

NEW YORK DISASTER INTERFAITH SERVICES

DECEMBER 31, 2006

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DONALD F. SCHERER

Independent Auditors' Report

The Board of Directors
New York Disaster Interfaith Services

We have audited the accompanying statement of financial position of New York Disaster Interfaith Services as of December 31, 2006, 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, 2005 financial statements, and in our report dated May 4, 2006 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, 2006 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 & Co.

May 10, 2007

NEW YORK DISASTER INTERFAITH SERVICES
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2006
(With Comparative Totals for 2005)

<u>ASSETS</u>	<u>2006</u>		<u>2005</u>	
Cash				
Checking	\$(13,872)		\$(29,810)	
Money Market	<u>16,350</u>	\$ 2,478	<u>100,461</u>	\$ 70,651
Investments, at fair value		488,308		701,149
Grants receivable		143,816		-
Other receivables		7,183		1,001
Prepaid expenses		3,416		3,934
Lease security deposit		29,807		27,528
Fixed Assets				
Furniture	15,097		11,894	
Office equipment	<u>75,750</u>		<u>63,923</u>	
	90,847		75,817	
Less: Accumulated Depreciation	<u>(58,386)</u>	<u>32,461</u>	<u>(41,588)</u>	<u>34,229</u>
<u>Total Assets</u>		<u>707,469</u>		<u>838,492</u>
<u>LIABILITIES</u>				
Accrued expenses		<u>\$ 45,015</u>		<u>\$ 27,808</u>
<u>Net Assets</u>				
Unrestricted - General	\$(26,915)		\$ 12,608	
Unrestricted - Fixed Assets	<u>32,461</u>	5,546	<u>34,229</u>	46,837
Temporarily Restricted		<u>656,908</u>		<u>763,847</u>
<u>Total Net Assets</u>		<u>662,454</u>		<u>810,684</u>
<u>Total Liabilities and Net Assets</u>		<u>707,469</u>		<u>838,492</u>

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

NEW YORK DISASTER INTERFAITH SERVICES
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2006
(With Comparative Totals for 2005)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2006 Total</u>	<u>2005 Total</u>
<u>REVENUES</u>				
Membership and initiation fees	\$ 26,900		\$ 26,900	\$ 81,210
Grants and donations	41,092	\$2,072,086	2,113,178	809,128
Interest and dividends	37,102		37,102	35,015
Investment gain (loss)	11,560		11,560	(16,186)
Other	<u>204</u>		<u>204</u>	<u>9,537</u>
<u>Total Revenues</u>	<u>116,858</u>	<u>2,072,086</u>	<u>2,188,944</u>	<u>918,704</u>
Net Assets Released from Restriction	<u>2,179,025</u>	<u>(2,179,025)</u>	<u>-</u>	<u>-</u>
<u>Expenses</u>				
Program				
Recovery and Victim Advocacy				
9/11 Recovery	340,556		340,556	206,885
Katrina Recovery	138,461		138,461	70,179
Unmet Needs Roundtables				
NYC 9/11 Unmet Needs Roundtable	1,246,001		1,246,001	633,156
Disaster Planning and Training	252,709		252,709	204,807
Other Funds	<u>-</u>		<u>-</u>	<u>20,111</u>
<u>Total Program</u>	<u>1,977,727</u>		<u>1,977,727</u>	<u>1,135,138</u>
General and administrative	256,814		256,814	185,987
Fund-raising	<u>102,633</u>	<u>-</u>	<u>102,633</u>	<u>143,368</u>
<u>Total Expenses</u>	<u>2,337,174</u>	<u>-</u>	<u>2,337,174</u>	<u>1,464,493</u>
<u>Change in Net Assets for Year</u>	(41,291)	(106,939)	(148,230)	(545,789)
Opening Net Assets	<u>46,837</u>	<u>763,847</u>	<u>810,684</u>	<u>1,356,473</u>
Ending Net Assets	<u><u>5,546</u></u>	<u><u>656,908</u></u>	<u><u>662,454</u></u>	<u><u>810,684</u></u>

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

NEW YORK DISASTER INTERFAITH SERVICES
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2006
(With Comparative Totals for 2005)

	<u>2006</u>	<u>2005</u>
Net Cash Flows Provided (Used):		
Net Cash Flows from Operating Activities		
Change in Net Assets for Period	\$ (148,230)	\$(545,789)
Depreciation	16,797	17,835
Investment (gain) loss	(11,560)	16,186
Decrease (increase) in assets		
Grants receivable	(143,816)	70,000
Other receivables	(6,182)	8,260
Prepaid expenses	518	12,992
Security deposit	(2,279)	
Increase in liabilities		
Accrued expenses	<u>17,207</u>	<u>14,583</u>
Net Cash Flows from Operating Activities	<u>(277,545)</u>	<u>(405,933)</u>
Cash Flows from Investing Activities:		
Purchase of fixed assets	(15,030)	(3,852)
Purchase of investments	(5,893,464)	(712,589)
Proceeds from investments	<u>6,117,866</u>	<u>221,332</u>
Net Cash Flow from Investing Activities	<u>209,372</u>	<u>(495,109)</u>
Net Increase (Decrease) in cash for year	(68,173)	(901,042)
Cash, beginning of year	<u>70,651</u>	<u>971,693</u>
Cash, end of year	<u><u>2,478</u></u>	<u><u>70,651</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, 2006
(With Comparative Totals for 2005)

	<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	\$146,455		\$ 951,860	\$ 70,643
Salary and benefits	56,651	\$142,971	179,187	49,657
Rent	16,311	20,578	32,327	3,496
Phone and internet	7,049	1,636	4,225	1,888
Printing and website	144	144	34,190	825
Office supplies and equipment		1,131	11,856	4,207
Depreciation	1,509	3,808	4,772	1,323
Consultants		32,790	22,355	
Insurance				
Accounting and auditing				
Travel and conferences	73,412	38,811	5,132	5,784
Board	9,710			
Dues and memberships				
Database	29,315	10,840		
Voad Desk				
Other		-	97	638
	<u>340,556</u>	<u>252,709</u>	<u>1,246,001</u>	<u>138,461</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 2006</u>	<u>Total 2005</u>
\$1,168,958			\$1,168,958	\$ 665,346
428,466	\$134,805	\$ 67,403	630,674	402,011
72,712	8,899	4,449	86,060	56,530
14,798	6,493	3,247	24,538	17,251
35,303	8,983	4,492	48,778	44,099
17,194	9,781	4,890	31,865	34,399
11,412	3,590	1,795	16,797	17,835
55,145	10,671	10,671	76,487	70,548
-	5,442		5,442	4,065
-	28,324		28,324	28,596
123,139	12,774	1,419	137,332	76,531
9,710	15,739		25,449	12,854
-	2,778		2,778	1,810
40,155			40,155	7,201
-			-	8,926
<u>735</u>	<u>8,535</u>	<u>4,267</u>	<u>13,537</u>	<u>16,491</u>
<u>1,977,727</u>	<u>256,814</u>	<u>102,633</u>	<u>2,337,174</u>	<u>1,464,493</u>

NEW YORK DISASTER INTERFAITH SERVICES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

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, 2006

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

Definition of Cash

For purposes of cash flows, the organization defines cash as cash held in checking and money market accounts. Investment cash accounts are shown as part of investments.

NOTE 2 Temporarily Restricted Net Assets

Net assets released from restrictions during 2006 were for the following purposes:

NYC 9/11 Recovery	\$ 340,556
Katrina Recovery	138,461
NYC 9/11 Unmet Needs Roundtable	1,246,001
Disaster Planning and Training	252,709
General and Administrative	<u>201,298</u>
	<u>2,179,025</u>

At December 31, 2006, temporarily restricted net assets were restricted for the following purposes:

NYC 9/11 Recovery	\$ 187,301
Katrina Recovery	605
NYC 9/11 Unmet Needs Roundtable	651,526
Disaster Planning and Training	(184,878)
Other	<u>2,354</u>
	<u>656,908</u>

Some of the above restrictions will be released for general and administrative purposes. The disaster planning and training funds expended during 2006 exceeded amounts available for that purpose. The organization has internally borrowed the funds from other programs and anticipates funding in 2007 to repay these loans.

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, was amended on February 1, 2006 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 \$4,215.

NEW YORK DISASTER INTERFAITH SERVICES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

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 at December 31, 2006 were as follows:

	<u>Fair Value</u>
Investment cash	\$ 57,506
Equity Mutual Funds	325,000
Annuity Contract	<u>105,802</u>
	<u>488,308</u>

At December 31, 2006, the fair value of investments approximates cost. Fair Value is determined by market prices quoted by the custodian.

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 \$49,845.

NOTE 7 Concentration of Risk

Due to the size of grants and operating expenses, from time to time the organization's cash balances exceed Federally insured limits. The organization manages this risk by using a large, international and well established bank.