

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
MEREDITH A. FITZGERALD, 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 statement of financial position of New York Disaster Interfaith Services as of December 31, 2008, 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, 2007 financial statements, and in our report dated October 16, 2008 we expressed an unqualified opinion on those financial statements.

Note 7 discusses the significant changes the organization is presently undergoing.

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, 2008 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.



July 22, 2009

NEW YORK DISASTER INTERFAITH SERVICES
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2008

(With Comparative Totals for 2007)

<u>ASSETS</u>	<u>2008</u>	<u>2007</u>
Cash		
Checking	\$ (25,074)	\$ 4,910
Money Market	<u>166,102</u>	<u>113,208</u>
	\$141,028	\$118,118
Investments, at fair value	-	400,032
Other receivables	600	-
Prepaid expenses	-	4,106
Lease security deposit	30,607	29,807
Fixed Assets		
Furniture	27,848	27,848
Office equipment	<u>93,577</u>	<u>93,577</u>
	121,425	121,425
Less: Accumulated Depreciation	<u>(121,425)</u>	<u>(77,566)</u>
	-	43,859
<u>Total Assets</u>	<u>172,235</u>	<u>595,922</u>
<u>LIABILITIES</u>		
Accrued expenses	\$ 9,487	\$ 37,210
<u>Net Assets (Deficit)</u>		
Unrestricted - General	\$ 34,960	\$(333,865)
Unrestricted - Fixed Assets	<u>-</u>	<u>43,859</u>
	34,960	(290,006)
Temporarily Restricted	<u>127,788</u>	<u>848,718</u>
<u>Total Net Assets (Deficit)</u>	<u>162,748</u>	<u>558,712</u>
<u>Total Liabilities and Net Assets (Deficit)</u>	<u>172,235</u>	<u>595,922</u>

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

NEW YORK DISASTER INTERFAITH SERVICES
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2008
(With Comparative Totals for 2007)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2008 Total</u>	<u>2007 Total</u>
<u>REVENUES</u>				
Membership and initiation fees	\$ 18,920		\$ 18,920	\$ 28,100
Grants and donations	415,648	\$ 542,033	957,681	2,542,601
Interest and dividends	7,006		7,006	42,251
Other	<u>9,691</u>		<u>9,691</u>	<u>5,994</u>
<u>Total Revenues</u>	<u>451,265</u>	<u>542,033</u>	<u>993,298</u>	<u>2,618,946</u>
Net Assets Released from Restriction	<u>1,262,963</u>	<u>(1,262,963)</u>	<u>-</u>	<u>-</u>
<u>Expenses</u>				
Program				
Recovery and Victim Advocacy and NYC 9/11 Unmet Needs Roundtable	862,838		862,838	2,120,133
Disaster Planning and Training	39,913		39,913	140,503
Communications	38,565		38,565	-
VISTA Program	53,275		53,275	42,037
Chaplaincy	<u>97,500</u>		<u>97,500</u>	<u>53,518</u>
Total Program	1,092,091		1,092,091	2,356,191
General and administrative	212,548		212,548	203,994
Fund-raising	<u>84,623</u>	<u>-</u>	<u>84,623</u>	<u>162,503</u>
<u>Total Expenses</u>	<u>1,389,262</u>	<u>-</u>	<u>1,389,262</u>	<u>2,722,688</u>
<u>Change in Net Assets for Year</u>	324,966	(720,930)	(395,964)	(103,742)
Opening Net Assets	<u>(290,006)</u>	<u>848,718</u>	<u>558,712</u>	<u>662,454</u>
Ending Net Assets	<u>34,960</u>	<u>127,788</u>	<u>162,748</u>	<u>558,712</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, 2008
(With Comparative Totals for 2007)

	<u>2008</u>	<u>2007</u>
Net Cash Flows Provided (Used):		
Net Cash Flows from Operating Activities		
Change in Net Assets for Year	\$ (395,964)	\$(103,742)
Depreciation	43,859	19,180
Decrease (increase) in assets		
Grants receivable	-	143,816
Other receivables	(600)	7,183
Prepaid expenses	4,106	(690)
Security deposit	(800)	-
Increase (decrease) in liabilities		
Accrued expenses	<u>(27,723)</u>	<u>(7,805)</u>
Net Cash Flows from Operating Activities	<u>(377,122)</u>	<u>57,942</u>
Cash Flows from Investing Activities:		
Purchase of fixed assets	-	(30,578)
Purchase of investments	-	-
Proceeds from investments	<u>400,032</u>	<u>88,276</u>
Net Cash Flow from Investing Activities	<u>400,032</u>	<u>57,698</u>
Net Increase in cash for year	22,910	115,640
Cash, beginning of year	<u>118,118</u>	<u>2,478</u>
Cash, end of year	<u><u>141,028</u></u>	<u><u>118,118</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, 2008
(With Comparative Totals for 2007)

	<u>Recovery and Victim Advocacy And Unmet Needs Roundtable</u>	<u>Disaster Planning and Training</u>	<u>Communications</u>	<u>Vista</u>
Grants and Aid	\$514,886			
Salary and benefits	269,745	\$23,603		\$44,022
Rent	14,577	12,230	\$23,904	4,200
Phone and internet	6,824	650	1,579	
Printing and website	18,637		1,680	
Office supplies and equipment	24,415			
Depreciation				
Consultants				
Insurance				
Accounting and auditing				
Travel and conferences	1,920		1,081	2,946
Annual Meeting and Board				
Dues and memberships				
Database	3,318	3,430	5,808	
Outreach	1,413		3,165	1,518
Other	<u>7,103</u>	<u>-</u>	<u>1,348</u>	<u>589</u>
	<u>862,838</u>	<u>39,913</u>	<u>38,565</u>	<u>53,275</u>

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

<u>Chaplaincy</u>	<u>Total Program</u>	<u>General and Administrative</u>	<u>Fund-raising</u>	<u>Total 2008</u>	<u>Total 2007</u>
	\$ 514,886			\$ 514,886	\$ 1,412,022
\$46,338	383,708	\$ 79,209	\$ 66,340	529,257	717,484
12,339	67,250	10,516	10,516	88,282	120,524
	9,053	3,357	3,358	15,768	25,314
2,400	22,717	1,075	1,075	24,867	46,804
197	24,612	3,335	3,334	31,281	29,347
		43,859		43,859	19,180
				-	35,618
		8,278		8,278	6,044
		7,415		7,415	16,387
1,392	7,339	18,667		26,006	71,319
		3,326		3,326	35,020
		2,300		2,300	3,400
	12,556	7,970		20,526	76,514
34,834	40,930	125		41,055	44,187
	9,040	23,116		32,156	63,524
<u>97,500</u>	<u>1,092,091</u>	<u>212,548</u>	<u>84,623</u>	<u>1,388,262</u>	<u>2,722,688</u>

NEW YORK DISASTER INTERFAITH SERVICES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

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, 2008

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

Fixed Assets

The cost of furniture and office equipment had 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

Due to the scaled down operation of NYDIS going forward, the estimated useful lives of all fixed assets has been revised to expire as of December 31, 2008.

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 2008 were for the following purposes:

NYC 9/11 Recovery and Unmet Needs Roundtable	\$ 862,838
Chaplaincy	129,626
General and Administrative	<u>270,499</u>
	<u>1,262,963</u>

At December 31, 2008, temporarily restricted net assets were restricted for the following purposes:

NYC 9/11 Unmet Needs Roundtable	<u>\$127,788</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, was amended on February 1, 2006 and expired on October 31, 2008. Monthly payments under the agreement were \$4,215.

NOTE 4 Office Lease

Upon expiration of the License Agreement with LDR, NYDIS entered into a three month lease with United Sikhs for office space. The lease has since been renewed on a month to month basis.

NEW YORK DISASTER INTERFAITH SERVICES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE 5 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. Total pension expense was \$20,920. Subsequent to year end, this plan has been terminated.

NOTE 6 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.

NOTE 7 Uncertainty

It was reported last year that the organization had a deficit in unrestricted net assets and that its lease license agreement for office space was expiring on October 2008.

The organization raised significant funds to cover the deficit in 2008. However, it was determined that the organization could not continue in its present form. By the end of the year, most employees were terminated and plans were made for the organization to finish funding its obligations for the 9/11 Recovery and Unmet Needs Roundtable in early 2009. Going forward, the organization will be run by a Board of Directors solely as a vehicle that will be prepared to activate if an emergency arises or communication among members and responders is needed..

As of the date of this report, the organization believes it has met all its obligations under previous grants.