

HURRICANE SANDY NJ RELIEF FUND, INC.

Financial Statements

For the Period from July 1, 2015 to March 31, 2016

With Independent Auditors' Report

Hurricane Sandy NJ Relief Fund, Inc.
Table of Contents
For the Period from July 1, 2015 to March 31, 2016

Independent Auditors' Report	1
Financial Statements	
Statement of Activities and Changes in Net Assets.....	2
Statement of Cash Flows	3
Statement of Functional Expenses	4
Notes to Financial Statements	5-6

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 activities and changes in net assets, cash flows and functional expenses for the period from July 1, 2015 to March 31, 2016, 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 results of the activities and cash flows of Hurricane Sandy NJ Relief Fund, Inc. for the period from July 1, 2015 to March 31, 2016 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The Fund adopted a plan of dissolution as of March 31, 2016 (See Note 3). Our opinion is not modified with respect to this matter.



March 31, 2016

Hurricane Sandy NJ Relief Fund, Inc.
Statement of Activities and Changes in Net Assets
For the Period from July 1, 2015 to March 31, 2016

Support and revenue	
Interest and dividends	\$ 2,379
Donated services, equipment and facilities	68,988
	<u>71,367</u>
Expenses	
Program services	394,214
Management and general	279,751
Fundraising	3,414
	<u>677,379</u>
Change in net assets before other changes	(606,012)
Other change:	
Transfer of remaining net assets to Community Loan Fund of New Jersey, Inc.	<u>280,185</u>
Change in net assets	(886,197)
Net assets, beginning of period	<u>886,197</u>
Net assets, end of period	<u>\$ --</u>

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

Hurricane Sandy NJ Relief Fund, Inc.
Statement of Cash Flows
For the Period from July 1, 2015 to March 31, 2016

Cash flows from operating activities

Change in net assets	\$ (886,197)
Adjustments to reconcile change in net assets to net cash used by operating activities	
Depreciation	16,015
Changes in assets and liabilities	
Prepaid expenses	18,779
Accounts payable and accrued expenses	(35,059)
Grant payable	<u>(3,658,349)</u>
Net cash used by operating activities	(4,544,811)

Cash

Beginning of period	<u>4,544,811</u>
End of period	<u>\$ --</u>

Supplemental disclosure of cash flow information

There were no amounts paid for interest or incomes taxes for the period ending March 31, 2016.	<u>\$ --</u>
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Supplemental disclosure of noncash transactions

Donated services and facilities	<u>\$ 77,739</u>
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The Notes to Financial Statements are an integral part of this statement.

Hurricane Sandy NJ Relief Fund, Inc.
Statement of Functional Expenses
For the Period from July 1, 2015 to March 31, 2016

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 250,326	\$ 113,121	\$ --	\$ 363,447
Insurance	2,168	17,618	--	19,786
Operations	20,073	26,942	210	47,225
Consulting and professional services	84,283	83,921	--	168,204
Travel	3,836	2,625	--	6,461
Direct fundraising	--	--	3,204	3,204
Donated services and facilities	42,215	35,524	--	77,739
Grant expense (refund)	<u>(8,687)</u>	<u>--</u>	<u>--</u>	<u>(8,687)</u>
	<u>\$ 394,214</u>	<u>\$ 279,751</u>	<u>\$ 3,414</u>	<u>\$ 677,379</u>

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

Hurricane Sandy NJ Relief Fund, Inc.
Notes to Financial Statements
For the Period from July 1, 2015 to March 31, 2016

1. Organization and Purpose of the Corporation

Hurricane Sandy NJ Relief Fund, Inc. (the "Fund"), was 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. The organization adopted a plan of dissolution effective March 31, 2016 (See Note 3).

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 ended March 31, 2016 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.

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 had capitalized all expenditures for property and equipment in excess of \$2,500. Depreciation was provided using the straight-line method over the estimated life of the Fund of three years for equipment and software. All property and equipment was fully depreciated by March 31, 2016. Depreciation expense amounted to \$16,015 for the nine months ended March 31, 2016.

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 changes in net assets and in the statement of functional expenses. Accordingly, certain costs have been allocated among program, management and general and fundraising.

Hurricane Sandy NJ Relief Fund, Inc.
Notes to Financial Statements
For the Period from July 1, 2015 to March 31, 2016

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. The Fund had no unrecognized benefits at March 31, 2016 and has incurred no interest or penalties related to income taxes for the period presented in these financial statements.

3. Dissolution

The Fund adopted a plan of dissolution and a related certificate of dissolution has been filed with the New Jersey Department of Revenue. The Fund entered into an assignment and assumption agreement effective on March 24, 2016 with Community Loan Fund of New Jersey, Inc. ("NJCC"). The Fund has agreed to transfer its remaining rights, title and interest in all of its assets and programs, to NJCC, a 501(c)(3) organization, in accordance with the articles of incorporation. Community Loan Fund of New Jersey, Inc. will direct surplus grant assets toward ongoing Sandy programs focused on housing assistance.