, 2020, and, therefore, a corrective action plan was not needed.

**Syrian American Medical Society Foundation**

Schedule of Prior Audit Findings  
For the Year Ended December 31, 2020

**Finding No. 2019-001 – Material Weakness – Account Reconciliations**

Criteria: In accordance with U.S. generally accepted accounting principles, reconciliations of grant receivables, grant payables, deferred rent liability, and net assets should be performed timely at the end of each year. Revenues and expenses should be reported in the fiscal period in which the revenues are earned and expenses are incurred.

Condition: The adjustments for grant receivables, grant payables, deferred rent liability, and net assets at year end were not complete at the commencement of our audit, delaying audit procedures and requiring additional time for management to ensure all accrual adjustments were made.

Current Status: Corrective action was taken.