

**FRIENDS OF FIREFIGHTERS, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**FRIENDS OF FIREFIGHTERS, INC**

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## **YSL & Associates LLC**

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Certified Public Accountants

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### **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Friends of Firefighters, Inc.

We have audited the accompanying statement of financial position of Friends of Firefighters, Inc. (a nonprofit organization) as of December 31, 2008, and the related statements of activities, and cash flows, for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of Firefighters, Inc. as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*YSL & Associates LLC*

New York, NY  
December 15, 2009

**FRIENDS OF FIREFIGHTERS, INC  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2008**

**ASSETS**

Current Assets		
Cash		
Unrestricted	\$	65,867
Restricted		17,499
		<u>83,366</u>
Accounts Receivable		1,275
Prepaid Expenses		3,787
Total Current Assets		<u>88,428</u>
Fixed Assets, Net of Accumulated Depreciation		<u>13,762</u>
		<u><u>102,190</u></u>

**LIABILITIES & NET ASSETS**

Liabilities		
Accrued Expenses		9,455
Net Assets		
Unrestricted		75,236
Restricted		17,499
		<u>92,735</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$</b>	<b><u>102,190</u></b>

**FRIENDS FIREFIGHTERS, INC**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

<b>Revenue</b>	
Grant Income	\$ 404,000
Program Service Revenue	61,471
Direct Public Support	30,920
Interest Income	1,280
<b>Total Revenue</b>	<u>497,672</u>
<b>Expenses</b>	
Program Services	378,019
Management and General	94,504
<b>Total Expenses</b>	<u>472,523</u>
<b>Net Increase In Net Assets</b>	25,149
Net Assets, Beginning of Year	67,586
<b>Net Assets, Ending of Year</b>	<u>\$ 92,735</u>

**FRIENDS FIREFIGHTERS, INC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Program Services</u>	<u>Management and general</u>	<u>Total Expenses</u>
Officer Salaries	\$ 63,184	\$ 15,796	\$ 78,980
Office Salaries and Wages	137,267	34,317	171,584
Payroll Taxes	17,916	4,479	22,395
Employee Benefits	12,495	3,123	15,618
Automobile Expenses	5,466	1,367	6,833
Bank & Finance Fees	650	162	812
Computer Expenses	2,337	584	2,921
Conference and Meetings	32,325	8,081	40,406
Depreciation	5,145	1,286	6,431
Insurance	3,776	944	4,720
Office Expenses	13,217	3,304	16,521
Outreach	49,319	12,329	61,648
Printing Expenses	848	212	1,060
Professional Fees	5,044	1,261	6,305
Rent Expenses	18,720	4,680	23,400
Telephone	5,883	1,471	7,354
Transition Expenses	900	225	1,125
Utilities	3,527	881	4,408
<b>Total Expenses</b>	<u>\$ 378,019</u>	<u>\$ 94,504</u>	<u>\$ 472,523</u>

**FRIENDS OF FIREFIGHTERS, INC  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

<b>Cash Flows From Operating Activities</b>	
Net Increase in net assets	\$ 25,149
Add: Depreciation Expense	6,431
Adjustments to reconcile increase (decrease) in net assets to net cash provided in operating activities:	
Increase (decrease) in	
Accounts Receivable	(1,275)
Prepaid Insurance	(3,226)
Accrued Expenses	3,455
Net Cash Provided by Operating Activities	<u>30,534</u>
<b>Cash Flows From Investing Activities</b>	
Purchase of Fixed Assets	<u>(4,678)</u>
Net Cash Used by Investing Activities	<u>(4,678)</u>
<b>Net Increase In Cash</b>	25,856
<b>Cash, Beginning of Year</b>	<u>57,510</u>
<b>Cash, End of Year</b>	<u><u>\$ 83,366</u></u>

FRIENDS OF FIGHERFIGHTERS, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDE DECEMBER 31, 2008

**(1) Purpose and Organization**

Friends of Firefighters, Inc. was incorporated on February 22, 2002, under the not-for-profit corporation laws of New York State. The organization began as a community-based response to the terrorist attacks on the World Trade Center on September 11, 2001. The organization's preliminary efforts focused on providing immediate practical support to the FDNY members and their families in the New York City community. However, while the group's initial response revolved around the most critical needs of individuals affected by the events of September 11<sup>th</sup>, the mission of Friends of Firefighters has evolved and expanded in the months since to address the needs of all firefighters and their families.

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

*Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

*Financial statement presentation*

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*.

*Cash and cash equivalents*

The company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

*Accounts Receivable*

Accounts receivable are recorded at the amounts the Organization expects to collect on balances outstanding at year-end. Management does not consider an allowance necessary as all balances are substantially collected.

*Concentrations of credit and market risk*

Financial instruments that potentially expose the Company to concentrations of credit and market risk consist primarily of cash. Cash is maintained at high-quality financial institutions, and credit exposure is limited to any one institution. The company has not experienced any losses on its cash.

*Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FRIENDS OF FIGHERFIGHTERS, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDE DECEMBER 31, 2008

**(2) Summary of Significant Accounting Policies (Continues)**

*Property and equipment*

Property and equipment are carried at cost. Expenditures for maintenance and repairs are expensed currently, while renewals and betterments that materially extend the life of an asset are capitalized. The cost of assets sold, retired, or otherwise disposed of, and the related allowance for depreciation, are eliminated from the accounts, and any resulting gain or loss is recognized.

Depreciation is provided using the straight-line and various accelerated methods over the estimated useful lives of the assets, which are as follows:

Vehicles	5 years
Computer and IT equipment	5 years
Equipment and tools	5 years
Furniture and fixtures	7 years
Leasehold improvements	20 years

*Contributions*

The Company accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor-imposed restrictions.

*Income tax status*

The company is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

**(3) Fixed Assets**

Property and equipment consisted of the following at December 31, 2008:

Vehicles	\$ 25,758
Furniture, Fixtures & equip	6,539
Computer equipment	9,302
Office Equipment	3,293
Leasehold improvements	10,327
	<u>\$ 55,218</u>
Less: Accumulated Depreciation	(43,293)
	<u>\$ 13,762</u>

FRIENDS OF FIGHERFIGHTERS, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDE DECEMBER 31, 2008

**(4) Restrictions on Net Asset**

The restrictions on net assets at the end of 2008 are related to the Funds contributed by the American Red Cross. These grants are to be used exclusively for expenses related to disaster relief stemming from events on September 11, 2001. As of December 31, 2008, \$17,499 cash on hand was restricted.

**(5) Rental Expense**

The organization rents space in a store front of Columbia Street in the Redhook section of Brooklyn, New York. The landlord is a former Director of the organization and currently served as board advisor. On April 1, 2009, the organization moved to 199 Van Brunt Street, Brooklyn, NY, and started a new lease with the same landlord. The term of the lease is on a month to month basis at \$3,500 per month.

**(6) Major Contributor**

The Program Service Revenue of \$404,000 in 2008 consists of \$389,000 received from The American Red Cross and \$15,000 from Robin Hood Foundation. The terms of the awards are outlined in detail in a grant award letter, and require certain provisions of service and reporting requirements. The grant from The American Red Cross ends on September 30, 2008.