

NYC Medics

Financial Statements

December 31, 2017

Independent Auditors' Report

Board of Directors NYC Medics

We have audited the accompanying financial statements of NYC Medics, which comprise the statement of financial position as of December 31, 2017, 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 auditors' 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 NYC Medics as of December 31, 2017, 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.

PKF O'Connor Davies, LLP

Newburgh, New York
August 31, 2018

NYC Medics

Statement of Financial Position
December 31, 2017

ASSETS

Cash and cash equivalents	\$ 134,452
Grant receivable	67,020
Security deposit	<u>2,550</u>
	<u>\$ 204,022</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable and accrued expenses	\$ 56,879
Net Assets - Unrestricted	<u>147,143</u>
	<u>\$ 204,022</u>

See notes to financial statements

NYC Medics

Statement of Activities
Year Ended December 31, 2017

UNRESTRICTED REVENUE

Grant revenue	\$ 1,750,077
Contributions	
Individuals	99,766
Corporate	5,751
Fundraising	<u>5,350</u>
Total Revenue	<u>1,860,944</u>

EXPENSES

Program services	1,551,327
Management and general	126,715
Fundraising	<u>17,007</u>
Total Expenses	<u>1,695,049</u>

Change in Net Assets 165,895

NET ASSETS - UNRESTRICTED

Beginning of year	<u>(18,752)</u>
End of year	<u>\$ 147,143</u>

See notes to financial statements

NYC MedicsStatement of Functional Expenses
Year Ended December 31, 2017

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 78,691	\$ 21,058	\$ 11,084	\$ 110,833
Payroll taxes	7,202	1,927	1,014	10,143
Disaster relief supplies	1,231,362	-	-	1,231,362
Accounting fees	-	15,800	-	15,800
Contracted services	-	37,319	-	37,319
Insurance	9,846	29,539	-	39,385
Office expense	704	3,988	-	4,692
Rent	1,192	6,752	-	7,944
Bank fees	-	2,621	-	2,621
Fundraising	-	-	4,909	4,909
Telephone	451	-	-	451
Travel	221,769	6,859	-	228,628
Payroll processing fee	-	852	-	852
Advertising	110	-	-	110
Total Expenses	<u>\$ 1,551,327</u>	<u>\$ 126,715</u>	<u>\$ 17,007</u>	<u>\$ 1,695,049</u>

See notes to financial statements

NYC Medics

Statements of Cash Flows
Year Ended December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 165,895
Adjustments to reconcile change in net assets to net cash from operating activities	
Changes in operating assets and liabilities	
Grant receivable	(67,020)
Security deposit	(125)
Accounts payable	<u>21,291</u>
Net Cash from Operating Activities	<u>120,041</u>
Net Change in Cash and Cash Equivalents	120,041

CASH AND CASH EQUIVALENTS

Beginning of year	<u>14,411</u>
End of year	<u>\$ 134,452</u>

See notes to financial statements

NYC Medics

Notes to Financial Statements
December 31, 2017

1. Organization

NYC Medics (the "Organization") was founded in 2006 to rapidly deploy to remote and difficult to reach areas in global disaster zones and complex humanitarian emergencies. Providing the highest level of care with dignity and compassion to the people who would otherwise not have access to aid and relief efforts.

The Internal Revenue Service has determined that the Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which 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 revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid debt instruments with maturities of three months or less at the time of purchase.

Grant Receivable

Grant receivable represents the request for reimbursement that is sent to the funding source. Reimbursement requests are net of any advances received from the funding source. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of each account. Balances that remain outstanding after management has used reasonable collection efforts are written off through a reduction in the valuation allowance and a reduction in accounts receivable.

As of December 31, 2017, no allowance for doubtful accounts has been deemed necessary.

Net Assets

Net assets are classified based on the existence or absence of donor-imposed restrictions. During 2017 the Organization had no temporarily restricted or permanently restricted net assets.

NYC Medics

Notes to Financial Statements
December 31, 2017

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

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions are recorded as temporarily or permanently restricted net assets and revenue and support if they are received with donor imposed stipulations that limit their use. Donor restrictions expire by either the passage of stipulated time or the accomplishment of the stated purpose. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Temporarily restricted contributions that are received and expended in the same period are considered unrestricted.

Functional Allocation of Expenses

The costs of providing services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising

The Organization expenses advertising costs as incurred. Advertising costs for the year ended December 31, 2017 was \$110.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only when they are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition and/or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to December 31, 2014.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is August 31, 2018.

3. **Operating Lease**

The Organization has operating lease agreements for administrative office and storage space that are on a month to month basis or expired during the year ended December 31, 2017. Total rent expense under these agreements for the year ended December 31, 2017 was \$7,944.

NYC Medics

Notes to Financial Statements
December 31, 2017

4. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist principally of cash and cash equivalents. At times cash balances held at financial institutions may be in excess of federally insured limits. The Organization has not experienced any losses on its cash deposits. The Organization receives a substantial amount of its support from donations and grants. A significant reduction in the level of this support, if this were to occur, may have an effect on the program and activity provided by the Organization.

5. Concentration of Revenue

For the year ended December 31, 2017, 100% of the Organization's grant revenue and 94% of total revenue came from one organization. Grant receivable totaling \$67,020, or 100% of the grant receivable, is due from this organization.

6. Commitment and Contingencies

Grants received by the Organization are subject to audit and adjustment by the funding agency or its representative. If grant revenues are received for expenditures which are subsequently disallowed, the Organization may be required to repay the revenues to the funding agency.

7. Subsequent Event

During 2018, NYC Medics collected \$67,060 for the grant receivable at December 31, 2017.

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