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NEW YORK DISASTER INTERFAITH SERVICES

Audited Financial Statements

December 31, 2016

Independent Auditors' Report

To the Board of Directors of
New York Disaster Interfaith Services

Report on the Financial Statements

We have audited the accompanying financial statements of New York Disaster Interfaith Services ("NYDIS") which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

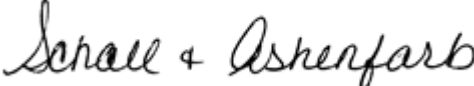
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Schall & Ashenfarb". The signature is enclosed in a thin black rectangular border.

Schall & Ashenfarb
Certified Public Accountants, LLC

September 28, 2017

**NEW YORK DISASTER INTERFAITH SERVICES
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2016**

Assets

Cash and cash equivalents	\$777,902
Government grants receivable	465,245
Other receivable	11,807
Prepaid expenses	23,574
Fixed assets (Note 3)	5,683
Security deposits	21,546
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Total assets	<u><u>\$1,305,757</u></u>

Liabilities and Net Assets

Liabilities:	
Accounts payable and accrued expenses	\$388,155
Refundable advances	251,236
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Total liabilities	<u>639,391</u>
Net assets:	
Unrestricted	628,027
Temporarily restricted (Note 4)	38,339
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Total net assets	<u>666,366</u>
	<hr style="border-top: 1px solid black;"/>
Total liabilities and net assets	<u><u>\$1,305,757</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

**NEW YORK DISASTER INTERFAITH SERVICES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support and revenue:			
Government grants	\$1,522,794		\$1,522,794
Contributions	28,668	\$1,015,328	1,043,996
Membership dues	17,250		17,250
In-kind revenue	150,918		150,918
Other income	13,040		13,040
Net assets released from restrictions (Note 4)	1,330,466	(1,330,466)	0
Total public support and revenue	<u>3,063,136</u>	<u>(315,138)</u>	<u>2,747,998</u>
Expenses:			
Program services	<u>2,057,054</u>		<u>2,057,054</u>
Supporting services:			
Management and general	493,918		493,918
Fundraising	<u>30,555</u>		<u>30,555</u>
Total supporting services	<u>524,473</u>	<u>0</u>	<u>524,473</u>
Total expenses	<u>2,581,527</u>	<u>0</u>	<u>2,581,527</u>
Change in net assets	481,609	(315,138)	166,471
Net assets - beginning of year	<u>146,418</u>	<u>353,477</u>	<u>499,895</u>
Net assets - end of year	<u><u>\$628,027</u></u>	<u><u>\$38,339</u></u>	<u><u>\$666,366</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

**NEW YORK DISASTER INTERFAITH SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Supporting Services</u>				<u>Total Expenses</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries	\$548,579	\$192,338	\$15,200	\$207,538	\$756,117
Payroll taxes and benefits	124,629	43,696	3,453	47,149	171,778
Total personnel services	<u>673,208</u>	<u>236,034</u>	<u>18,653</u>	<u>254,687</u>	<u>927,895</u>
Cash assistance	1,064,838			0	1,064,838
Professional fees	80,690	156,812	6,063	162,875	243,565
Rent	52,248	18,318	1,448	19,766	72,014
Telephone	22,984	8,058	637	8,695	31,679
Computer	25,116	2,448	193	2,641	27,757
Office supplies	15,156	5,314	420	5,734	20,890
Insurance	32,772	11,490	908	12,398	45,170
Travel	20,609	7,226	571	7,797	28,406
Conferences and workshops	6,031	275		275	6,306
Annual meeting		16,856		16,856	16,856
Repairs and maintenance	43,788	15,353	1,213	16,566	60,354
Food	10,000	3,506	277	3,783	13,783
Miscellaneous	9,323	12,126	164	12,290	21,613
Depreciation	291	102	8	110	401
Total expenses	<u><u>\$2,057,054</u></u>	<u><u>\$493,918</u></u>	<u><u>\$30,555</u></u>	<u><u>\$524,473</u></u>	<u><u>\$2,581,527</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

**NEW YORK DISASTER INTERFAITH SERVICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Cash flows from operating activities:	
Change in net assets	\$166,471
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:	
Depreciation	401
Changes in assets and liabilities:	
Government grants receivable	(414,715)
Other receivable	(11,807)
Prepaid expenses	(7,733)
Security deposits	(21,546)
Accounts payable and accrued expenses	328,887
Refundable advances	251,236
Total adjustments	<u>124,723</u>
Net cash provided by operating activities	<u>291,194</u>
Cash flows from investing activities:	
Purchase of fixed assets	<u>(6,084)</u>
Net cash used for investing activities	<u>(6,084)</u>
Net increase in cash and cash equivalents	285,110
Cash and cash equivalents, beginning of year	<u>492,792</u>
Cash and cash equivalents, end of year	<u><u>\$777,902</u></u>
Supplemental disclosure of cash flow information:	
Interest and taxes paid	<u><u>\$0</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

**NEW YORK DISASTER INTERFAITH SERVICES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

Note 1 - Organization

New York Disaster Interfaith Services (“NYDIS”) was incorporated in 2013 in New York State. NYDIS is a faith based federation of service providers and charitable organizations who work in partnership to provide disaster readiness, response, and recovery services to New York City. The Organization and its members seek to mitigate human suffering caused by catastrophes and serve the most vulnerable and under resourced households and communities affected by disaster. Currently the main program of NYDIS is to provide services to New York City victims of Hurricane Sandy. NYDIS primarily receives support from membership dues, grant contributions and government grants.

NYDIS is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as a publicly supported organization as described in Code sections 509(a)(1) and 170(b)(A)(VI).

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

b. Financial Statement Presentation

NYDIS reports information regarding its financial position and activities according to the following classes of net assets:

- *Unrestricted* – represents all activity that has not been restricted by donors or applicable law.
- *Temporarily restricted* – represents donor-restricted contributions that make clear the asset restriction, either due to a program nature or the passage of time.
- *Permanently restricted* – accounts for activity restricted by donors that must remain intact in perpetuity. NYDIS did not have any activity of this type.

c. Cash and Cash Equivalents

NYDIS considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

d. Concentration of Credit Risk

Financial instruments, which potentially subject NYDIS to concentration of credit risk, consist of cash, money market accounts and investment securities which have been placed with financial institutions that management deems to be creditworthy. At year end and at certain times during the year, NYDIS had material uninsured

balances; however, they have not suffered any losses due to the failure of any of these institutions.

e. Fixed Assets, Net

Fixed assets that exceed pre-determined amounts and that have a useful life of greater than one year are recorded at cost or at fair value on the date of gift, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

f. Government Grants

All government grants are recognized as revenue in the period earned, which is typically when the expense allowed under the grant is incurred.

Grants receivable are reviewed for collectibility. Management has not established a reserve for uncollectible pledges as they deem all grants to be collectible.

g. Contributions

NYDIS reports contributions at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Conditional promises to give are not included as support until the conditions are substantially met.

h. Membership Dues/Deferred Membership

Membership dues are recognized in the period in which they apply. Membership dues that have been collected in advance of being recognized are reflected as deferred revenue.

i. In-Kind Services

Donated services are recognized when they create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind. Donated assets are recorded at the estimated fair value at the date of gift.

Board members and other individuals volunteer their time and perform a variety of tasks that assist NYDIS. These services do not meet the criteria to be recorded and have not been included in the financial statements.

j. Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

k. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

- l. Accounting for Uncertainty of Income Taxes
 NYDIS does not believe its financial statements include any uncertain tax positions. Tax filings for periods ending December 31, 2013 and later are subject to examination by applicable taxing authorities.
- m. Subsequent Events
 NYDIS has evaluated events and transactions for potential recognition or disclosure through September 28, 2017, which is the date the financial statements were available to be issued. There were no subsequent events requiring adjustment to the financial statements or disclosures.
- n. New Accounting Pronouncements
 On August 18, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU, which becomes effective for the December 31, 2018 year, with early implementation permitted, focuses on improving the current net asset classification requirements and information presented in the financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows.

In addition, FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the December 31, 2020 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

NYDIS has not yet evaluated the impact these standards will have on future financial statements.

Note 3 - Fixed Assets, Net

Fixed assets consist of the following:

Computers	\$46,684
Office equipment	33,674
Furniture	<u>16,572</u>
	96,930
Less: accumulated depreciation	<u>(91,247)</u>
Total fixed assets, net	<u>\$5,683</u>

Note 4 - Temporarily Restricted Net Assets

Activity in the temporarily restricted class of net assets is as follows:

	Beginning Balance <u>1/1/16</u>	Contributions	Released from Restrictions	Ending Balance <u>12/31/16</u>
Program restricted:				
Hurricane Sandy Relief	<u>\$353,477</u>	<u>\$1,015,328</u>	<u>(\$1,330,466)</u>	<u>\$38,339</u>

Note 5 - Commitments and Contingencies

- a. Government grants are subject to audit by the grantor and other oversight agencies. Management is of the opinion that any potential disallowances that may result from an audit will not be material and has not set aside a reserve for this. Any future disallowances will be recorded when they become known and the amount is probable that it will be paid.
- b. NYDIS leases office space in New York, NY on a month to month basis.

Note 6 - Retirement Plan

NYDIS has a 403(b) retirement plan for all eligible employees. After 1 year of service, NYDIS provides a contribution of 3% of employee salary. In addition, NYDIS matches up to 2% of salary for voluntary contributions made by employees. Total contributions made by NYDIS for the year ended December 31, 2016 was approximately \$27,400.