

NEW YORK DISASTER INTERFAITH SERVICES

Audited Financial Statements

December 31, 2022

Independent Auditor's Report

To the Board of Directors of
New York Disaster Interfaith Services

Opinion

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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NYDIS as of December 31, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NYDIS and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NYDIS' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.


In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 NYDIS' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NYDIS' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of NYDIS as of and for the year ended December 31, 2021, were audited by other auditors whose report dated October 18, 2022 expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects with the consolidated audited financial statements from which it was derived.


New York, NY
December 22, 2023

NEW YORK DISASTER INTERFAITH SERVICES
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2022
(With comparative totals at December 31, 2021)

	<u>12/31/22</u>	<u>12/31/21</u>
Assets		
Cash and cash equivalents	\$201,953	\$657,330
Contract revenue receivable, net	47,399	111,107
Government grants and contributions receivable	599,156	68,547
Prepaid expenses	37,185	45,458
Restricted cash - escrow (Note 3)	270,318	270,375
Fixed assets (Note 4)	0	367
Investments - deferred compensation plan (Note 2h)	72,379	62,721
	<u>1,228,390</u>	<u>1,215,905</u>
Total assets		
	<u>\$1,228,390</u>	<u>\$1,215,905</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$181,447	\$69,845
Deferred compensation payable (Notes 2h and 5)	72,379	62,721
Total liabilities	<u>253,826</u>	<u>132,566</u>
Net assets:		
Without donor restrictions:	355,188	542,817
With donor restrictions (Note 6)	619,376	540,522
Total net assets	<u>974,564</u>	<u>1,083,339</u>
Total liabilities and net assets	<u>\$1,228,390</u>	<u>\$1,215,905</u>

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

NEW YORK DISASTER INTERFAITH SERVICES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total 12/31/22	Total 12/31/21
Public support and revenue:				
Government grants	\$596,070		\$596,070	\$108,333
Contract revenue	366,241		366,241	430,073
Contributions	84,796	\$404,500	489,296	3,372,227
Other income	51,773		51,773	62,995
Return of unspent grant funds		(79,671)	(79,671)	0
Net assets released from restrictions (Note 6)	245,975	(245,975)	0	0
Total public support and revenue	1,344,855	78,854	1,423,709	3,973,628
Expenses:				
Program services	1,170,931		1,170,931	4,966,206
Supporting services:				
Management and general	328,781		328,781	269,918
Fundraising	32,772		32,772	32,138
Total supporting services	361,553	0	361,553	302,056
Total expenses	1,532,484	0	1,532,484	5,268,262
Change in net assets	(187,629)	78,854	(108,775)	(1,294,634)
Net assets - beginning of year	542,817	540,522	1,083,339	2,377,973
Net assets - end of year	\$355,188	\$619,376	\$974,564	\$1,083,339

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

NEW YORK DISASTER INTERFAITH SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

		Supporting Services				
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses 12/31/22	Total Expenses 12/31/21
Salaries	\$661,733	\$149,212	\$18,342	\$167,554	\$829,287	\$634,017
Payroll taxes and benefits	112,951	25,470	3,130	28,600	141,551	179,215
Total personnel services	<u>774,684</u>	<u>174,682</u>	<u>21,472</u>	<u>196,154</u>	<u>970,838</u>	<u>813,232</u>
Cash assistance	135,108			0	135,108	3,859,421
Professional fees	5,326	73,743	4,835	78,578	83,904	216,424
Rent	95,694	21,577	2,653	24,230	119,924	103,476
Telephone	32,130	7,246	889	8,135	40,265	40,724
Computers	6,962	9,071	194	9,265	16,227	27,702
Office supplies	20,609	4,647	572	5,219	25,828	26,370
Insurance	21,929	6,682	608	7,290	29,219	26,816
Travel	11,277	1,701	145	1,846	13,123	15,575
Conferences and training	5,267	13,143	87	13,230	18,497	3,643
Repairs and maintenance	24,362	5,493	675	6,168	30,530	34,812
Food	6,234	1,406	173	1,579	7,813	24,678
Other expenses	27,243	8,464	356	8,820	36,063	71,105
Events and sponsorships	3,813	860	105	965	4,778	3,500
Depreciation	293	66	8	74	367	784
Total expenses	<u><u>\$1,170,931</u></u>	<u><u>\$328,781</u></u>	<u><u>\$32,772</u></u>	<u><u>\$361,553</u></u>	<u><u>\$1,532,484</u></u>	<u><u>\$5,268,262</u></u>

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

NEW YORK DISASTER INTERFAITH SERVICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

	<u>12/31/22</u>	<u>12/31/21</u>
Cash flows from operating activities:		
Change in net assets	(\$108,775)	(\$1,294,634)
Adjustments to reconcile change in net assets to net cash flows used for operating activities:		
Depreciation	367	784
Changes in assets and liabilities:		
Contract revenue receivable	63,708	69,181
Government grants and contributions receivable	(530,609)	54,650
Prepaid expenses	8,273	(28,603)
Accounts payable and accrued expenses	111,602	20,118
Due to funder	76,268	0
Total adjustments	<u>(270,391)</u>	<u>116,130</u>
Net cash used for operating activities/ net decrease in cash and cash equivalents	(379,166)	(1,178,504)
Cash, cash equivalents and restricted cash - beginning of year	<u>927,705</u>	<u>2,106,209</u>
Cash, cash equivalents and restricted cash - end of year	<u><u>\$548,539</u></u>	<u><u>\$927,705</u></u>
Cash, cash equivalents and restricted cash consists of:		
Cash and cash equivalents	\$201,953	\$657,330
Restricted cash	270,318	270,375
Total cash, cash equivalents and restricted cash	<u><u>\$472,271</u></u>	<u><u>\$927,705</u></u>
Supplemental disclosure of cash flow information:		
Interest and taxes paid	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

NEW YORK DISASTER INTERFAITH SERVICES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 public health emergencies and other natural disasters. NYDIS primarily receives support from membership dues, grant contributions and government grants.

NYDIS has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements of NYDIS 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. Recently Adopted Accounting Pronouncements

Effective January 1, 2022, NYDIS adopted the Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-02, *Leases*. The ASU requires the full obligation of long-term leases to be recorded as a liability with a corresponding “right-of-use” asset on the statement of financial position. This standard had no material impact on these financial statements as NYDIS’ only lease is effective on a month-to-month basis.

Additionally, effective January 1, 2022, NYDIS adopted the requirements of FASB ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional qualitative and quantitative disclosures. Adoption of the standard did not have a material impact on NYDIS’s financial statements.

c. Basis of Presentation

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

- *Net Assets Without Donor Restrictions* – accounts for activity without donor-imposed restrictions. During the year ended December 31, 2021, the board voted to release the board designated strategic reserve, which was \$500,000 as of December 31, 2021. These funds had been designated to cover certain future program costs that may be incurred during the term of the contract or its closeout. There was no balance as of December 31, 2022 or 2021.
- *Net Assets With Donor Restrictions* – relates to activity based on specific donor restrictions that are expected to be satisfied by the passage of time or performance of activities.

d. Revenue Recognition

NYDIS follows FASB Accounting Standards Codification (“ASC”) 958-606 for recognizing revenue from contracts with customers. NYDIS has contract revenue that fall under FASB ASC 958-606. Each source of revenue is analyzed to determine that there is a contract with the customer that identifies both the performance obligation and the transaction price. Revenue is recognized when the performance obligation is complete.

Revenue from contracts is for training and assistance services. The revenue is recognized at the point in time that the service is provided, and the performance obligation is complete. Payments received in advance of the completion of the earning process are reported as deferred revenue.

NYDIS follows FASB ASC 958-605 for recording contributions, which are recognized when they become unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. Contributions that contain donor restrictions are recorded in the class of net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified in the class of net assets without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

Government grants are primarily conditional, non-exchange transactions and fall under the scope of FASB ASC 958-605. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of conditions being met are recorded as government grants advances.

Unconditional promises to give are recorded at net realizable value if expected to be received in less than one year, or at fair value using a risk-adjusted discount rate if expected to be received in greater than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Management has reviewed the collectability of all receivables, factoring in judgement about the creditworthiness and age of the receivable, as well as historical experience. Based on that evaluation, management has established a reserve for uncollectible contract revenue receivables of \$20,000 for the year ended December 31, 2022.

e. Cash and Cash Equivalents

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

f. Concentration of Credit Risk

Financial instruments, which potentially subject NYDIS to a 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.

g. Fixed Assets

Fixed assets that exceed \$1,000 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.

h. Investments – Deferred Compensation Plan

Accounting standards have established a fair value hierarchy giving the highest priority to quoted prices in active markets and the lowest to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1- Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that NYDIS has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are not observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

All investments consist of annuity contracts that are considered Level 2 securities on the fair value hierarchy. Level 2 securities are valued using observable market inputs for securities that are similar to those owned. This method produces a fair value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

i. In-Kind Goods and Services

Donated goods and services that 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, are recognized at fair value. NYDIS did not receive any in-kind goods or services during 2022 or 2021.

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. Such allocations are determined by management on an equitable basis.

The following expenses were allocated using time and effort as the basis:

- Salaries, payroll taxes and benefits
- Rent
- Telephone
- Computers
- Office supplies
- Insurance
- Travel
- Repairs and maintenance
- Other expenses
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

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, 2019 and later are subject to examination by applicable taxing authorities.

m. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with NYDIS' financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Note 3 - Restricted Cash

An escrow account has been established to meet the requirement of the City of New York Department of Mayor's Office of Housing Recovery ("NYC HRO"). The purpose of this account is to ensure the funds are used for housing and housing assistance payments.

Note 4 - Fixed Assets

Fixed assets consist of the following:

	<u>12/31/22</u>	<u>12/31/21</u>
Computers – 5 years	\$46,684	\$46,684
Office equipment – 5 years	33,674	33,674
Furniture – 7 years	<u>16,572</u>	<u>16,572</u>
	96,930	96,930
Less: accumulated depreciation	<u>(96,930)</u>	<u>(96,563)</u>
Total fixed assets, net	<u>\$0</u>	<u>\$367</u>

Note 5 - Deferred Compensation Payable

NYDIS established a deferred compensation plan for eligible executives as described under Section 457(b) of the Internal Revenue Code. The funds are maintained in a segregated investment account and payable under terms of the agreement. The amount contributed into the plan during the year ended December 31, 2021 totaled \$9,000.

Note 6 - Net Assets With Donor Restrictions

Activity in the with donor restriction class of net assets is as follows:

	<u>December 31, 2022</u>			
	Beginning Balance <u>1/1/22</u>	Contributions	Released from Restrictions/ Return of Funds	Ending Balance <u>12/31/22</u>
Program restricted:				
COVID-19 Assistance	\$152,576	\$0	(\$13,564)	\$139,012
Hurricane Ida Recovery	159,533	194,500	(163,976)	190,057
Vaccine Education Outreach	40,163	10,000	(47,666)	2,497
Emergency Food & Shelter	<u>188,550</u>	<u>200,000</u>	<u>(100,740)</u>	<u>287,810</u>
Total	<u>\$540,522</u>	<u>\$404,500</u>	<u>(\$245,975)</u>	<u>\$619,376</u>
	<u>December 31, 2021</u>			
	Beginning Balance <u>1/1/21</u>	Contributions	Released from Restrictions	Ending Balance <u>12/31/21</u>
Program restricted:				
Hurricane Maria Recovery	\$1,000	\$0	(\$1,000)	\$0
COVID-19 Assistance	1,219,503	2,580,000	(3,647,227)	152,276
Hurricane Ida Recovery	0	206,000	(46,467)	159,533
Vaccine Education Outreach	0	70,000	(29,837)	40,163
Emergency Food & Shelter	<u>61,522</u>	<u>251,000</u>	<u>(123,972)</u>	<u>188,550</u>
Total	<u>\$1,282,025</u>	<u>\$3,107,000</u>	<u>(\$3,848,503)</u>	<u>\$540,522</u>

Note 7 - 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 City on a month-to-month basis.
- c. During the year ended December 31, 2022, NYDIS was awarded a judgement in the amount of \$37,635 in connection with legal proceedings it had brought against an outside party. In connection with these proceedings, NYDIS had incurred \$56,297 in legal fees through December 31, 2022. NYDIS is anticipating that a portion of these legal fees will be reimbursed by the outside party in connection with the final legal settlement.

Note 8 - Retirement Plan

NYDIS has a 403(b)-retirement plan for all eligible employees. After one year of service, NYDIS provides a contribution of 3% of employee's salary. In addition, NYDIS matches up to 2% of salary for voluntary contributions made by employees. Total contributions made by NYDIS were approximately \$13,775 and \$16,396, for the years ended December 31, 2022 and 2021, respectively.

Note 10 - Liquidity and Availability of Financial Resources

The following reflects NYDIS' financial assets at December 31, 2022, reduced by amounts that have donor-imposed or board-designated restrictions within one year of the statement of financial position date.

Cash and cash equivalents	\$201,953	
Contract revenue receivable, net	47,399	
Government and contributions receivable	<u>599,156</u>	
Total financial assets		\$848,508
Less amounts not available to be used within one year:		
Contributions restricted – purpose restrictions		<u>(543,108)</u>
Financial assets available to meet cash needs		
for general expenditures within one year		<u>\$305,400</u>

As part of its liquidity management, NYDIS operates its programs within a balanced budget and maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for ongoing operations.

Note 11 - Subsequent Events

Subsequent events have been evaluated through December 22, 2023, the date the financial statements were available to be issued. There were no material events that have occurred that required adjustment to, or disclosure in, the financial statements.