

FRIENDS OF UNITED HATZALAH INC,

FINANCIAL REPORT

DECEMBER 31, 2017 AND 2016

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**JULIUS SHEA KLEIN
CERTIFIED PUBLIC ACCOUNTANT
616 CORPORATE WAY SUITE, 2 # 3075
VALLEY COTTAGE, NY 10989
646-415-8195, FAX 888-835-7385**

INDEPENDENT AUDITORS' REPORT


To the Board of Directors
Friends of United Hatzalah Inc,
New York, NY

Gentlemen:

I have audited the accompanying statement of financial position of Friends of United Hatzalah Inc, (a nonprofit organization) as of December 31, 2017 and 2016, and the related statement of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on our audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for our opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of United Hatzalah Inc, as of December 31, 2017 and 2016 and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.



October 10, 2018

FRIENDS OF UNITED HATZALAH INC.

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 & 2016**

ASSETS	2017	2016
Current assets		
Cash and cash equivalents	\$ 3,868,406	\$ 8,726,586
Pledges Recivable	760,000	800,000
Loan Recivable	7,581	8,005
Security Deposit	91,000	21,000
Accounts receivable	28,032	-
Total current assets	4,755,019	9,555,591
Other assets		
Ambucycle - Net of Depreciation	9,092	11,689
Total Assets	\$ 4,764,111	\$ 9,567,280
LIABILITIES AND NET ASSETS		
Credit Card Payable	\$ 31,949	\$ 5,257
Accrued Expenses	\$ 63,034	\$ 61,673
Net assets		
Unrestricted	4,669,128	9,500,350
Total Net Assets	4,669,128	9,500,350
Total Liabilities and Net Assets	\$ 4,764,111	\$ 9,567,280

The Notes are an integral part of these financial statements

FRIENDS OF UNITED HATZALAH INC.

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
DECEMBER 31, 2016 & 2017**

	Unrestricted	Temporarily restricted	2017	2016
Revenues				
Contributions income	\$ 16,362,361	\$ -	\$ 16,362,361	\$17,426,961
Interest & Capital Gains income	\$ 4,405	\$ -	\$ 4,405	\$6,754
Total revenues	16,366,766	-	16,366,766	17,433,715
Expenses				
Program expenses	19,288,129	-	19,288,129	15,541,663
Fundraising	1,461,604	-	1,461,604	1,073,531
General and administrative	448,255	-	448,255	659,582
Total expenses	21,197,988	-	21,197,988	17,274,776
Change in net assets	(4,831,222)	-	(4,831,222)	158,939
Net assets				
Beginning	9,500,349	-	9,500,349	9,341,410
Ending	\$ 4,669,127	\$ -	\$ 4,669,127	\$9,500,349

The Notes are an integral part of these financial statements

FRIENDS OF UNITED HATZALAH INC.

**STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2017**

Item	Program	Fundraising	General & administrative	Total
Grants	18,594,055	-	-	18,594,055
Telemarketing	-	149,831	-	149,831
Bank and credit card charges	-	-	67,774	67,774
Salary and related taxes	421,974	892,069	136,256	1,450,299
Office	-	-	68,570	68,570
Rent	-	-	92,195	92,195
Telephone	-	-	6,736	6,736
Travel	79,296	171,017	23,828	274,141
Profecional fees	-	-	43,481	43,481
Insurance	-	-	9,415	9,415
Events	-	40,668	-	40,668
Web Site Maintenance	155,051	3,521	-	158,572
Postage and shipping	-	12,476	-	12,476
Ambucycle	25,790	-	-	25,790
Awareness	9,365	192,022	-	201,387
Depreciation	2,598	-	-	2,598
	\$ 19,288,129	\$ 1,461,604	\$ 448,255	\$ 21,197,988

The Notes are an integral part of these financial statements

FRIENDS OF UNITED HATZALAH INC.

**STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2016**

Item	Program	Fundraising	General & administrative	Total
Grants	15,306,964	-	-	15,306,964
Telemarketing	-	198,125	-	198,125
Bank and credit card charges	-	57,534	5,112	62,646
Salary and related taxes	112,490	427,394	426,228	966,112
Office	-	-	75,279	75,279
Rent	-	-	89,200	89,200
Telephone	-	-	10,125	10,125
Travel	112,604	95,000	13,924	221,528
Profecional fees	-	-	11,864	11,864
Insurance	-	-	3,645	3,645
Events	-	101,497	-	101,497
Web Site Maintenance	-	-	12,705	12,705
Postage and shipping	-	8,794	-	8,794
Consulting	-	-	7,240	7,240
Awareness	8,306	185,187	-	193,493
Filing fees	-	-	4,260	4,260
Depreciation	1,299	-	-	1,299
	\$ 15,541,663	\$ 1,073,531	\$ 659,582	\$ 17,274,776

The Notes are an integral part of these financial statements

FRIENDS OF UNITED HATZALAH INC.

**STATEMENT OF CASH FLOWS
DECEMBER 31, 2017**

	2017
Cash flows from operating activities	
Change in net assets	\$ (4,831,222)
Increase in pledges receivable	\$ 40,000
Increase in security deposit	\$ (70,000)
Depreciation Expense	\$ 2,598
Increase in Accounts payable and Accrued expenses	\$ 28,055
Increase in security account	\$ (27,608)
Net cash provided by (used in) operating activities	(4,858,177)
Net Decrease in cash	(4,858,177)
Cash	
Beginning	<u>8,726,585</u>
Ending	<u><u>\$ 3,868,408</u></u>

The Notes are an integral part of these financial statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Friends of United Hatzalah Inc, (“Friends of” or “the Organization”) is a non-profit corporation. It was formed In January 2000 under the not-for-profit statute of the State of New York The organization has received tax exempt status from the Internal Revenue Service under section 501(c) (3).The organization was formed as a public foundation for the purpose of collecting and investing contributions with a view towards distributing part or all of such contributions and/or the income there from to its tax exempt purpose. The organization distributes its revenues after fundraising and management expenses to medical first responder organization throughout the world.

A summary of the significant accounting policies of Friends of follows:

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.

Basis of presentation: The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and cash equivalents: For the purpose of reporting cash flows, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

Financial credit risk: The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Contributions: Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends of 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.

Program services: Grants were issued to first responders organization of which the majority are located in Israel.

Income taxes: The Organization is a publicly supported non profit organization formed under the non profit state of New York, and is exempt from income taxes on income derived from any sources related to its exempt purposes.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.