

UNITED PALESTINIAN APPEAL, INC.

FINANCIAL STATEMENTS

***FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION FOR
THE YEAR ENDED DECEMBER 31, 2014)***

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Frank & Company, p.c.

Certified Public Accountants
703-821-0702

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
United Palestinian Appeal, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of United Palestinian Appeal, Inc. (UPA) (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

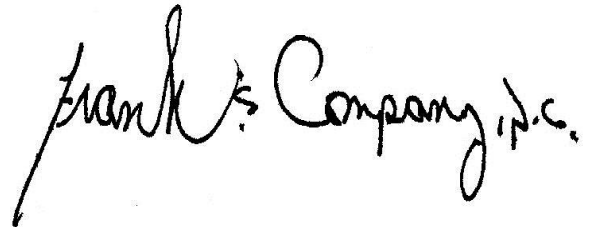
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Palestinian Appeal, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited UPA's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 8, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Frank's Company, P.C." The signature is written in a cursive, flowing style.

1360 Beverly Road
Suite 300
McLean, Virginia 22101
February 16, 2016

UNITED PALESTINIAN APPEAL, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION
AS OF DECEMBER 31, 2014)

| | <u>2015</u> | <u>2014</u> |
|------------------------------------|---------------------|---------------------|
| Assets: | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,703,189 | \$ 1,547,915 |
| Accounts receivable | 22,000 | 7,000 |
| Contributions receivable | 137,721 | 121,342 |
| Prepaid expenses | <u>11,463</u> | <u>6,471</u> |
| Total current assets | 1,874,373 | 1,682,728 |
| Property and equipment, net | 268,036 | 255,903 |
| Investments | <u>2,374,370</u> | <u>2,453,543</u> |
| Total assets | <u>\$ 4,516,779</u> | <u>\$ 4,392,174</u> |
| Liabilities and net assets: | | |
| Current liabilities: | | |
| Accounts payable | <u>\$ 108,670</u> | <u>\$ 14,703</u> |
| Net assets: | | |
| Unrestricted | 3,216,166 | 3,335,200 |
| Temporarily restricted | <u>1,191,943</u> | <u>1,042,271</u> |
| Total net assets | <u>4,408,109</u> | <u>4,377,471</u> |
| Total liabilities and net assets | <u>\$ 4,516,779</u> | <u>\$ 4,392,174</u> |

See accompanying notes to financial statements.

UNITED PALESTINIAN APPEAL, INC.

STATEMENT OF ACTIVITIES

*FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2014)*

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>2015</u> | <u>2014</u> |
|---|---------------------|-----------------------------------|---------------------|---------------------|
| Revenues and other support: | | | | |
| Contributions | \$ 665,004 | \$ 929,389 | \$ 1,594,393 | \$ 1,695,449 |
| Stock donations | 19,588 | - | 19,588 | 5,091 |
| In-kind contributions | 12,280,015 | - | 12,280,015 | 10,385,592 |
| Dividend and interest income, net of investment fees | 74,561 | - | 74,561 | 75,436 |
| Net realized investment gain/(loss) | 30,347 | - | 30,347 | 27,490 |
| Net unrealized investment gain/(loss) | (188,947) | - | (188,947) | (18,988) |
| Gain/(loss) on disposition of property and equipment | - | - | - | (589) |
| Other income | 122 | - | 122 | 104 |
| Net assets released from restriction | <u>779,717</u> | <u>(779,717)</u> | <u>-</u> | <u>-</u> |
| Total revenues and other support | <u>13,660,407</u> | <u>149,672</u> | <u>13,810,079</u> | <u>12,169,585</u> |
| Expenses: | | | | |
| Program services: | | | | |
| Health and welfare | 12,851,280 | - | 12,851,280 | 10,938,773 |
| Community development | 123,925 | - | 123,925 | 182,114 |
| Outreach and public information | 161,466 | - | 161,466 | 136,622 |
| Education and scholarships | <u>256,706</u> | <u>-</u> | <u>256,706</u> | <u>205,341</u> |
| Total program services | <u>13,393,377</u> | <u>-</u> | <u>13,393,377</u> | <u>11,462,850</u> |
| Supporting services: | | | | |
| Fundraising | 170,712 | - | 170,712 | 176,042 |
| Management and general | <u>215,352</u> | <u>-</u> | <u>215,352</u> | <u>196,112</u> |
| Total supporting services | <u>386,064</u> | <u>-</u> | <u>386,064</u> | <u>372,154</u> |
| Total expenses | <u>13,779,441</u> | <u>-</u> | <u>13,779,441</u> | <u>11,835,004</u> |
| Change in net assets | (119,034) | 149,672 | 30,638 | 334,581 |
| Net assets, beginning of year | <u>3,335,200</u> | <u>1,042,271</u> | <u>4,377,471</u> | <u>4,042,890</u> |
| Net assets, end of year | <u>\$ 3,216,166</u> | <u>\$ 1,191,943</u> | <u>\$ 4,408,109</u> | <u>\$ 4,377,471</u> |

See accompanying notes to financial statements.

UNITED PALESTINIAN APPEAL, INC.

STATEMENT OF FUNCTIONAL EXPENSES

*FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2014)*

| | Health and Welfare | Community Development | Outreach and Public Information | Education and Scholarships | Fundraising | Management and General | 2015 | 2014 |
|--------------------------|-----------------------------|--------------------------|---------------------------------------|----------------------------------|--------------------------|---------------------------|-----------------------------|-----------------------------|
| Salaries | \$ 58,576 | \$ 27,640 | \$ 33,656 | \$ 32,539 | \$ 69,424 | \$ 77,120 | \$ 298,955 | \$ 292,385 |
| Employee benefits | 6,190 | 3,198 | 3,813 | 3,829 | 8,949 | 9,813 | 35,792 | 30,962 |
| Payroll taxes | 3,872 | 2,000 | 2,385 | 2,395 | 5,598 | 6,140 | 22,390 | 20,444 |
| Project grants | 355,502 | 82,150 | 20,000 | - | - | - | 457,652 | 476,365 |
| Program expenses | 114,824 | - | - | - | - | - | 114,824 | 141,325 |
| In-kind grants | 12,280,015 | - | - | - | - | - | 12,280,015 | 10,385,592 |
| Student grants | - | - | - | 207,241 | - | - | 207,241 | 152,978 |
| Travel | - | - | 7,632 | - | - | 30,360 | 37,992 | 14,091 |
| Occupancy | 7,607 | 3,930 | 4,686 | 4,706 | 10,998 | 12,057 | 43,984 | 40,849 |
| Telephone | 1,295 | 669 | 798 | 801 | 1,873 | 2,055 | 7,491 | 8,464 |
| Postage and shipping | 15,002 | - | 22,323 | - | 40,046 | 5,593 | 82,964 | 129,477 |
| Printing and advertising | - | - | 42,278 | - | 21,212 | 3,134 | 66,624 | 39,399 |
| Conferences and meetings | - | - | 3,723 | - | - | 2,359 | 6,082 | 2,240 |
| Office and miscellaneous | 5,900 | 3,048 | 3,634 | 3,650 | 9,001 | 13,854 | 39,087 | 25,061 |
| Professional fees | - | - | 15,000 | - | - | 275 | 15,275 | - |
| Accounting services | - | - | - | - | - | 18,401 | 18,401 | 18,711 |
| Website and consultant | - | - | - | - | - | 2,329 | 2,329 | 2,958 |
| Bank charges and fees | - | - | - | - | - | 25,902 | 25,902 | 31,423 |
| Penalties | - | - | - | - | - | 2,001 | 2,001 | 21 |
| Depreciation | 2,497 | 1,290 | 1,538 | 1,545 | 3,611 | 3,959 | 14,440 | 22,259 |
| Total expenses | <u>\$ 12,851,280</u> | <u>\$ 123,925</u> | <u>\$ 161,466</u> | <u>\$ 256,706</u> | <u>\$ 170,712</u> | <u>\$ 215,352</u> | <u>\$ 13,779,441</u> | <u>\$ 11,835,004</u> |

See accompanying notes to financial statements.

UNITED PALESTINIAN APPEAL, INC.

STATEMENT OF CASH FLOWS

*FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2014)*

| | <u>2015</u> | <u>2014</u> |
|--|---------------------|---------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 30,638 | \$ 334,581 |
| Adjustments to reconcile change in net assets provided by operating activities: | | |
| Depreciation | 14,440 | 22,259 |
| Net realized (gain)/loss on investments | (30,347) | (27,490) |
| Net unrealized (gain)/loss on investments | 188,947 | 18,988 |
| Loss on disposition of property and equipment | - | 589 |
| Non-cash stock donations | (19,588) | (5,091) |
| (Increase)/decrease in contributions receivable | (16,379) | 20,201 |
| (Increase)/decrease in accounts receivable | (15,000) | (7,000) |
| (Increase)/decrease in inventory | - | 1,668 |
| (Increase)/decrease in prepaid expenses | (4,992) | (4,641) |
| Increase/(decrease) in accounts payable | 93,967 | 12,203 |
| Increase/(decrease) in accrued expenses | <u>-</u> | <u>(2,304)</u> |
| Net cash provided by operating activities | <u>241,686</u> | <u>363,963</u> |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (26,573) | - |
| Proceeds from sale of investments | 250,501 | 424,801 |
| Purchase of investments | <u>(310,340)</u> | <u>(504,444)</u> |
| Net cash used in investing activities | <u>(86,412)</u> | <u>(79,643)</u> |
| Net increase in cash | 155,274 | 284,320 |
| Cash, beginning of year | <u>1,547,915</u> | <u>1,263,595</u> |
| Cash, end of year | <u>\$ 1,703,189</u> | <u>\$ 1,547,915</u> |

See accompanying notes to financial statements.

UNITED PALESTINIAN APPEAL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

1. Organization

Organization - United Palestinian Appeal, Inc. (UPA) is a non-profit organization established in the state of New York in 1978. Its mission is to alleviate the suffering of Palestinians in the West Bank, Gaza Strip, and refugee camps of Lebanon by providing health, education, child services, community development, job creation, and emergency relief.

UPA is supported primarily through contributions from the public. Contributions are recognized as support when received.

2. Summary of Significant Accounting Policies

Basis of Accounting - The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby, revenue is recognized when earned and expenses are recognized when incurred.

Summarized Information - The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with UPA's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Uses of Estimates - Management uses estimates and assumptions in preparing financial statements in conformity with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Expense Allocations - UPA allocates costs among program and supporting services using several methods based on management's best estimate. These estimates include how employees spent their time and purpose of services. It is reasonable that these estimates will change in the near term.

Financial Statement Presentation - UPA follows the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 for financial statement presentation. Under FASB ASC 958, UPA is required to report information regarding its financial position and activities according to three classes of net assets as follows:

UNITED PALESTINIAN APPEAL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. Summary of Significant Accounting Policies (continued)

Unrestricted Net Assets - Net assets not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of UPA and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by UPA.

Contributions - UPA records contributions in accordance with FASB ASC 958. Under FASB ASC 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. UPA reports gifts of cash and other assets as temporarily or permanently restricted revenue if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. When donor restrictions are met in the same reporting period, temporarily restricted contributions are reported as unrestricted contributions.

Contributed Materials - Contributed materials are recorded as contributions at their estimated fair value as of the date of the donation.

Functional Expenses - The costs of providing various program and supporting services have been summarized on a functional basis on the schedule of functional expenses. Certain costs have been allocated among program and supporting services as follows:

Health and Welfare - All expenses incurred for medium and long-term health projects including mobile clinics and primary care clinics. As well as services including emergency food distribution, medical visits, pharmaceuticals, trauma counseling for Palestinians in the West Bank, Gaza and refugee camps in the Arab countries. Expenses incurred also provide projects that directly benefit handicapped, orphaned, or extremely deprived children through programs conducted by UPA's partners.

UNITED PALESTINIAN APPEAL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. Summary of Significant Accounting Policies (continued)

Community Development - All expenses incurred to rebuild and rehabilitate Palestinian community infrastructures as well as environmental and agricultural projects, and to implement micro-finance, micro-enterprise and other projects that stimulate employment.

Outreach and Public Information - All expenses incurred to educate the general public and raise awareness about Palestinian history, language, and culture.

Education and Scholarships - Financial assistance in the form of university scholarships, work study opportunities and fellowships and vocational training provided to needy Palestinian students who are living in or intend to return to Palestine.

Fundraising - All expenses incurred with the purpose of raising funds.

Management and General - All other operating expenses incurred by UPA in the accomplishment of its tax exempt purposes.

Income Taxes - UPA has received a tax determination letter from the Internal Revenue Service and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. As such, only unrelated business income is subjected to income tax. For the year ended December 31, 2015, there is no unrelated business income.

Accounting for uncertain tax positions - UPA accounts for uncertain tax positions under FASB ASC 740. FASB ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. FASB ASC 740 prescribes a comprehensive model for recognizing, measuring, presenting, and disclosing in financial statements tax positions taken or expected to be taken on a tax return, including the position that UPA is exempt from income taxes. UPA believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

UPA's federal Return of Organization Exempt from Income Tax (Form 990) is open to examination by the IRS, generally for three years after it was filed.

Cash and Cash Equivalents - For purposes of the statement of cash flows, cash consists of demand deposits and money market funds held in banks except for money market funds held as investments.

UNITED PALESTINIAN APPEAL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. Summary of Significant Accounting Policies (continued)

Contributions Receivable - Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Management periodically reviews the collectibility of contributions receivable. Management determines the allowance for doubtful accounts by using the historical experience applied to an aging of contributions receivable. Contributions receivable are written off when considered uncollectible. At December 31, 2015, there was no allowance for doubtful accounts and all contributions receivable were expected to be collected within one year.

Fixed Assets - UPA capitalizes fixed assets greater than \$500. Fixed assets are recorded at cost and depreciated using the straight-line method over the estimated useful lives of seven years for furniture and equipment, and thirty-nine years for the condominium unit. Land is determined to have an indefinite life, and therefore not depreciated. For the year ended December 31, 2015, depreciation expense totaled \$14,440.

Valuation of Long-lived Assets - UPA accounts for the valuation of long-lived assets under FASB ASC 360. FASB ASC 360 requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of carrying amount or fair value, less cost to sell. There are no impaired assets at December 31, 2015.

Investments - Investments consists of publicly traded mutual funds, stocks, and money market funds with readily determinable fair values and are reported at their fair value based on quoted prices in active markets in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Advertising - Advertising is expensed as incurred and is included as part of printing and advertising on the statement of functional expenses. For the year ended December 31, 2015, advertising expense totaled \$15,155.

UNITED PALESTINIAN APPEAL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

3. Concentration of Credit Risk

UPA maintains accounts at a number of financial institutions both in and outside of the United States. The bank accounts in the United States are insured by the Federal Deposit Insurance Corporation up to \$250,000 per depositor at each bank. At December 31, 2015, the uninsured amount totaled \$1,174,821. Account balances outside of the United States totaled \$24,007 at December 31, 2015. UPA does not believe that this practice results in any significant credit risk.

4. Property and Equipment

At December 31, 2015, property and equipment consists of the following:

| | |
|--------------------------------|-------------------|
| Depreciable: | |
| Office condominium | \$ 254,522 |
| Condo improvements | 27,417 |
| Furniture and equipment | 58,345 |
| Website | 40,490 |
| Non-depreciable: | |
| Land | <u>84,840</u> |
| | 465,614 |
| Less: Accumulated depreciation | <u>(197,578)</u> |
| | <u>\$ 268,036</u> |

5. Investments

At December 31, 2015, investments consist of the following:

| | |
|-----------------------|---------------------|
| Money market | \$ 11,819 |
| Stocks | 53,758 |
| Exchange-traded funds | 259,358 |
| Mutual funds | <u>2,049,435</u> |
| | <u>\$ 2,374,370</u> |

UNITED PALESTINIAN APPEAL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

5. Investments (continued)

For the year ended December 31, 2015, investment returns are as follows:

| | |
|--------------------------------|--------------------|
| Net unrealized investment loss | \$ (188,947) |
| Net realized investment gain | 30,347 |
| Dividend and interest income | <u>93,997</u> |
| | (64,603) |
| Less: investment fees | <u>(19,436)</u> |
| Net investment returns | <u>\$ (84,039)</u> |

Dividend and interest income is shown net of investment fees on the statement of activities.

6. Fair Value Measurement

UPA follows FASB ASC 820 to disclose fair value measurements of assets and liabilities. FASB ASC 820 requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, UPA performs a detail analysis of the assets and liabilities that are subject to FASB ASC 820. At each reporting period, all assets measured using quoted market prices of identical assets or liabilities are classified as Level 1, all assets and liabilities measured using observable inputs or unobservable inputs corroborated by market data are classified as Level 2, and all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. There were no changes in valuation techniques and related inputs in 2015.

UNITED PALESTINIAN APPEAL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

6. Fair Value Measurement (continued)

The following tables present the balances of assets measured at fair value on a recurring basis by level within the hierarchy. There were no liabilities that are being measured and reported on a fair value basis at December 31, 2015.

| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) |
|-----------------------|---------------------|--|
| Mutual funds: | | |
| Large Cap | \$ 725,500 | \$ 725,500 |
| Mid Cap | 199,775 | 199,775 |
| Small Cap | 53,841 | 53,841 |
| International | 285,750 | 285,750 |
| Bonds | <u>784,569</u> | <u>784,569</u> |
| Total mutual funds | 2,049,435 | 2,049,435 |
| Money market fund | 11,819 | 11,819 |
| Domestic stocks | 53,758 | 53,758 |
| Exchange-traded funds | <u>259,358</u> | <u>259,358</u> |
| Total | <u>\$ 2,374,370</u> | <u>\$ 2,374,370</u> |

7. Temporarily Restricted Net Assets

At December 31, 2015, temporarily restricted net assets are available for the following:

| | |
|----------------------------|---------------------|
| Education and scholarships | \$ 122,707 |
| Community development | 368,104 |
| Health and welfare | <u>701,132</u> |
| | <u>\$ 1,191,943</u> |

UNITED PALESTINIAN APPEAL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

8. Contributed Materials

During 2015, UPA received gifts in kind in the form of pharmaceuticals with an estimated fair market value of \$12,280,015. The amount was recognized as in-kind contributions and expensed in the statement of activities and in-kind grants in the statement of functional expenses.

9. Defined Contribution Postretirement Plan

UPA sponsors a safe-harbor 401(k) plan (the Plan) covering all employees over the age of 21 and attained one year of service. UPA matches 100% of employee contribution up to 3% of compensation, plus 50% of employee contribution that exceeds 3% of compensation but not to exceed 5% of compensation. For the year ended December 31, 2015, matching contribution expense totaled \$8,797. The amount is included as part of employee benefits expense on the statement of functional expenses.

10. Contribution from Foundation

UPA is a beneficiary of a non-discretionary irrevocable foundation registered in the Principality of Liechtenstein whereby the net income of the foundation's assets is distributed annually and perpetually. Due to the future net income of the foundation's assets being indeterminable, proceeds from the foundation are recognized as contributions when received. Additionally, no pledge receivable has been recorded.

11. Subsequent Events

Management has evaluated subsequent events through February 16, 2016, the date which the financial statements were available to be issued.