

OWEN J. FLANAGAN & COMPANY

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DONALD F. SCHERER

Independent Auditors' Report

The Board of Directors
New York Disaster Interfaith Services

We have audited the accompanying balance sheet of New York Disaster Interfaith Services as of December 31, 2003, and the related statements of activities, cash flows and functional expenses from inception to December 31, 2003. 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 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 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 New York Disaster Interfaith Services as of December 31, 2003 and its changes in net assets and cash flows for the period then ended in conformity with accounting principles generally accepted in the United States of America.


Owen J. Flanagan & Company

April 12, 2004
New York, NY

NEW YORK DISASTER INTERFAITH SERVICESSTATEMENT OF FINANCIAL POSITIONDECEMBER 31, 2003ASSETS

Cash		
Checking	\$ 5,965	
Money Market	<u>288,729</u>	\$294,694
Grants receivable		77,539
Other receivables		6,112
Prepaid expenses		4,869
Lease security deposit		27,528
Fixed Assets		
Furniture	11,891	
Office equipment	<u>44,409</u>	
	56,300	
Less: Accumulated Depreciation	<u>(6,560)</u>	<u>49,740</u>
<u>Total Assets</u>		<u>460,482</u>

LIABILITIES

Accrued expenses		\$ <u>39,539</u>
<u>Net Assets</u>		
Unrestricted - General	\$241,250	
Unrestricted - Fixed Assets	<u>49,740</u>	290,990
Temporarily Restricted		<u>129,953</u>
<u>Total Net Assets</u>		<u>420,943</u>
<u>Total Liabilities and Net Assets</u>		<u>460,482</u>

NEW YORK DISASTER INTERFAITH SERVICES

STATEMENT OF ACTIVITIES

FROM INCEPTION TO DECEMBER 31, 2003

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>REVENUES</u>			
Membership and Initiation fees	\$270,000		\$270,000
Grants and Donations		\$213,132	213,132
Interest	642		642
Other	<u>600</u>	<u>-</u>	<u>600</u>
<u>Total Revenues</u>	<u>271,242</u>	<u>213,132</u>	<u>484,374</u>
Net Assets Released from Restriction	<u>83,179</u>	<u>(83,179)</u>	<u>-</u>
<u>Expenses</u>			
Program			
NYDIS	5,170		5,170
Unmet Needs Roundtable	<u>41,686</u>		<u>41,686</u>
Total Program	46,856		46,856
Administrative	15,977		15,977
Fund-raising	<u>598</u>	<u>-</u>	<u>598</u>
<u>Total Expenses</u>	<u>63,431</u>	<u>-</u>	<u>63,431</u>
<u>Change in Net Assets for Period</u>	<u>290,990</u>	<u>129,953</u>	<u>420,943</u>

NEW YORK DISASTER INTERFAITH SERVICESSTATEMENT OF CASH FLOWSFROM INCEPTION TO DECEMBER 31, 2003

Cash Flows from Operating Activities

Change in Net Assets for Period	\$420,943
Depreciation	6,560
Accrued expenses	39,539
Grants receivable	(77,539)
Other receivables	(6,112)
Prepaid expenses	(4,869)
Lease security deposit	<u>(27,528)</u>
Net Cash Flows from Operating Activities	<u>350,994</u>

Cash Flows from Investing Activities:

Purchase of fixed assets	<u>(56,300)</u>
Net increase in cash for the Period	<u>294,694</u>
Cash, end of Period	<u>294,694</u>

NEW YORK INTERFAITH DISASTER SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
FROM INCEPTION TO DECEMBER 31, 2002

	<u>NYDIS</u>	<u>Unmet Need Roundtable</u>	<u>Program Total</u>	<u>Administrative</u>	<u>Fund-raising</u>	<u>Total</u>
Grants	\$1,000	\$ 3,594	\$ 4,594			\$ 4,594
Salary and benefits	894	19,180	20,074	\$ 8,047		28,121
Rent	256	5,450	5,706	2,285		7,991
Phone and internet	62	1,316	1,378	552		1,930
Printing	1,513		1,513			1,513
Office supplies and equipment	144	3,066	3,210	1,286		4,496
Depreciation	210	4,474	4,684	1,876		6,560
Consultants	120	2,558	2,678	1,072	\$ 598	4,348
Insurance	22	475	497	199		696
Dues and memberships	875		875			875
Other	74	1,573	1,647	660	-	2,307
<u>Total</u>	<u>5,170</u>	<u>41,686</u>	<u>46,856</u>	<u>15,977</u>	<u>598</u>	<u>63,431</u>

The accompanying notes are an integral part of these financial statements.

NEW YORK DISASTER INTERFAITH SERVICES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

NOTE 1 Organization and Summary of Significant Accounting Policies

Organization

The New York Disaster Interfaith Services (NYDIS) was incorporated on August 5, 2003 and began operations on November 1, 2003. The mission of the organization is to empower faith communities to respond effectively to disasters by facilitating disaster planning, providing chaplaincy training, victim's assistance programs and spiritual care and counseling.

Tax-Exempt Status

NYDIS is a not-for-profit organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as a publicly supported organization.

Basis of Presentation

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

Unrestricted net assets - Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that will be met either by actions of NYDIS or by the passage of time.

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

Accrual Basis

The accompanying financial statements are prepared on the accrual basis of accounting. Revenues and related assets are recognized when earned, and expenses are recognized when incurred.

NEW YORK DISASTER INTERFAITH SERVICESNOTES TO FINANCIAL STATEMENTSDECEMBER 31, 2003**NOTE 1 Organization and Summary of Significant Accounting Policies (Continued)****Use of Estimates**

Management of NYDIS has made a number of estimates and assumptions relating to the reporting of assets, liabilities, revenues and expenses in the preparation of these financial statements. Actual results could differ from those estimates.

Fixed Assets

The cost of furniture and office equipment has been capitalized at purchase cost is being depreciated using the straight-line method over the following estimated useful lives:

Furniture	10 years
Office equipment	5 years
Computer equipment	3 years

Note 2 Net Assets Released from Restrictions

Net assets released from restrictions during the period were for the following purposes:

Start-up costs:	
Operating expenses	\$ 2,135
Rent deposit	20,419
Purchase of fixed assets	<u>47,447</u>
	<u>70,001</u>
Unmet Needs Roundtable	
Operating expenses	8,004
Purchase of fixed assets	<u>2,300</u>
	<u>10,304</u>
NYDIS	
Operating expenses	<u>2,874</u>
Total	<u>83,179</u>

NEW YORK DISASTER INTERFAITH SERVICES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

Note 3 **Temporarily Restricted Net Assets**

The temporarily restricted net assets of the organization at December 31, 2003 were restricted for the following purposes:

Start-up costs	\$ 10,624
Unmet Needs Roundtable	57,290
9/11 Recovery	57,539
NYDIS	<u>4,500</u>
Total	<u>129,953</u>

Note 4 **License Agreement**

NYDIS has a license agreement with Lutheran Disaster Response (LDR) of New York, Inc. to use and occupy a portion of LDR's office space. The agreement began on November 1, 2003 and expires on October 31, 2008. The agreement may be terminated upon 30 days written notice and agreement of the NYDIS and LDR. Monthly payments under the agreement are \$3,403.

Note 5 **Members**

Full membership is open to all faith-based organizations. Members are required to pay an initiation fee of \$50,000 and beginning in 2005, annual dues of \$5,000.

Associate Membership requires an initiation fee of \$5,000 and annual dues of \$1,000.