

NEW YORK SAYS THANK YOU FOUNDATION
(A Nonprofit Organization)

FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
New York Says Thank You Foundation

We have audited the accompanying statements of financial position of New York Says Thank You Foundation ("NYSTYF") (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of NYSTYF's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of NYSTYF's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NYSTYF's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NYSTYF as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

New York, New York
September 7, 2012

Charles A. Barragato & Co. LLP

NEW YORK SAYS THANK YOU FOUNDATION
(A Nonprofit Organization)

Statements of Financial Position

	December 31,	
	2011	2010
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ASSETS		
Cash and cash equivalents	\$ 123,151	\$ 126,622
Contributions receivable, net	766,725	8,007
Prepaid expenses and other assets	1,749	-
Due from officer	<u>-</u>	<u>1,676</u>
Total assets	<u><u>\$ 891,625</u></u>	<u><u>\$ 136,305</u></u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accrued expenses	\$ 27,506	\$ 20,961
Accounts payable	<u>11,778</u>	<u>1,140</u>
Total liabilities	<u>39,284</u>	<u>22,101</u>
Net assets:		
Unrestricted	23,607	99,987
Temporarily restricted	<u>828,734</u>	<u>14,217</u>
Total net assets	<u>852,341</u>	<u>114,204</u>
Total liabilities and net assets	<u><u>\$ 891,625</u></u>	<u><u>\$ 136,305</u></u>

See accompanying notes to the financial statements.

NEW YORK SAYS THANK YOU FOUNDATION
(A Nonprofit Organization)

Statements of Activities and Changes in Net Assets

	Year Ended December 31, 2011			Year Ended December 31, 2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and support:						
Contributions	\$ 351,917	\$ 971,103	\$ 1,323,020	\$ 203,649	\$ 179,567	\$ 383,216
Donations in-kind	3,502	-	3,502	1,104	-	1,104
Net assets released from restrictions:						
Satisfaction of program restrictions	156,586	(156,586)	-	177,825	(177,825)	-
Total revenue and support	512,005	814,517	1,326,522	382,578	1,742	384,320
Expenses:						
Program services:						
Travel costs	228,306	-	228,306	81,761	-	81,761
Payroll and payroll taxes	127,116	-	127,116	26,110	-	26,110
Materials and equipment	31,166	-	31,166	110,905	-	110,905
Meals	26,949	-	26,949	6,446	-	6,446
Printing and postage	26,835	-	26,835	10,970	-	10,970
Other program costs	12,782	-	12,782	9,057	-	9,057
Grants	23,963	-	23,963	-	-	-
Public relations and consulting	-	-	-	6,817	-	6,817
Total program services	477,117	-	477,117	252,066	-	252,066
Supporting services:						
Fundraising	31,285	-	31,285	7,329	-	7,329
Payroll and payroll taxes	29,666	-	29,666	14,059	-	14,059
Bookkeeping and accounting fees	19,956	-	19,956	10,647	-	10,647
Website design and hosting	8,470	-	8,470	9,655	-	9,655
Other support costs	5,948	-	5,948	4,009	-	4,009
Travel costs	5,544	-	5,544	-	-	-
Printing and postage	4,156	-	4,156	5,937	-	5,937
Meals	1,961	-	1,961	3,471	-	3,471
Office supplies and expense	1,790	-	1,790	3,290	-	3,290
Service fees	1,392	-	1,392	3,740	-	3,740
Insurance	1,100	-	1,100	1,100	-	1,100
Strategic development	-	-	-	2,562	-	2,562
Total supporting services	111,268	-	111,268	65,799	-	65,799
Total expenses	588,385	-	588,385	317,865	-	317,865
Change in net assets	(76,380)	814,517	738,137	64,713	1,742	66,455
Net assets - beginning of the year	99,987	14,217	114,204	35,274	12,475	47,749
Net assets - end of the year	\$ 23,607	\$ 828,734	\$ 852,341	\$ 99,987	\$ 14,217	\$ 114,204

See accompanying notes to the financial statements.

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Statements of Cash Flows

	Year Ended December 31,	
	2011	2010
Cash flows from operating activities:		
Change in net assets	\$ 738,137	\$ 66,455
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Increase in contributions receivable	(758,718)	(804)
Increase in prepaid expenses and other assets	(1,749)	-
Decrease (increase) in due from officer	1,676	(1,676)
Increase in accrued expenses	6,545	4,407
Increase (decrease) in accounts payable	10,638	(720)
Net cash (used in) provided by operating activities	(3,471)	67,662
(Decrease) increase in cash and cash equivalents	(3,471)	67,662
Cash and cash equivalents - beginning of the year	126,622	58,960
Cash and cash equivalents - end of the year	<u>\$ 123,151</u>	<u>\$ 126,622</u>

See accompanying notes to the financial statements.

NEW YORK SAYS THANK YOU FOUNDATION
Notes to Financial Statements
December 31, 2011

Note 1 – General and Summary of Significant Accounting Policies

Nature of Organization

New York Says Thank You Foundation (the “Foundation” or “NYSTYF”) was incorporated in the State of New York as a nonprofit organization in October 2004. The mission of the Foundation is to commemorate the love and support given to New Yorkers by Americans from all across the country in the days, weeks, and months following September 11, 2001 (“9/11”), by facilitating the work of volunteers each year on the 9/11 Anniversary to help rebuild communities around the United States affected by natural or man-made disasters. NYSTYF’s initial core volunteer group was composed of New York City firefighters, many of whom are survivors of the World Trade Center, as well as other New Yorkers impacted by the tragedy of 9/11 and the humanity experienced as a city and as a nation on 9/12. The volunteer group has expanded to include hundreds of local volunteers as well as a growing group of disaster survivors from every community around the United States that NYSTYF has helped facilitate on previous anniversary projects.

For its 2011 anniversary project, NYSTYF worked in partnership with Build an Ark Animal Rescue (“BAAR”), Cossawatee River Resort Association, Jordan Building Construction and Lester Buildings to rebuild a 10,000 square foot animal rescue barn destroyed in April 2011 when tornadoes ripped through Ellijay, Georgia. Build an Ark Animal Rescue housed sixty rescue animals which were used as therapeutic companions for disabled children, senior citizens and juvenile offenders.

For its 2010 anniversary project, NYSTYF worked in partnership with The Polk County Arkansas Long Term Recovery Committee and the Polk County 4-H Foundation to build three homes and a community center in Mena, Arkansas which was a small town devastated by a deadly tornado that damaged hundreds of homes.

Another of NYSTYF’s projects includes The National 9/11 Flag Tour. The National 9/11 Flag is one of the largest American flags to fly above the wreckage at Ground Zero. The goal of The National Flag Tour was to display the historic flag at leading venues nation wide and to empower local service heroes in all 50 states with the privilege of stitching the flag back, using retired American flags from all 50 states, to its original 13-stripe format after it was destroyed in the aftermath of the World Trade Center attacks on 9/11. Millions of Americans experienced The National 9/11 Flag through national and local coverage, public displays in small town gatherings, and major cultural and sporting events. The stitching of the National 9/11 Flag was completed on September 11, 2011 and the National 9/11 Flag is scheduled to become part of the permanent collection of the National September 11 Memorial Museum being built at the World Trade Center.

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Through the Stars of Hope program, NYSTYF empowers children to bring hope and color back to devastated communities by painting brightly colored stars with words of inspiration to brighten up the lives of their family, friends and neighbors that generate lasting inspiration through the extended long term recovery period. Stars of Hope brightened Ellijay, Georgia, Tuscaloosa, Alabama and Joplin, Missouri in 2011 and Fort Hood, Texas in 2010.

NYSTYF has also fostered and encouraged the creation of two organizations, Tony's Room Foundation and Build for Life Foundation, that provide support to local communities and individuals in communities that have suffered from the devastating effects of a natural or manmade disaster. Both Tony's Room Foundation and Build For Life Foundation were incorporated in February 2009. NYSTYF sponsors the development and implementation of these projects through fiscal sponsorship agreements and also provides management and administrative support to both organizations.

In June 2011, NYSTYF entered an agreement with BAAR to serve as its interim fiscal sponsor. BAAR's mission is to care for rescue animals that are used as therapeutic companions for disabled children and senior citizens, provide a program for juvenile offenders to learn how to care for the animals while satisfying their community service hours, and to provide education and volunteer opportunities for the community. NYSTYF provides oversight and administrative support services for this organization.

On September 12, 2011, NYSTYF launched "The 9/12 Generation Project" whose mission is to inspire and educate approximately 1,500,000 middle and high school students with the positive, timeless and universal lessons of citizenship from 9/12. The core of this project will be the educational version of the full-length feature documentary film, "*New York Says Thank You*" which premiered at the 2011 Tribeca Film Festival in April 2011.

Basis of Financial Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

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The Foundation's financial statement presentation follows the recommendations of the Financial Accounting Standards Board ("FASB") in its Accounting Standards Codification ("ASC") 958-210 *"Not-for-Profit Entities – Balance Sheet"* ("ASC 958-210"), ASC 958-225, *"Not-for-Profit Entities – Income Statement"* and ASC 958-230, *"Not-for-Profit Entities – Statement of Cash Flows"*. Under ASC 958-210, the Foundation 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. As of December 31, 2011 and 2010, temporarily restricted assets were approximately, \$829,000 and \$14,200, respectively, and there were no permanently restricted net assets.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an original maturity of three months or less, when purchased, to be "cash equivalents".

Contributions Receivable

Unconditional contributions receivable that are expected to be collected in future periods are recorded at fair value. Contributions receivable are reflected net of an allowance for uncollectible amounts based on management's judgment and analysis of the creditworthiness of the donors, past payment experience, and other relevant factors and have been discounted, when applicable, at rates equivalent to the 10-year Treasury bill rate in effect at the date the contribution was made.

Contributions

Contributions, including unconditional promises to give, are recognized when the donor makes a promise to give. Contributions are recorded as temporarily restricted contributions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as a satisfaction of program restrictions. Temporarily restricted contributions which are both received and released within the same year are recorded as an increase in temporarily restricted net assets and as a satisfaction of program restrictions.

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Donated Services

Donated services are recognized as contributions in accordance with ASC 958-605-25, “*Recognition*” (“ASC 958-605-25”), if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. A substantial number of volunteers have made significant contributions of their time to programs and supporting services of NYSTYF and other organizations connected to Foundation projects but not affiliated with the Foundation. During 2011, no amounts have been recognized in the accompanying financial statements since any such amount was deemed immaterial or the recognition criteria relating to the donated services under ASC 958-605-25 were not met.

Donated in-kind contributions for the years ended December 31, 2011 and 2010 consisted of \$3,502 and \$1,104, respectively of unreimbursed expenses made by volunteers for administrative and program costs.

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation has also been classified as an entity that is not a private foundation under Section 509(a)(2) and qualifies for the charitable contribution deduction under Section 170(b)(1)(A).

The Foundation follows the provisions of FASB ASC 740-10-25, “*Income Taxes*”, which prescribes a recognition threshold and measurement attribute for the recognition and measurement of tax positions taken or expected to be taken in income tax returns. Management has determined that the Foundation does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements and related disclosures. Therefore, no provision for income taxes, interest or penalties have been accrued or charged to expense as of December 31, 2011 and 2010 or for the years then ended related to uncertain tax provisions.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Foundation’s tax returns will not be challenged by the taxing authorities and that the Foundation will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Foundation’s tax returns remain open for federal and state examination for three years after the filing date.

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Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Payroll and payroll taxes recorded in the statements of activities and changes in net assets were allocated to program and supporting services based upon an estimated percentage of the number of hours employees spent on specific programs, fundraising and other supporting services. All other expenses were directly allocated to either program or supporting services.

Subsequent Events

Management evaluates events or transactions that occur subsequent to year-end for potential recognition and/or disclosure in the financial statements through the date on which the financial statements are available to be issued. The financial statements were approved by management and available to be issued on September 7, 2012.

Note 2 – Contributions Receivable

Contributions receivable as of December 31 consist of the following:

	2011	2010
Contributions	\$ 806,291	\$ 8,007
Less: unamortized discount	39,566	-
	<u>\$ 766,725</u>	<u>\$ 8,007</u>

These receivables are due as follows:

	2011	2010
Due in less than one year	\$ 206,291	\$ 8,007
Due in one to five years	560,434	-
	<u>\$ 766,725</u>	<u>\$ 8,007</u>

As of December 31, 2011 and 2010 no allowance for uncollectible amounts was recorded in the accompanying statements of financial position.

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Note 3 - Concentration of Contributions

For the years ended December 31, 2011 and 2010, approximately \$960,000 and \$50,000, respectively, of revenue was recognized from one contributor as recorded in the statements of activities and changes in net assets. Contributions receivable from this contributor, as recorded in the accompanying statements of financial position, were approximately \$760,000 and \$0 as of December 31, 2011 and 2010, respectively.

Note 4 – Concentration of Credit Risk

The Foundation maintains balances at a financial institution which, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) coverage limits.

Note 5 – Related Party Transactions

During the years ended December 31, 2011 and 2010, approximately \$109,000 and \$111,000, respectively, of contributions were received from honorary co-chairs, members or relatives of the Foundation's Board of Directors.

Note 6 – Subsequent Events

Management has performed a subsequent events review from January 1, 2012 through September 7, 2012, the date the financial statements were available to be issued.

In January 2012, the Foundation received an installment of \$200,000 related to the contribution receivable recorded at December 31, 2011 as more fully described in Note 2.

In January 2012, the Foundation entered an agreement with Individual Entertainment to edit the documentary film, "*New York Says Thank You*", to create an educational version of the film to be used in connection with The 9/12 Generation Project. The video editing costs related to this project through the date of the audit report were approximately \$45,000.

In April 2012 and June 2012, the Foundation received the first installments for two pledges of \$150,000 each for The 9/12 Generation Project. The balance of the pledges is to be paid in \$100,000 installments (\$50,000 per pledge) in 2013 and 2014.

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In July 2012, the Foundation entered into an agreement with a public relations firm to launch The 9/12 Generation Project. The campaign is to create local awareness in New York City and Arizona and will run from August 1, 2012 through October 31, 2012. The contractual cost for this campaign is \$9,000.

In August 2012, the Foundation's corporations, Tony's Room Foundation and Build for Life Foundation, were dissolved.

The Foundation's planned anniversary project for 2012 is to build an adaptive ski resort in North Dakota to teach disabled children, young adults and wounded warriors how to ski. The project, known as Annie's House, named after a resident of North Dakota who perished on 9/11, is the result of the collaboration between the Bottineau Winter Park, Annie's parents and NYSTYF for the past two years. Groundbreaking took place in May 2012 on the date of the Annie's birthday and the project is to resume in September 2012. Donations received directly by the Foundation for this project through the date of the audit report were approximately \$112,000. The direct program costs related to this project through the date of the audit report were approximately \$47,000.