INDEPENDENT AUDITOR’S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Friends of United Hatzalah, Inc., which comprise the statements of financial position as of December 31, 2019 and the related statements of activities and changes in net assets, functional expenses, and statements of 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.

Auditor’s 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 Friends of United Hatzalah, Inc. as of December 31, 2019, 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.

Respectfully submitted,

Roth & Company LLP
Brooklyn, New York
January 11, 2022
ASSETS

CURRENT ASSETS
Cash $ 3,015,949
Pledges receivable, net 4,275,675
Prepaid expenses 77,862
TOTAL CURRENT ASSETS $ 7,369,486

FIXED ASSETS
Vehicles 33,643
Accumulated depreciation (11,992)
NET FIXED ASSETS 21,651

OTHER ASSETS
Pledges receivable, long-term 400,000
Investment property 219,904
Security deposits 15,960
TOTAL OTHER ASSETS 635,864

TOTAL ASSETS $ 8,027,001

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES
Accounts payable $ 74,586
Accrued expenses 320,553
TOTAL CURRENT LIABILITIES $ 395,139

NET ASSETS
Without donor restrictions 7,231,862
With donor restrictions 400,000
TOTAL NET ASSETS 7,631,862

TOTAL LIABILITIES AND NET ASSETS $ 8,027,001

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS
<table>
<thead>
<tr>
<th>REVENUES</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions, grants and special events</td>
<td>$ 23,643,768</td>
<td>$ -</td>
<td>$ 23,643,768</td>
</tr>
<tr>
<td>Direct cost of special events</td>
<td>(1,519,402)</td>
<td>-</td>
<td>(1,519,402)</td>
</tr>
<tr>
<td>Net revenue from contributions, grants and special events</td>
<td>22,124,366</td>
<td>-</td>
<td>22,124,366</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>893</td>
<td>-</td>
<td>893</td>
</tr>
<tr>
<td>Net assets released from restriction</td>
<td>320,000</td>
<td>(320,000)</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>22,445,259</td>
<td>(320,000)</td>
<td>22,125,259</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program expenses</td>
<td>16,251,826</td>
<td>-</td>
<td>16,251,826</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>2,459,947</td>
<td>-</td>
<td>2,459,947</td>
</tr>
<tr>
<td>Fundraising expenses</td>
<td>2,204,780</td>
<td>-</td>
<td>2,204,780</td>
</tr>
<tr>
<td>TOTAL OPERATING EXPENSES</td>
<td>20,916,553</td>
<td>-</td>
<td>20,916,553</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHANGES IN NET ASSETS</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1,528,706</td>
<td>(320,000)</td>
<td></td>
<td>1,208,706</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS - BEGINNING</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5,703,156</td>
<td>720,000</td>
<td></td>
<td>6,423,156</td>
</tr>
</tbody>
</table>

| NET ASSETS - ENDING                               | $ 7,231,862              | $ 400,000               | $ 7,631,862 |

FOR THE YEAR ENDED DECEMBER 31, 2019

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS
<table>
<thead>
<tr>
<th></th>
<th>Program</th>
<th>General and Administrative</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>$ 15,957,100</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 15,957,100</td>
</tr>
<tr>
<td>Salaries</td>
<td>$ 189,167</td>
<td>$ 508,849</td>
<td>$ 1,147,518</td>
<td>$ 1,845,534</td>
</tr>
<tr>
<td>Payroll taxes and employee benefits</td>
<td>$ 27,142</td>
<td>$ 73,010</td>
<td>$ 164,647</td>
<td>$ 264,799</td>
</tr>
<tr>
<td>Advertising</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 271,954</td>
<td>$ 271,954</td>
</tr>
<tr>
<td>Bad debt</td>
<td>$ -</td>
<td>$ 1,396,388</td>
<td>$ -</td>
<td>$ 1,396,388</td>
</tr>
<tr>
<td>Bank and credit card fees</td>
<td>$ -</td>
<td>$ 22,897</td>
<td>$ 112,623</td>
<td>$ 135,520</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$ 548</td>
<td>$ 1,475</td>
<td>$ 3,325</td>
<td>$ 5,348</td>
</tr>
<tr>
<td>Insurance</td>
<td>$ 2,258</td>
<td>$ 6,072</td>
<td>$ 13,695</td>
<td>$ 22,025</td>
</tr>
<tr>
<td>Occupancy</td>
<td>$ 12,402</td>
<td>$ 33,360</td>
<td>$ 75,232</td>
<td>$ 120,994</td>
</tr>
<tr>
<td>Office expense</td>
<td>$ 18,572</td>
<td>$ 48,688</td>
<td>$ 115,204</td>
<td>$ 182,464</td>
</tr>
<tr>
<td>Professional fees</td>
<td>$ -</td>
<td>$ 249,135</td>
<td>$ 29,806</td>
<td>$ 278,941</td>
</tr>
<tr>
<td>Telephone and internet</td>
<td>$ 5,528</td>
<td>$ 14,872</td>
<td>$ 33,536</td>
<td>$ 53,936</td>
</tr>
<tr>
<td>Travel</td>
<td>$ 39,109</td>
<td>$ 105,201</td>
<td>$ 237,240</td>
<td>$ 381,550</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$ 16,251,826</strong></td>
<td><strong>$ 2,459,947</strong></td>
<td><strong>$ 2,204,780</strong></td>
<td><strong>$ 20,916,553</strong></td>
</tr>
</tbody>
</table>
Friends of United Hatzalah, Inc.
Statement of Cash Flows
For The Year Ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in net assets $ 1,208,706

Adjustment to reconcile changes in net assets to net cash provided by operating activities

Depreciation $ 5,348
Bad debt expense 1,396,388
Donation of vehicle 15,155

Changes in operating assets and liabilities

Pledges receivable (2,407,032)
Prepaid expenses (77,862)
Security deposit (15,960)
Accounts payable 48,240
Accrued expenses 316,555

Total adjustments (719,168)

NET CASH PROVIDED BY OPERATING ACTIVITIES 489,538

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditures (14,455)

NET CASH USED IN INVESTING ACTIVITIES (14,455)

NET CHANGE IN CASH 475,083

CASH AT BEGINNING OF YEAR 2,540,866

CASH AT END OF YEAR $ 3,015,949

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization
Friends of United Hatzalah, Inc. (the organization), a not-for-profit organization formed in New York in January 2000, provides funds to organizations that provide medical first responder services throughout the world. Programs are funded by contributions.

Income Tax Status
The organization is exempt from income tax under section 501(c)(3) of the Internal Revenue Code.

Basis of Accounting
The financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP) and accordingly reflect all significant receivables, payables and other assets and liabilities.

Cash Equivalents
For the purpose of the statement of cash flows, cash equivalents include time deposits, certificates of deposits, and all highly liquid debt instruments with original maturities of three months or less.

Pledges Receivable
Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Interest is not charged or accrued on outstanding receivables nor does the organization require collateral in support of its receivables.

The organization evaluates the collectability of its receivables and will establish an allowance for doubtful accounts as a contra receivable based on the age of the receivables, creditworthiness of the liable party, actual collections of these receivables in subsequent periods, current economic conditions and historical information. Increases in the allowance for doubtful accounts are charged to bad debt expense which is included in the general and administrative expenses. Receivables that are still outstanding after management has used reasonable collection efforts are written off by reducing the receivable and allowance for doubtful accounts.
NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Fixed Assets**
The organization capitalizes all expenditures for property, plant, and equipment in excess of $5,000 at cost. Improvements and replacements of property and equipment are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. Management reviews long-lived assets to determine whether there has been any permanent impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If the sum of the expected future discounted cash flows is less than the carrying amount of the assets, the organization recognizes an impairment loss. No impairment losses were recognized for the year ended December 31, 2019.

**Revenue Recognition**
Contributions are recognized as support when received or when evidenced by a promise to give.

**Advertising Expense**
The organization uses advertising to raise funds among the audiences it serves. Advertising costs are expensed as incurred.

**Functional Allocation of Expenses**
The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of estimated time spent on each function; as well as bank and credit card fees, depreciation, insurance, occupancy, office expense, telephone and internet, and travel which are allocated based on salaries.

**Estimates**
The preparation of financial statements in conformity with the accrual basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies, if any, at the date of the financial statements, and revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Classes of Net Assets**
The organization reports information regarding its financial position and activities in two classes of net assets:

- **Net assets without donor restrictions** – net assets that are not subject to any donor-imposed stipulations.
- **Net assets with donor restrictions** – net assets subject to donor-imposed restrictions on their use. The restrictions may be met by actions of the organization or by the passage of time, or the donor-imposed or other legal restrictions may require that the principal be maintained permanently by the organization.
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classes of Net Assets (continued)
Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished) in the reporting period in which the revenue is recognized. The organization does not recognize an implied restriction on donations of long-lived assets. Rather, such donations are recorded as without donor restrictions. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions, reported in the statement of activities as net assets released from restrictions.

NOTE 2  PLEDGES RECEIVABLE
Pledges receivable at December 31, 2019 are $4,675,675 (net of an allowance for uncollectible amounts of $725,477) and consist of unconditional promises to give. Approximately $4,275,675 is expected to be collected in less than one year and approximately $400,000 is expected to be collected in two years.

NOTE 3  INVESTMENT PROPERTY
Investment property consists of an apartment donated to the organization. The organization intends to sell the property and use the proceeds to support its operations. The apartment is reported at fair value, based on a recent appraisal.

NOTE 4  NATURE OF RESTRICTED ASSETS
Net assets with donor restrictions consists of net assets whose use has been restricted by donors to a specific time period.

NOTE 5  DONATED SERVICES
Volunteers contribute to the activities of the organization. The value of these services is not reflected in the financial statements since it is not susceptible to objective valuation or measurement.

NOTE 6  LIQUIDITY AND AVAILABILITY
The organization's discretionary grants to others represent approximately 77% of expenditures. Liquidity is managed by disbursing grants as funds are available.
NOTE 6 LIQUIDITY AND AVAILABILITY (continued)

As of December 31, 2019, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

- Cash: $3,015,949
- Pledges receivable, net: $4,275,675
- Total: $7,291,624

NOTE 7 CONCENTRATIONS OF CREDIT RISK

Cash
At times, the organization maintains cash balances in excess of the Federal Deposit Insurance Corporation insured limits. The organization has not experienced any losses in such accounts and does not believe it is exposed to any significant risk of loss on cash.

Pledges Receivable
One donor’s outstanding pledge balance accounted for 13% of the organization’s assets at December 31, 2019.

NOTE 8 SUBSEQUENT EVENTS

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that the impacts of the pandemic will continue for some time. As of the date these financial statements were available to be issued, the organization has resumed normal operations.

As a result of the uncertainty surrounding the COVID-19 pandemic and its impact on operating results, the organization applied for and, in April 2020, received loan proceeds of $310,273 under the Paycheck Protection Program (“PPP”) under a promissory note from Chase Bank (the “PPP Loan”). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”) and is administered by the U.S. Small Business Administration. The PPP Loan has a two-year term and bears interest at an annual interest rate of 1%. Monthly principal and interest payments are deferred for six months, and the maturity date is April 2022. Under the terms of the CARES Act, PPP Loan recipients can apply for and be granted forgiveness for all or a portion of the loan and accrued interest. Such forgiveness is determined, subject to limitations, based on the use of loan proceeds for payment of payroll costs and any payments of mortgage interest, rent, utilities, and retention of employees and maintaining salary levels. In August 2021, $300,654 of the original loan amount and its related accrued interest, was forgiven. The remaining amount of the loan and accrued interest was paid back in full in August 2021.
NOTE 8  SUBSEQUENT EVENTS (continued)

In February 2021, the organization was approved for an additional PPP Loan of $387,942 under a new promissory note from Chase Bank. This loan has a five-year term and bears interest at an annual interest rate of 1%. Monthly principal and interest payments are deferred up to sixteen months from the origination of the loan. If certain conditions are met, the loan and accrued interest may be eligible for forgiveness.

The organization has evaluated subsequent events through January 11, 2022, the date these financial statements were available to be issued. Aside from matters already disclosed above, there were no material subsequent events that required recognition or additional disclosure in these financial statements.