

NEW YORK DISASTER INTERFAITH SERVICES

DECEMBER 31, 2005

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MEMBERS
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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, 2005, and the related statements of activities, cash flows and functional expenses 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 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. The prior year summarized comparative information has been derived from the Organization's December 31, 2004 financial statements, and in our report dated March 22, 2005 we expressed an unqualified opinion on those financial statements.

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, 2005 and its changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



May 4, 2006
New York, NY

NEW YORK DISASTER INTERFAITH SERVICESSTATEMENT OF FINANCIAL POSITIONDECEMBER 31, 2005(With Comparative Totals for 2004)

| <u>ASSETS</u> | <u>2005</u> | | <u>2004</u> | |
|---|-----------------|------------------|-----------------|------------------|
| Cash | | | | |
| Checking | \$ (29,810) | | \$ (12,924) | |
| Money Market | <u>100,461</u> | \$ 70,651 | <u>984,617</u> | \$ 971,693 |
| Investments, at fair value | | 701,149 | | 226,078 |
| Grants receivable | | - | | 70,000 |
| Other receivables | | 1,001 | | 9,261 |
| Prepaid expenses | | 3,934 | | 16,926 |
| Lease security deposit | | 27,528 | | 27,528 |
| Fixed Assets | | | | |
| Furniture | 11,894 | | 11,894 | |
| Office equipment | <u>63,923</u> | | <u>60,071</u> | |
| | 75,817 | | 71,965 | |
| Less: Accumulated Depreciation | <u>(41,588)</u> | <u>34,229</u> | <u>(23,753)</u> | <u>48,212</u> |
| <u>Total Assets</u> | | <u>838,492</u> | | <u>1,369,698</u> |
| <u>LIABILITIES</u> | | | | |
| Accrued expenses | | <u>\$ 27,808</u> | | <u>\$ 13,225</u> |
| <u>Net Assets</u> | | | | |
| Unrestricted - General | 12,608 | | \$ 40,935 | |
| Unrestricted - Fixed Assets | <u>34,229</u> | 46,837 | <u>48,212</u> | 89,147 |
| Temporarily Restricted | | <u>763,847</u> | | <u>1,267,326</u> |
| <u>Total Net Assets</u> | | <u>810,684</u> | | <u>1,356,473</u> |
| <u>Total Liabilities and Net Assets</u> | | <u>838,492</u> | | <u>1,369,698</u> |

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

NEW YORK DISASTER INTERFAITH SERVICESSTATEMENT OF ACTIVITIESYEAR ENDED DECEMBER 31, 2005(With Comparative Totals for 2004)

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>2005 Total</u> | <u>2004 Total</u> |
|--------------------------------------|----------------------|-----------------------------------|-----------------------|-------------------------|
| <u>REVENUES</u> | | | | |
| Membership and initiation fees | \$ 81,210 | | \$ 81,210 | \$ 36,750 |
| Grants and donations | 14,382 | \$ 794,746 | 809,128 | 1,777,309 |
| Interest and dividends | 35,015 | | 35,015 | 6,438 |
| Investment gain (loss) | (16,186) | | (16,186) | - |
| Other | <u>9,537</u> | | <u>9,537</u> | <u>11,425</u> |
| <u>Total Revenues</u> | <u>123,958</u> | <u>794,746</u> | <u>918,704</u> | <u>1,831,922</u> |
| Net Assets Released from Restriction | <u>1,298,225</u> | <u>(1,298,225)</u> | <u>-</u> | <u>-</u> |
| <u>Expenses</u> | | | | |
| Program | | | | |
| Recovery and Victim Advocacy | | | | |
| 9/11 Recovery | 206,885 | | 206,885 | 255,870 |
| Katrina Recovery | 70,179 | | 70,179 | - |
| Unmet Needs Roundtables | | | | |
| NYC 9/11 Unmet Needs Roundtable | 633,156 | | 633,156 | 275,856 |
| Disaster Planning and Training | 204,807 | | 204,807 | 178,355 |
| Other Funds | | | | |
| Sacred City | - | | - | 1,820 |
| Other | <u>20,111</u> | | <u>20,111</u> | <u>-</u> |
| Total Program | 1,135,138 | | 1,135,138 | 711,901 |
| General and administrative | 185,987 | | 185,987 | 137,825 |
| Fund-raising | <u>143,368</u> | <u>-</u> | <u>143,368</u> | <u>46,666</u> |
| <u>Total Expenses</u> | <u>1,464,493</u> | <u>-</u> | <u>1,464,493</u> | <u>896,392</u> |
| <u>Change in Net Assets for Year</u> | (42,310) | (503,479) | (545,789) | 935,530 |
| Opening Net Assets | <u>89,147</u> | <u>1,267,326</u> | <u>1,356,473</u> | <u>420,943</u> |
| Ending Net Assets | <u><u>46,837</u></u> | <u><u>763,847</u></u> | <u><u>810,684</u></u> | <u><u>1,356,473</u></u> |

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

NEW YORK DISASTER INTERFAITH SERVICESSTATEMENT OF CASH FLOWSYEAR ENDED DECEMBER 31, 2005(With Comparative Totals for 2004)

| | <u>2005</u> | <u>2004</u> |
|--|----------------------|-----------------------|
| Net Cash Flows Provided (Used): | | |
| Net Cash Flows from Operating Activities | | |
| Change in Net Assets for Period | \$(545,789) | \$935,530 |
| Depreciation | 17,835 | 17,193 |
| Accrued expenses | 14,583 | (26,314) |
| Grants receivable | 70,000 | 7,539 |
| Marketable securities - donated | - | (226,078) |
| Other receivables | 8,260 | (3,149) |
| Prepaid expenses | 12,992 | (12,057) |
| Investment loss | <u>16,186</u> | <u>-</u> |
| Net Cash Flows from Operating Activities | <u>(405,933)</u> | <u>692,664</u> |
| Cash Flows from Investing Activities: | | |
| Purchase of fixed assets | (3,852) | (15,665) |
| Purchase of investments | (712,589) | - |
| Proceeds from investments | <u>221,332</u> | <u>-</u> |
| Net Cash Flow from Investing Activities | <u>(495,109)</u> | <u>(15,665)</u> |
| Net Increase (Decrease) in cash for year | (901,042) | 676,999 |
| Cash, beginning of year | <u>971,693</u> | <u>294,694</u> |
| Cash, end of year | <u><u>70,651</u></u> | <u><u>971,693</u></u> |

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

NEW YORK DISASTER INTERFAITH SERVICES

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2005

(With Comparative Totals for 2004)

| | <u>NYC 9/11 Recovery</u> | <u>Disaster Planning and Training</u> | <u>NYC 9/11 Unmet Needs Roundtable</u> | <u>NYC Katrina Recovery</u> |
|----------------------------------|----------------------------------|---|--|-------------------------------------|
| Grants and Aid | | | \$633,156 | \$32,190 |
| Salary and benefits | \$117,622 | \$103,204 | | 25,050 |
| Rent | 13,701 | 17,681 | | |
| Phone and internet | 3,390 | 3,152 | | 815 |
| Printing and website | 18,384 | 17,976 | | 1,497 |
| Office supplies and equipment | 8,564 | 5,880 | | 2,259 |
| Depreciation | 5,351 | 4,637 | | 1,070 |
| Consultants | | 8,728 | | 3,607 |
| Insurance | | | | |
| Accounting and auditing | | | | |
| Travel and conferences | 32,857 | 31,259 | | 2,431 |
| Board | | | | |
| Dues and memberships | | | | |
| Database | 3,010 | 3,009 | | |
| Voad Desk | | 8,926 | | |
| Other | <u>4,006</u> | <u>355</u> | | <u>1,260</u> |
| | <u>206,885</u> | <u>204,807</u> | <u>633,156</u> | <u>70,179</u> |

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

| <u>Other</u> | <u>Total Program</u> | <u>General and Administrative</u> | <u>Fund-raising</u> | <u>Total 2005</u> | <u>Total 2004</u> |
|---------------|--------------------------|---------------------------------------|---------------------|-----------------------|-----------------------|
| | \$ 665,346 | | | \$ 665,346 | \$219,994 |
| \$12,400 | 258,276 | \$ 86,241 | \$ 57,494 | 402,011 | 381,119 |
| | 31,382 | 15,088 | 10,060 | 56,530 | 55,331 |
| 1,064 | 8,421 | 5,299 | 3,531 | 17,251 | 14,849 |
| 500 | 38,357 | 3,446 | 2,296 | 44,099 | 20,066 |
| | | | | | |
| 1,694 | 18,397 | 9,602 | 6,400 | 34,399 | 41,369 |
| 535 | 11,593 | 3,745 | 2,497 | 17,835 | 17,194 |
| 3,400 | 15,735 | 2,330 | 52,483 | 70,548 | 30,058 |
| | - | 4,065 | | 4,065 | 3,408 |
| | - | 28,596 | | 28,596 | 19,169 |
| | | | | | |
| 304 | 66,851 | 5,808 | 3,872 | 76,531 | 75,942 |
| | | 12,854 | | 12,854 | - |
| | - | 1,810 | | 1,810 | 2,242 |
| | 6,019 | 710 | 472 | 7,201 | 4,299 |
| | 8,926 | | | 8,926 | - |
| | | | | | |
| <u>214</u> | <u>5,835</u> | <u>6,393</u> | <u>4,263</u> | <u>16,491</u> | <u>11,352</u> |
| <u>20,111</u> | <u>1,135,138</u> | <u>185,987</u> | <u>143,368</u> | <u>1,464,493</u> | <u>896,392</u> |

NEW YORK DISASTER INTERFAITH SERVICES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

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 professional training, coordinating community based preparedness and training with New York City Office of Emergency Management and FEMA, 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.

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.

NEW YORK DISASTER INTERFAITH SERVICES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

NOTE 1 Organization and Summary of Significant Accounting Policies (Continued)

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 Temporarily Restricted Net Assets

Net assets released from restrictions during 2005 were for the following purposes:

| | |
|---------------------------------|------------------|
| NYC 9/11 Recovery | \$ 203,749 |
| Disaster Planning and Training | 204,807 |
| NYC 9/11 Unmet Needs Roundtable | 633,156 |
| NYC Katrina Recovery | 70,179 |
| Other | 20,111 |
| General and Administrative | <u>166,223</u> |
| Total | <u>1,298,225</u> |

NOTE 3 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 4 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.

NEW YORK DISASTER INTERFAITH SERVICES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

NOTE 5 Marketable Securities

Marketable securities at December 31, 2005 were as follows:

| | <u>Cost</u> | <u>Fair Value</u> |
|---------------------|----------------|-------------------|
| Corporate Bonds | \$499,563 | \$499,565 |
| Equity Mutual Funds | 100,002 | 100,000 |
| Annuity Contract | <u>96,331</u> | <u>101,584</u> |
| | <u>695,896</u> | <u>701,149</u> |

NOTE 6 Retirement Benefits

The organization contributes to retirement plans for all eligible employees at the rate of 11% of salary plus up to an additional 2% match of voluntary employee contributions. Clergy pensions are based on standard pensions of their affiliation. Total pension expense was \$36,028.