

**NEW YORK SAYS THANK YOU FOUNDATION**  
*(A Nonprofit Organization)*

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2012 AND 2011**

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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 New York Says Thank You Foundation ("NYSTYF") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and changes in net assets and cash flows 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.

### Auditor's 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 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 auditor's 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the overall 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 for our audit opinion.

### 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, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

New York, New York  
July 30, 2013



**NEW YORK SAYS THANK YOU FOUNDATION**  
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**Statements of Financial Position**

|                                   | <b>December 31,</b> |             |
|-----------------------------------|---------------------|-------------|
|                                   | <b>2012</b>         | <b>2011</b> |
| <b>ASSETS</b>                     |                     |             |
| Cash and cash equivalents         | \$ 371,791          | \$ 123,151  |
| Contributions receivable, net     | 594,838             | 766,725     |
| Prepaid expenses and other assets | -                   | 1,749       |
| Total assets                      | \$ 966,629          | \$ 891,625  |
| <b>LIABILITIES AND NET ASSETS</b> |                     |             |
| Liabilities:                      |                     |             |
| Accounts payable                  | \$ 1,882            | \$ 11,778   |
| Accrued expenses                  | 19,210              | 27,506      |
| Total liabilities                 | 21,092              | 39,284      |
| Net assets:                       |                     |             |
| Unrestricted                      | 221,290             | 23,607      |
| Temporarily restricted            | 724,247             | 828,734     |
| Total net assets                  | 945,537             | 852,341     |
| Total liabilities and net assets  | \$ 966,629          | \$ 891,625  |

See accompanying notes to the financial statements.

**NEW YORK SAYS THANK YOU FOUNDATION**  
(A Nonprofit Organization)

**Statements of Activities and Changes in Net Assets**

|  | <u>Year Ended December 31, 2012</u> |                               |                   | <u>Year Ended December 31, 2011</u> |                               |                   |
|--|-------------------------------------|-------------------------------|-------------------|-------------------------------------|-------------------------------|-------------------|
|  | <u>Unrestricted</u>                 | <u>Temporarily Restricted</u> | <u>Total</u>      | <u>Unrestricted</u>                 | <u>Temporarily Restricted</u> | <u>Total</u>      |
| Revenue and support:                   |                                     |                               |                   |                                     |                               |                   |
| Contributions                          | \$ 132,237                          | \$ 915,911                    | \$ 1,048,148      | \$ 351,917                          | \$ 971,103                    | \$ 1,323,020      |
| Donations in-kind                      | 7,677                               | -                             | 7,677             | 3,502                               | -                             | 3,502             |
| Net assets released from restrictions: |                                     |                               |                   |                                     |                               |                   |
| Satisfaction of program restrictions   | 1,020,398                           | (1,020,398)                   | -                 | 156,586                             | (156,586)                     | -                 |
| Total revenue and support              | <u>1,160,312</u>                    | <u>(104,487)</u>              | <u>1,055,825</u>  | <u>512,005</u>                      | <u>814,517</u>                | <u>1,326,522</u>  |
| Expenses:                              |                                     |                               |                   |                                     |                               |                   |
| Program services:                      |                                     |                               |                   |                                     |                               |                   |
| Payroll and payroll taxes              | 276,302                             | -                             | 276,302           | 127,116                             | -                             | 127,116           |
| Materials and equipment                | 234,184                             | -                             | 234,184           | 31,166                              | -                             | 31,166            |
| Travel costs                           | 125,545                             | -                             | 125,545           | 228,306                             | -                             | 228,306           |
| Video editing and screening fees       | 46,076                              | -                             | 46,076            | -                                   | -                             | -                 |
| Grants                                 | 42,865                              | -                             | 42,865            | 23,963                              | -                             | 23,963            |
| Printing and postage                   | 24,760                              | -                             | 24,760            | 26,835                              | -                             | 26,835            |
| 9/12 Generation Project DVDs           | 22,055                              | -                             | 22,055            | -                                   | -                             | -                 |
| Meals                                  | 15,906                              | -                             | 15,906            | 26,949                              | -                             | 26,949            |
| Public relations and consulting        | 15,609                              | -                             | 15,609            | -                                   | -                             | -                 |
| Other program costs                    | 14,836                              | -                             | 14,836            | 12,782                              | -                             | 12,782            |
| Total program services                 | <u>818,138</u>                      | <u>-</u>                      | <u>818,138</u>    | <u>477,117</u>                      | <u>-</u>                      | <u>477,117</u>    |
| Supporting services:                   |                                     |                               |                   |                                     |                               |                   |
| Fundraising                            | 48,843                              | -                             | 48,843            | 31,285                              | -                             | 31,285            |
| Payroll and payroll taxes              | 41,764                              | -                             | 41,764            | 29,666                              | -                             | 29,666            |
| Bookkeeping and accounting fees        | 24,609                              | -                             | 24,609            | 19,956                              | -                             | 19,956            |
| Other support costs                    | 8,949                               | -                             | 8,949             | 5,948                               | -                             | 5,948             |
| Website design and hosting             | 8,091                               | -                             | 8,091             | 8,470                               | -                             | 8,470             |
| Printing and postage                   | 4,316                               | -                             | 4,316             | 4,156                               | -                             | 4,156             |
| Travel costs                           | 2,277                               | -                             | 2,277             | 5,544                               | -                             | 5,544             |
| Office supplies and expense            | 1,584                               | -                             | 1,584             | 1,790                               | -                             | 1,790             |
| Meals                                  | 1,549                               | -                             | 1,549             | 1,961                               | -                             | 1,961             |
| Insurance                              | 1,300                               | -                             | 1,300             | 1,100                               | -                             | 1,100             |
| Service fees                           | 1,209                               | -                             | 1,209             | 1,392                               | -                             | 1,392             |
| Total supporting services              | <u>144,491</u>                      | <u>-</u>                      | <u>144,491</u>    | <u>111,268</u>                      | <u>-</u>                      | <u>111,268</u>    |
| Total expenses                         | <u>962,629</u>                      | <u>-</u>                      | <u>962,629</u>    | <u>588,385</u>                      | <u>-</u>                      | <u>588,385</u>    |
| Change in net assets                   | 197,683                             | (104,487)                     | 93,196            | (76,380)                            | 814,517                       | 738,137           |
| Net assets - beginning of the year     | 23,607                              | 828,734                       | 852,341           | 99,987                              | 14,217                        | 114,204           |
| Net assets - end of the year           | <u>\$ 221,290</u>                   | <u>\$ 724,247</u>             | <u>\$ 945,537</u> | <u>\$ 23,607</u>                    | <u>\$ 828,734</u>             | <u>\$ 852,341</u> |

See accompanying notes to the financial statements.

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**Statements of Cash Flows**

|   | <b>Year Ended December 31,</b> |             |
|---|--------------------------------|-------------|
|   | <b>2012</b>                    | <b>2011</b> |
| Cash flows from operating activities:   |                                |             |
| Change in net assets  | \$ 93,196                      | \$ 738,137  |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: |                                |             |
| Decrease (increase) in contributions receivable   | 171,887                        | (758,718)   |
| Decrease (increase) in prepaid expenses and other assets  | 1,749                          | (1,749)     |
| Decrease in due from officer  | -                              | 1,676       |
| (Decrease) increase in accrued expenses   | (8,296)                        | 6,545       |
| (Decrease) increase in accounts payable   | (9,896)                        | 10,638      |
|   | 248,640                        | (3,471)     |
| Net cash provided by (used in) operating activities   | 248,640                        | (3,471)     |
| Increase (decrease) in cash and cash equivalents  | 248,640                        | (3,471)     |
| Cash and cash equivalents - beginning of the year   | 123,151                        | 126,622     |
| Cash and cash equivalents - end of the year   | \$ 371,791                     | \$ 123,151  |
| <br>Supplemental disclosures:   |                                |             |
| Interest paid   | \$ -                           | \$ -        |
| Income taxes paid   | \$ -                           | \$ -        |

See accompanying notes to the financial statements.

**NEW YORK SAYS THANK YOU FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2012 and 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 2012 anniversary project, NYSTYF worked in partnership with Bottineau Winter Park and Bottineau Area Community Foundation to assist building 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, was the result of the collaboration between the Bottineau Winter Park, Annie’s parents and NYSTYF for the past two years.

For its 2011 anniversary project, NYSTYF worked in partnership with Build an Ark Animal Rescue (“BAAR”), Cossawattee 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.

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

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**Continued**

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.

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 families, friends and neighbors that generate lasting inspiration through the extended long term recovery period. Stars of Hope brightened: Minot, North Dakota; Bastrop, Texas; Breezy Point, New York; and Japan in 2012 and Ellijay, Georgia; Tuscaloosa, Alabama; and Joplin, Missouri in 2011.

NYSTYF had also fostered and encouraged the creation of two organizations, Tony's Room Foundation and Build for Life Foundation, which provided support to local communities and individuals in communities that had 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 sponsored the development and implementation of these projects through fiscal sponsorship agreements and also provided management and administrative support to both organizations. In August 2012, Tony's Room Foundation and Build for Life Foundation were dissolved as corporations; however, the underlying programs remained projects of the Foundation.

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 provided oversight and administrative support services for this organization. NYSTYF's fiscal sponsorship agreement with BAAR was terminated in December 2012.

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 from diverse socioeconomic backgrounds over ten years in hands-on service-learning projects focused on disaster relief, community revitalization and the arts and instill positive lessons of citizenship from 9/12. The core of this project is the educational version of the full-length feature documentary film, "*New York Says Thank You*".

In November 2012, NYSTYF launched its Hurricane Sandy Relief project with the goal to rebuild approximately 200 homes of qualifying New York City first responders who serve the five boroughs of New York that were impacted by the terrible destruction caused by Hurricane Sandy along the East Coast.



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**Notes to Financial Statements**  
**December 31, 2012 and 2011**

**Continued**

**Basis of Financial Presentation**

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

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.

These classes are defined as follows:

Unrestricted net assets do not contain donor restrictions or the donor-imposed restrictions have expired.

Temporarily restricted net assets contain donor-imposed restrictions that permit the Organization to use or expend the donated assets as specified and are satisfied either by the passage of time or by actions of the Organization.

Permanently restricted net assets consist of the principal amount of gifts which are required by donors to be permanently retained.

As of December 31, 2012 and 2011, temporarily restricted assets were approximately, \$724,000 and \$829,000, 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". Included in cash and cash equivalents in the accompanying statements of financial position at December 31, 2012 and 2011 is \$162,766 and \$68,300, respectively, of cash temporarily restricted for specific mission-related projects of the Foundation.

**NEW YORK SAYS THANK YOU FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2012 and 2011**

**Continued**

**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.

The Foundation does not recognize conditional promises to give as a receivable. The Foundation recognizes a receivable only to the extent the condition has been satisfied. As of December 21, 2012 and 2011, there were no conditional receivables.

**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.

**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 2012 and 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 was not met.

Donated in-kind contributions for the years ended December 31, 2012 and 2011 consisted of \$7,677 and \$3,502, respectively of unreimbursed expenses made by volunteers for administrative and program costs.

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**Notes to Financial Statements**  
**December 31, 2012 and 2011**

**Continued**

**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, 2012 and 2011 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.

**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.

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**Notes to Financial Statements**  
**December 31, 2012 and 2011**

**Continued**

**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 July 30, 2013.

**Note 2 – Contributions Receivable**

Contributions receivable as of December 31 consist of the following:

|                            | <b>2012</b> | <b>2011</b> |
|----------------------------|-------------|-------------|
| Contributions              | \$ 632,764  | \$ 806,291  |
| Less: unamortized discount | 38,520      | 39,566      |
|                            | \$ 594,244  | \$ 766,725  |

These receivables are due as follows:

|                           | <b>2012</b> | <b>2011</b> |
|---------------------------|-------------|-------------|
| Due in less than one year | \$ 130,852  | \$ 206,291  |
| Due in one to five years  | 463,392     | 560,434     |
|                           | \$ 594,244  | \$ 766,725  |

As of December 31, 2012 and 2011 no allowance for uncollectible amounts was recorded in the accompanying statements of financial position.

**Note 3 - Concentration of Contributions**

For the year ended December 31, 2011, approximately \$960,000 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 \$407,000 and \$760,000 as of December 31, 2012 and 2011, respectively.

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**December 31, 2012 and 2011**

**Continued**

**Note 4 – Temporarily Restricted Net Assets**

Temporarily restricted net assets are composed of the following at December 31:

|   | <u>2012</u>       | <u>2011</u>       |
|---|-------------------|-------------------|
| Restricted for mission-related projects | \$ 162,766        | \$ 68,300         |
| Time restrictions                       | <u>561,481</u>    | <u>760,434</u>    |
|   | <u>\$ 724,247</u> | <u>\$ 828,734</u> |

**Note 5 – Net Assets Released From Restrictions**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the passage of time, as follows:

|   | <u>2012</u>         | <u>2011</u>       |
|---|---------------------|-------------------|
| Release of:                               |                     |                   |
| Restrictions for mission-related projects | \$ 521,445          | \$ 156,586        |
| Time restrictions                         | <u>498,953</u>      | <u>-</u>          |
|   | <u>\$ 1,020,398</u> | <u>\$ 156,586</u> |

**Note 6 – 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 7 – Related Party Transactions**

During the years ended December 31, 2012 and 2011, approximately \$167,000 and \$109,000, respectively, of contributions were received from honorary co-chairs, members or relatives of the Foundation's Board of Directors.