

OWEN J. FLANAGAN & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
60 EAST 42ND STREET, SUITE 1536
NEW YORK, NEW YORK 10165

OWEN J. FLANAGAN, CPA
(1925-1996)

KEVIN C. SUNKEL, CPA
JOHN L. CORCORAN, CPA

(212) 682-2783
FACSIMILE (212) 697-5843
E-MAIL: ojfcpa@aol.com

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS

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, 2004, 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, 2003 financial statements, and in our report dated April 12, 2004 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, 2004 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.


Owen J. Flanagan & Company

March 22, 2005
New York, NY

NEW YORK DISASTER INTERFAITH SERVICES

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2004

(With Comparative Totals for 2003)

<u>ASSETS</u>	<u>2004</u>	<u>2003</u>
Cash		
Checking	\$(12,924)	\$ 5,965
Money Market	<u>984,617</u>	<u>288,729</u>
	\$ 971,693	\$294,694
Marketable Securities	226,078	-
Grants receivable	70,000	77,539
Other receivables	9,261	6,112
Prepaid expenses	16,926	4,869
Lease security deposit	27,528	27,528
Fixed Assets		
Furniture	11,894	11,891
Office equipment	<u>60,071</u>	<u>44,409</u>
	71,965	56,300
Less: Accumulated Depreciation	<u>(23,753)</u>	<u>(6,560)</u>
	48,212	49,740
<u>Total Assets</u>	<u>1,369,698</u>	<u>460,482</u>
<u>LIABILITIES</u>		
Accrued expenses	\$ <u>13,225</u>	\$ <u>39,539</u>
<u>Net Assets</u>		
Unrestricted - General	\$ 40,935	\$241,250
Unrestricted - Fixed Assets	<u>48,212</u>	<u>49,740</u>
	89,147	290,990
Temporarily Restricted	<u>1,267,326</u>	<u>129,953</u>
<u>Total Net Assets</u>	<u>1,356,473</u>	<u>420,943</u>
<u>Total Liabilities and Net Assets</u>	<u>1,369,698</u>	<u>460,482</u>

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

NEW YORK DISASTER INTERFAITH SERVICES

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2004

(With Comparative Totals for 2003)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2004 Total</u>	<u>2003 Total</u>
<u>REVENUES</u>				
Membership and Initiation fees	\$ 36,750		\$ 36,750	\$270,000
Grants and Donations	12,776	\$1,764,533	1,777,309	213,132
Interest	6,438		6,438	642
Other	<u>11,425</u>	<u>-</u>	<u>11,425</u>	<u>600</u>
<u>Total Revenues</u>	<u>67,389</u>	<u>1,764,533</u>	<u>1,831,922</u>	<u>484,374</u>
Net Assets Released from Restriction	<u>627,160</u>	<u>(627,160)</u>	<u>-</u>	<u>-</u>
<u>Expenses</u>				
Program				
NYDIS	-		-	5,170
September 11	255,870		255,870	-
Sacred City	1,820		1,820	-
Unmet Needs Roundtable	275,856		275,856	41,686
Disaster Planning	<u>178,355</u>		<u>178,355</u>	<u>-</u>
Total Program	711,901		711,901	46,856
Administrative	137,825		137,825	15,977
Fund-raising	<u>46,666</u>	<u>-</u>	<u>46,666</u>	<u>598</u>
<u>Total Expenses</u>	<u>896,392</u>	<u>-</u>	<u>896,392</u>	<u>63,431</u>
<u>Change in Net Assets for Period</u>	(201,843)	1,137,373	935,530	420,943
Net Assets, beginning of period	<u>290,990</u>	<u>129,953</u>	<u>1,267,326</u>	<u>-</u>
Net Assets, end of period	<u><u>89,147</u></u>	<u><u>1,267,326</u></u>	<u><u>1,356,473</u></u>	<u><u>-</u></u>

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

NEW YORK DISASTER INTERFAITH SERVICESSTATEMENT OF CASH FLOWSYEAR ENDED DECEMBER 31, 2004(With Comparative Totals for 2003)

	<u>2004</u>	<u>2003</u>
Cash Flows from Operating Activities		
Change in Net Assets for Period	\$935,530	\$420,943
Depreciation	17,193	6,560
Accrued expenses	(26,314)	39,539
Grants receivable	7,539	(77,539)
Marketable securities - donated	(226,078)	-
Other receivables	(3,149)	(6,112)
Prepaid expenses	(12,057)	(4,869)
Lease security deposit	-	(27,528)
Net Cash Flows from Operating Activities	<u>692,664</u>	<u>350,994</u>
Cash Flows from Investing Activities:		
Purchase of fixed assets	<u>(15,665)</u>	<u>(56,300)</u>
Net increase in cash for the Period	676,999	294,694
Cash, beginning of Period	<u>294,694</u>	<u>-</u>
Cash, end of Period	<u><u>971,693</u></u>	<u><u>294,694</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, 2004

(With Comparative Totals for 2003)

	<u>September 11th Recovery</u>	<u>Disaster Planning and Training</u>	<u>Unmet Needs Roundtable</u>	<u>Sacred City</u>
Grants	\$ 53,835		\$166,159	
Salary and benefits	92,336	\$123,565	83,835	
Rent	17,731	20,769	6,487	
Phone and internet	2,315	3,112	2,476	
Printing and website	11,678	1,678	1,678	
Office supplies and equipment	18,142	8,482	6,699	\$ 62
Depreciation	2,866	2,866	2,866	
Consultants	1,570	1,570	1,570	
Insurance				
Accounting and auditing				
Travel and conferences	44,632	15,563	1,957	1,758
Dues and memberships				
Database	4,299			
Other	<u>6,466</u>	<u>750</u>	<u>2,129</u>	<u> </u>
	<u>255,870</u>	<u>178,355</u>	<u>275,856</u>	<u>1,820</u>

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

<u>Total Program</u>	<u>General and Administrative</u>	<u>Fund-raising</u>	<u>Total 2004</u>	<u>Total 2003</u>
\$219,994			\$219,994	\$ 4,594
299,736	\$ 65,108	\$16,275	381,119	28,121
44,987	8,275	2,069	55,331	7,991
7,903	5,557	1,389	14,849	1,930
15,034	4,026	1,006	20,066	1,513
33,385	6,387	1,597	41,369	4,496
8,598	6,877	1,719	17,194	6,560
4,710	3,767	21,581	30,058	4,348
-	3,408		3,408	696
-	19,169		19,169	
63,910	11,404	628	75,942	
	2,242		2,242	875
4,299			4,299	
<u>9,345</u>	<u>1,605</u>	<u>402</u>	<u>11,352</u>	<u>2,307</u>
<u>711,901</u>	<u>137,825</u>	<u>46,666</u>	<u>896,392</u>	<u>63,431</u>

NEW YORK DISASTER INTERFAITH SERVICES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

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.

NEW YORK DISASTER INTERFAITH SERVICES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

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:

September 11 th Advocacy	\$222,261
Disaster Planning	183,318
Unmet Needs	191,631
Sacred City	1,820
General and Administrative	<u>28,140</u>
Total	<u>627,160</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.

NEW YORK DISASTER INTERFAITH SERVICES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

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.

Note 5 Marketable Securities

Marketable securities consists of securities donated to the organization that were to be sold in early 2005

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.