

UNRWA USA NATIONAL COMMITTEE, INC.

For the Year Ended December 31, 2016 and 2015

*Financial Statements
and
Report of Independent Auditor*

JOHN C. WALSH & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANT

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
UNRWA USA National Committee, Inc.

We have audited the accompanying financial statement of the UNRWA USA National Committee, Inc., which is comprised of the statement of financial position as of December 31, 2016 and 2015 and the related statement of activities and changes in net assets and statement of cash flows for the year then ended and the related notes to the financial statements. The prior year summarized comparative information has been derived from the Organization's 2016 financial statements and, in our report dated June 17, 2016, we expressed an unqualified opinion on 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 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

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 the UNRWA USA National Committee, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and the changes in its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

John C. Walsh & Co., PC

September 20, 2018

UNRWA USA National Committee, Inc.
Statement of Financial Position
December 31, 2016 and 2015

ASSETS

	2016	2015
Cash and Cash Equivalents	\$ 67,786	\$ 82,041
Security Deposit and Prepaid Expense	-	3,370
Fixed Assets-Net	-	6,791
Total Assets	\$ 67,786	\$ 92,202

LIABILITIES AND NET ASSETS

Accounts Payable and Accruals	\$ 49,456	\$ 31,938
Total Current Liabilities	49,456	31,938
Net Assets-Unrestricted		
Unrestricted	(31,869)	31,324
Temporarily Restricted	50,199	28,940
Total Net Assets	18,330	60,264
Total Liabilities and Net Assets	\$ 67,786	\$ 92,202

UNRWA USA National Committee, Inc.
Statement of Activities and Change in Net Assets
For the Year Ended December 31, 2016 and 2015

	<u>2016</u>			<u>2015</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
<u>Revenue and Support:</u>				
Contributions	\$ 1,665,817	\$ 50,199	\$ 1,716,016	\$ 1,506,255
Grants	328,965	-	328,965	273,753
Events and Sponsorships	442,403	-	442,403	321,180
Investment Income	233	-	233	574
Release of Temporarily Restricted	28,940	(28,940)	-	-
Total Revenue and Support	<u>2,466,358</u>	<u>21,259</u>	<u>2,487,617</u>	<u>2,101,762</u>
<u>Expenses:</u>				
<u>Program Services:</u>				
Public Education and Information	2,289,963	-	2,289,963	2,302,256
<u>Supporting Services:</u>				
Management and General	186,952	-	186,952	33,660
Fundraising	52,636	-	52,636	82,521
Total Expenses	<u>2,529,551</u>	<u>-</u>	<u>2,529,551</u>	<u>2,418,437</u>
Change in Net Assets	(63,193)	21,259	(41,934)	(316,675)
Net Assets, Beginning of Year	<u>31,324</u>	<u>28,940</u>	<u>60,264</u>	<u>376,939</u>
Net Assets, End of Year	<u>\$ (31,869)</u>	<u>\$ 50,199</u>	<u>\$ 18,330</u>	<u>\$ 60,264</u>

UNRWA USA National Committee, Inc.
Supplemental Schedule of Functional Expenses
For the Year Ended December 31, 2016 and 2015

	Support of UNRWA and Public Awareness	Management and General	Fund Raising	2016 Total	2015 Total
Salaries and Benefits	\$ 315,417	\$ 122,224	\$ 35,485	\$ 473,126	\$ 395,383
Accounting/Legal Fees	-	6,753	-	6,753	6,152
Office Expense	13,695	5,049	1,786	20,530	14,090
Rent	42,402	16,431	4,770	63,603	52,147
Printing	1,293	501	145	1,939	26,484
Marketing	5,236	2,029	589	7,854	836
Depreciation	2,708	1,049	305	4,062	4,063
Fundraising	19,646	7,613	2,210	29,469	31,761
Postage & Shipping				-	14,414
Technology	37,870	14,675	4,260	56,805	
Telephone	2,698	1,045	303	4,046	4,390
Travel and Meals	21,783	8,441	2,451	32,675	4,306
Other	2,826	1,095	318	4,239	259
Bank Charges	121	47	14	182	2,011
Program Events	95,027	-	-	95,027	70,862
Grants	1,729,241	-	-	1,729,241	1,791,279
Total Expenses	<u>\$ 2,289,963</u>	<u>\$ 186,952</u>	<u>\$ 52,636</u>	<u>\$ 2,529,551</u>	<u>\$ 2,418,437</u>

The accompanying notes are an integral part of these statements.

UNRWA USA National Committee, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2016 and 2015

	2016	2015
<u>Cash Flows from Operating Activities:</u>		
Change in Net Assets	\$ (41,934)	\$ (316,676)
Adjustments to Reconcile Change in Net Assets to <u>Net Cash Provided by Operating Activities:</u>		
Depreciation	6,791	4,063
(Increase) Decrease in Prepaid Expenses	3,370	(1,370)
Increase (Decrease) in Payables and Accruals	17,518	13,800
Net Cash Provided by Operating Activities	\$ (14,255)	\$ (300,183)
Cash and Cash Equivalents, Beginning of Year	82,041	382,224
Cash and Cash Equivalents, End of Year	\$ 67,786	\$ 82,041

UNRWA USA National Committee, Inc.
Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The UNRWA USA National Committee, Inc. is a non-profit organization organized under the laws of New York whose main purpose is to provide support to United Nations Relief & Works Agency (UNRWA).

Basis of Presentation

The financial statements of the Association have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Revenue Recognition

Revenue and contributions receivable are recorded when earned or pledged.

Cash and Cash Equivalents

Cash and Cash Equivalents consists of monies held in an interest checking account and insured money market accounts.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Association and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are 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 the Association and/or the passage of time.

Revenues are reported as increases in unrestricted net assets unless use of the related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expiration of temporary restrictions on net assets (i.e., donor stipulated purpose has been fulfilled and/or stipulated time period has elapsed) as reclassifications between the applicable classes of net assets.

UNRWA USA National Committee, Inc.
Notes to Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

Financial statements prepared in conformity with accounting principles generally accepted in the United States of America 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. The Association is also required to make estimates and assumptions that affect reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Property and Equipment

Furniture and equipment acquired with a purchase price in excess of \$500 are recorded at acquisition cost, or in the case of donated property, estimated fair market value at the date of donation. Items of less than \$500 are expensed when purchased. Depreciation is computed on the straight-line basis over estimated useful lives of 5 years. Repairs and maintenance are expensed when incurred.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Association have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The statement of functional expenses shows the allocation of these expenses.

NOTE 2 - INCOME TAX STATUS

The Friends of UNRWA Association, Inc. has been recognized by the Internal Revenue Service as a public charity under Section 509(a) of the Internal Revenue Code, and contributions made to it are generally tax deductible by the donor. It is exempt from federal and state income taxes under Section 501(c)(3), except on unrelated business income, if any.

UNRWA USA National Committee, Inc.
Notes to Financial Statements (Continued)

NOTE 3 - OFFICE SPACE LEASE

The Association currently leases its office space under a month to month operating agreement. The annual rent for the year ended December 31, 2016 and 2015 was \$63,603 and \$52,147 for the respective years.

NOTE 5 -RETIREMENT

The Association currently maintains a retirement plan for participating employees by matching their contribution. The amount of contributions in 2016 and 2015 totaled \$9,178 and \$6,491 respectively.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

The Association's temporarily restricted net assets consist of the following:

2017 Program Support	<u><u>\$50,199</u></u>
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