



HURRICANE SANDY NJ RELIEF FUND, INC.

Financial Statements

June 30, 2015 and 2014

With Independent Auditors' Report

Hurricane Sandy NJ Relief Fund, Inc.
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Independent Auditors' Report

To the Board of Directors,
Hurricane Sandy NJ Relief Fund, Inc.:

We have audited the accompanying financial statements of Hurricane Sandy NJ Relief Fund, Inc. (the "Fund"), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, cash flows and functional expenses for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Fund'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 Fund'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 Hurricane Sandy NJ Relief Fund, Inc. as of June 30, 2015 and 2014, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

William Smith + Brown, PC

October 8, 2015

Hurricane Sandy NJ Relief Fund, Inc.
Statements of Financial Position
June 30, 2015 and 2014

	2015	2014
Assets		
Current assets		
Cash	\$ 4,544,811	\$ 15,523,963
Contributions receivable	--	663,188
Prepaid expenses	<u>18,779</u>	<u>18,320</u>
Total current assets	4,563,590	16,205,471
Property and equipment, net	<u>16,015</u>	<u>43,804</u>
	<u>\$ 4,579,605</u>	<u>\$ 16,249,275</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 35,059	\$ 61,207
Grants payable	<u>3,658,349</u>	<u>7,471,790</u>
Total current liabilities	3,693,408	7,532,997
Net assets		
Unrestricted	886,197	7,984,198
Temporarily restricted	<u>--</u>	<u>732,080</u>
Total net assets	<u>886,197</u>	<u>8,716,278</u>
	<u>\$ 4,579,605</u>	<u>\$ 16,249,275</u>

The Notes to Financial Statements are an integral part of these statements.

Hurricane Sandy NJ Relief Fund, Inc.
Statements of Activities
Year Ended June 30, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue						
Contributions	\$ 114,306	\$ --	\$ 114,306	\$ 5,260,537	\$ 5,500,000	\$ 10,760,537
Donated services, equipment & facilities	106,018	--	106,018	241,935	--	241,935
Interest and dividends	46	--	46	--	--	--
Net assets released from restriction	732,080	(732,080)	--	5,366,620	(5,366,620)	--
	952,450	(732,080)	220,370	10,869,092	133,380	11,002,472
Expenses						
Program services	7,758,051	--	7,758,051	20,580,501	--	20,580,501
Management and general	204,976	--	204,976	253,299	--	253,299
Fundraising	87,424	--	87,424	357,454	--	357,454
	8,050,451	--	8,050,451	21,191,254	--	21,191,254
Change in net assets	(7,098,001)	(732,080)	(7,830,081)	(10,322,162)	133,380	(10,188,782)
Net assets, beginning of year	7,984,198	732,080	8,716,278	18,306,360	598,700	18,905,060
Net assets, end of year	\$ 886,197	\$ --	\$ 886,197	\$ 7,984,198	\$ 732,080	\$ 8,716,278

The Notes to Financial Statements are an integral part of these statements.

Hurricane Sandy NJ Relief Fund, Inc.
Statements of Cash Flows
Year Ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Change in net assets	\$ (7,830,081)	\$ (10,188,782)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	27,789	27,789
Changes in assets and liabilities		
Contributions receivable	663,188	1,042,111
Prepaid expenses	(459)	(1,297)
Accounts payable and accrued expenses	(26,148)	(37,332)
Grant payable	<u>(3,813,441)</u>	<u>1,927,240</u>
Net cash used by operating activities	(10,979,152)	(7,230,271)
 Cash		
Beginning of year	<u>15,523,963</u>	<u>22,754,234</u>
End of year	<u>\$ 4,544,811</u>	<u>\$ 15,523,963</u>
 Supplemental disclosure of cash flow information		
There were no amounts paid for interest or incomes taxes for the years ended June 30, 2015 and 2014.		
 Supplemental disclosure of noncash transactions		
Donated services and facilities	<u>\$ 106,018</u>	<u>\$ 241,935</u>

The Notes to Financial Statements are an integral part of these statements.

Hurricane Sandy NJ Relief Fund, Inc.
Statements of Functional Expenses
Year Ended June 30, 2015

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 339,561	\$ 38,950	\$ 17,306	\$ 395,817
Insurance	12,312	1,420	629	14,361
Operations	32,090	21,360	3,604	57,054
Consulting and professional services	112,189	132,712	41,661	286,562
Travel	7,874	1,272	85	9,231
Direct fundraising	--	--	19,916	19,916
Donated services and facilities	92,533	9,262	4,223	106,018
Grant expense	<u>7,161,492</u>	<u>--</u>	<u>--</u>	<u>7,161,492</u>
	<u>\$ 7,758,051</u>	<u>\$ 204,976</u>	<u>\$ 87,424</u>	<u>\$ 8,050,451</u>

The Notes to Financial Statements are an integral part of this statement.

Hurricane Sandy NJ Relief Fund, Inc.
Statements of Functional Expenses
Year Ended June 30, 2014

	Program Services	Management and General	Fundraising	Total
Salaries and benefits	\$ 342,667	\$ 87,892	\$ 178,024	\$ 608,583
Insurance	8,141	2,148	4,036	14,325
Operations	28,187	22,390	13,797	64,374
Consulting and professional services	38,015	105,408	18,754	162,177
Travel	8,616	1,858	3,315	13,789
Direct fundraising	--	--	74,831	74,831
Donated services and facilities	143,635	33,603	64,697	241,935
Grant expense	20,011,240	--	--	20,011,240
	<u>\$ 20,580,501</u>	<u>\$ 253,299</u>	<u>\$ 357,454</u>	<u>\$ 21,191,254</u>

The Notes to Financial Statements are an integral part of this statement.

Hurricane Sandy NJ Relief Fund, Inc.
Notes to Financial Statements
June 30, 2015 and 2014

1. Organization and Purpose of the Corporation

Hurricane Sandy NJ Relief Fund, Inc. (the "Fund"), is a New Jersey not-for-profit organization that raises and distributes funds to organizations that support the recovery and rebuilding efforts of New Jersey communities impacted by the storm. The Fund aims to make a sustainable, long-term impact and focuses on programs that address the unmet needs of New Jersey communities. The Fund was created for a temporary period of time and once the funds are spent the organization will liquidate. It is anticipated that this will occur in 2016.

2. Summary of Significant Accounting Policies

Basis of Presentation

Financial statement presentation follows the recommendations of the accounting standard related to financial statements of not-for-profit organizations. Under this accounting standard, the Fund is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. For the years ended June 30, 2015 and 2014, the Fund had accounting transactions in the unrestricted and temporarily restricted net asset categories. The unrestricted net asset category represents net assets that are not subject to donor imposed restrictions.

Basis of Accounting

The financial statements of the Fund have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Revenue Recognition

Contributions are recognized as revenues when they are received or unconditionally pledged and are recorded as unrestricted or restricted support according to donor stipulations that limit the use of these assets due to time or purpose restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

Contributions Receivable

Contributions receivable are recorded when unconditional pledges or contributions are received. Management expects to collect the full balance therefore management has determined no allowance is necessary.

Donated Income and Expenses

Donations of computer equipment and software are recorded as contributions at their estimated fair value at the date of donation. Donations of services and facilities are recorded as contributions at their estimated value.

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.

Property and Equipment

Property and equipment are stated at cost or at their estimated fair value at date of donation. The Fund capitalizes all expenditures for property and equipment in excess of \$2,500. Depreciation is provided using the straight-line method over the estimated life of the Fund of three years for equipment and software.

Grants Payable

The Fund commits funds to selected organizations to fulfill its purpose or the donors' purpose for donor imposed restrictions. When funds are committed the Fund records a grant payable.

Hurricane Sandy NJ Relief Fund, Inc.
Notes to Financial Statements
June 30, 2015 and 2014

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among program, management and general and fundraising.

Fair Value of Financial Instruments

The carrying amounts of financial instruments including contributions receivable, prepaid expenses, accounts payable and accrued expenses and grants payable approximate their fair values because of the relatively short maturity of these instruments.

Concentration of Credit Risk

The Fund maintained cash balances on deposit with financial institutions in excess of insurable limits for the years ended June 30, 2015 and 2014. The condition is mitigated by having funds deposited with high quality financial institutions. The Fund does not believe that it is exposed to any significant credit risk on its cash and cash equivalents.

Income Taxes

The Fund is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and state income tax under similar provisions. Accordingly, no provision for Federal income tax has been recorded in the statements of financial position. The Fund had no unrecognized benefits at June 30, 2015 and 2014 and has incurred no interest or penalties related to income taxes for the periods presented in these financial statements.

3. Property and Equipment, Net

Property and equipment consisted of the following as of June 30:

	2015	2014
Equipment	\$ 52,583	\$ 52,583
Software	<u>30,785</u>	<u>30,785</u>
	83,368	83,368
Less: Accumulated depreciation and amortization	<u>67,353</u>	<u>39,564</u>
Property and equipment, net	<u>\$ 16,015</u>	<u>\$ 43,804</u>

Depreciation expense amounted to \$27,789 for each of the years ended June 30, 2015 and 2014.

4. Contributions Receivable

Promises to give at June 30, are as follows:

	2015	2014
Less than 1 year	<u>\$ --</u>	<u>\$ 663,188</u>
	--	663,188
Less: Discounts to net present value	<u>--</u>	<u>--</u>
	<u>\$ --</u>	<u>\$ 663,188</u>

An adjustment to net present value has not been recorded as this adjustment is not material to these financial statements.

Hurricane Sandy NJ Relief Fund, Inc.
Notes to Financial Statements
June 30, 2015 and 2014

5. Net Assets

Temporarily restricted net assets are available for the following purposes at June 30:

	2015	2014
Purpose restriction		
Technology for impacted school districts	\$ --	\$ 410,000
Inland communities with least capacity to rebound	<u> --</u>	<u>322,080</u>
	<u>\$ --</u>	<u>\$ 732,080</u>

The following is a schedule of the temporarily restricted net assets that were released from donor restrictions at June 30:

	2015	2014
Purpose restriction		
Small business development services	\$ --	\$ 598,700
Technology for impacted school districts	410,000	4,090,000
Inland communities with least capacity to rebound	<u>322,080</u>	<u>677,920</u>
	<u>\$ 732,080</u>	<u>\$ 5,366,620</u>

6. Subsequent Events

The Fund has evaluated subsequent events occurring after the statement of financial position date through the date of October 8, 2015. Based upon this evaluation, the Fund has determined that no subsequent events have occurred, which require adjustment to or disclosure in the financial statements.