



**WithumSmith+Brown**  
**A Professional Corporation**  
**Certified Public Accountants and Consultants**

**HURRICANE SANDY NJ RELIEF FUND, INC.**

**Financial Statements**

**For the Period from November 2, 2012 (Inception) to June 30, 2013**

**With Independent Auditors' Report**

**Hurricane Sandy NJ Relief Fund, Inc.**  
**Table of Contents**  
**Period from November 2, 2012 (Inception) to June 30, 2013**

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<b>Independent Auditors' Report .....</b>	<b>1-2</b>
<b>Financial Statements</b>	
Statement of Financial Position .....	3
Statement of Activities.....	4
Statement of Cash Flows.....	5
Statement of Functional Expenses .....	6
Notes to Financial Statements .....	7-8



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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 statement of financial position as of June 30, 2013, and the related statements of activities, cash flows and functional expenses for the period from November 2, 2012 (Inception) to June 30, 2013, 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 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, 2013, and the results of its operations and its cash flows for the period from November 2, 2012 (Inception) to June 30, 2013 in accordance with accounting principles generally accepted in the United States of America.

*William Smith + Brown, PC*

January 27, 2014

**Hurricane Sandy New Jersey Relief Fund, Inc.**  
**Statement of Financial Position**  
**June 30, 2013**

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**Assets**

Current assets	
Cash and cash equivalents	\$ 22,754,234
Contributions receivable	505,299
Prepaid expenses	<u>17,023</u>
Total current assets	23,276,556
Property and equipment, net	<u>71,593</u>
	<u><u>\$ 23,348,149</u></u>

**Liabilities and Net Assets**

Current liabilities	
Accounts payable and accrued expenses	\$ 98,539
Grants payable	<u>5,544,550</u>
Total current liabilities	5,643,089
Net assets	
Unrestricted	<u>17,705,060</u>
	<u><u>\$ 23,348,149</u></u>

**Hurricane Sandy New Jersey Relief Fund, Inc.**  
**Statement of Activities**  
**For the Period from November 2, 2012 (Inception) to June 30, 2013**

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Support and revenue	
Unrestricted contributions	\$ 28,918,274
Donated goods, services & facilities	<u>1,062,702</u>
	29,980,976
Expenses	
Program services	11,131,884
Management and general	297,115
Fundraising	<u>846,917</u>
	12,275,916
Increase in net assets	17,705,060
Net assets, beginning of period	<u>          --</u>
Net assets, end of period	<u>\$ 17,705,060</u>

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

**Hurricane Sandy New Jersey Relief Fund, Inc.**  
**Statement of Cash Flows**  
**For the Period from November 2, 2012 (Inception) to June 30, 2013**

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<b>Cash flows from operating activities</b>	
Increase in net assets	\$ 17,705,060
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation	11,775
Donated property and equipment	(58,748)
Changes in assets and liabilities	
Contributions receivable	(505,299)
Prepaid expenses	(17,023)
Accounts payable and accrued expenses	98,539
Grant payable	<u>5,544,550</u>
Net cash provided by operating activities	22,778,854
<b>Cash flows from investing activities</b>	
Purchases of property and equipment	<u>(24,620)</u>
Net change in cash and cash equivalents	22,754,234
<b>Cash and cash equivalents</b>	
Beginning of period	<u>--</u>
End of period	<u>\$ 22,754,234</u>
<b>Supplemental disclosure of cash flow information</b>	
There were no amounts paid for interest or incomes taxes for the period from November 2, 2012 (Inception) to June 30, 2013.	
<b>Supplemental disclosure of noncash transactions</b>	
Capitalized donated equipment and software	<u>\$ 58,748</u>
Donated services and facilities	<u>\$ 1,003,954</u>

**Hurricane Sandy New Jersey Relief Fund, Inc.**  
**Statement of Functional Expenses**  
**For the Period from November 2, 2012 (Inception) to June 30, 2013**

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	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 143,710	\$ 89,307	\$ 70,545	\$ 303,562
Insurance	2,624	961	1,288	4,873
Operations	14,690	10,398	14,470	39,558
Consulting and professional services	150	54,338	--	54,488
Travel	1,045	10,607	4,993	16,645
Direct fundraising	--	--	256,985	256,985
Donated services and facilities	365,065	131,504	498,636	995,205
Grant expense	<u>10,604,600</u>	<u>--</u>	<u>--</u>	<u>10,604,600</u>
	<u>\$ 11,131,884</u>	<u>\$ 297,115</u>	<u>\$ 846,917</u>	<u>\$ 12,275,916</u>

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

**Hurricane Sandy New Jersey Relief Fund, Inc.**  
**Notes to Financial Statements**  
**June 30, 2013**

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**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.

**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 period from November 2, 2012 (Inception) to June 30, 2013, the Fund had accounting transactions in the unrestricted net asset category. 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 due in the next year are recorded at their net realizable value. Contributions receivable amounting to \$505,299 as of June 30, 2013 are expected to be collected within the next year therefore are classified as current. 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.

**Functional Allocation of Expenses**

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

**Hurricane Sandy New Jersey Relief Fund, Inc.**  
**Notes to Financial Statements**  
**June 30, 2013**

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**Cash and Cash Equivalents**

The Fund considers all highly liquid investments with an initial maturity of three months or less at time of acquisition to be cash equivalents.

**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 period from November 2, 2012 (Inception) to June 30, 2013. 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 statement of financial position. The Fund had no unrecognized benefits at June 30, 2013 and has incurred no interest or penalties related to income taxes for the period presented in this financial statement.

**3. Property and Equipment, Net**

Property and equipment consisted of the following as of June 30, 2013:

Equipment	\$ 52,583
Software	<u>30,785</u>
	83,368
Less: Accumulated depreciation and amortization	<u>11,775</u>
Property and equipment, net	<u>\$ 71,593</u>

Depreciation expense amounted to \$11,775 for the period from November 2, 2012 (Inception) to June 30, 2013.

**4. Subsequent Events**

The Fund has evaluated subsequent events occurring after the statement of financial position date through the date of January 27, 2014. Based upon this evaluation, the Fund has determined that no subsequent events have occurred, which require adjustment to or disclosure in the financial statements.