

**New York Says Thank You Foundation**

Financial Statements

December 31, 2014 and 2013

## **Independent Auditors' Report**

### **The Board of Directors New York Says Thank You Foundation**

We have audited the accompanying statements of New York Says Thank You Foundation (the "Foundation" or "NYSTYF"), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the year 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 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 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 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.

**Other Matters**

The financial statements for the year ended December 31, 2013, were audited by another auditor who expressed an unmodified opinion on those statements in their opinion dated July 17, 2014.

**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, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*O'Connor Davies, LLP*

June 24, 2015

## New York Says Thank You Foundation

### Statements of Financial Position

	December 31,	
	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 152,497	\$ 411,261
Contributions receivable, net	738,926	282,057
Prepaid expenses and other assets	-	52,405
	<u>\$ 891,423</u>	<u>\$ 745,723</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 3,116	\$ 714
Accrued expenses	24,942	42,407
Program advances	-	208,148
Total Liabilities	<u>28,058</u>	<u>251,269</u>
Net Assets (Deficit)		
Unrestricted	15,392	(25,688)
Temporarily restricted	<u>847,973</u>	<u>520,142</u>
Total Net Assets	<u>863,365</u>	<u>494,454</u>
	<u>\$ 891,423</u>	<u>\$ 745,723</u>

See accompanying notes to the financial statements.

**New York Says Thank You Foundation**

Statements of Activities

	Year Ended December 31, 2014			Year Ended December 31, 2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>						
Contributions	\$ 159,978	\$ 1,201,611	\$ 1,361,589	\$ 188,615	\$ 412,658	\$ 601,273
Donations in-kind	-	31,552	31,552	-	194,636	194,636
Donated services	-	57,568	57,568	-	16,555	16,555
Ticket Sales	3,800	-	3,800	-	-	-
Grants from Foundations	-	142,502	142,502	-	7,498	7,498
Net assets released from restrictions	1,105,402	(1,105,402)	-	835,452	(835,452)	-
Total Revenue and Support	<u>1,269,180</u>	<u>327,831</u>	<u>1,597,011</u>	<u>1,024,067</u>	<u>(204,105)</u>	<u>819,962</u>
<b>EXPENSES</b>						
Program services						
Payroll and payroll taxes	366,932	-	366,932	392,015	-	392,015
Materials and equipment	321,494	-	321,494	248,846	-	248,846
Consulting services	17,016	-	17,016	152,800	-	152,800
Travel costs	80,510	-	80,510	125,485	-	125,485
Meals	18,649	-	18,649	35,298	-	35,298
9/12 Generation Project DVDs	-	-	-	28,800	-	28,800
Other program costs	17,271	-	17,271	40,312	-	40,312
Grants	30,493	-	30,493	17,811	-	17,811
Building supply write-off	-	-	-	17,190	-	17,190
Printing and postage	6,591	-	6,591	13,840	-	13,840
Construction skilled labor costs	125,381	-	125,381	10,050	-	10,050
Website design and hosting	5,178	-	5,178	-	-	-
Video editing and screening fees	1,505	-	1,505	-	-	-
Total Program Services	<u>991,020</u>	<u>-</u>	<u>991,020</u>	<u>1,082,447</u>	<u>-</u>	<u>1,082,447</u>
Supporting Services						
Payroll and payroll taxes	72,043	-	72,043	77,387	-	77,387
Fundraising	91,551	-	91,551	50,696	-	50,696
Bookkeeping and accounting fees	31,013	-	31,013	18,931	-	18,931
Legal	17,268	-	17,268	9,115	-	9,115
Website design and hosting	4,442	-	4,442	7,598	-	7,598
Insurance	5,969	-	5,969	7,371	-	7,371
Travel costs	3,802	-	3,802	5,694	-	5,694
Other support costs	4,165	-	4,165	4,878	-	4,878
Printing and postage	2,504	-	2,504	2,074	-	2,074
Service fees	1,519	-	1,519	2,020	-	2,020
Meals	1,796	-	1,796	1,943	-	1,943
Office supplies and expense	1,008	-	1,008	891	-	891
Total Supporting Services	<u>237,080</u>	<u>-</u>	<u>237,080</u>	<u>188,598</u>	<u>-</u>	<u>188,598</u>
Total Expenses	<u>1,228,100</u>	<u>-</u>	<u>1,228,100</u>	<u>1,271,045</u>	<u>-</u>	<u>1,271,045</u>
Change in Net Assets	41,080	327,831	368,911	(246,978)	(204,105)	(451,083)
<b>NET ASSETS (DEFICIT)</b>						
Beginning	(25,688)	520,142	494,454	221,290	724,247	945,537
Ending	<u>\$ 15,392</u>	<u>\$ 847,973</u>	<u>\$ 863,365</u>	<u>\$ (25,688)</u>	<u>\$ 520,142</u>	<u>\$ 494,454</u>

See accompanying notes to the financial statements.

## New York Says Thank You Foundation

### Statements of Cash Flows

	For the Years Ended December 31,	
	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 368,911	\$ (451,083)
Adjustments to reconcile change in net assets to net cash from operating activities		
Contributions receivable	(456,869)	312,781
Prepaid expenses and other assets	52,405	(52,405)
Accounts payable	2,402	(1,168)
Accrued expenses	(17,465)	23,197
Program advances	<u>(208,148)</u>	<u>208,148</u>
Net Cash from Operating Activities	<u>(258,764)</u>	<u>39,470</u>
Net Change in Cash and Cash Equivalents	(258,764)	39,470
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>411,261</u>	<u>371,791</u>
End of year	<u>\$ 152,497</u>	<u>\$ 411,261</u>

See accompanying notes to the financial statements.

## **New York Says Thank You Foundation**

Notes to Financial Statements  
December 31, 2014 and 2013

### **1. 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 build hope and provide healing to people around the world as a way to continually “Pay It Forward” for the humanity, kindness, and volunteer spirit New Yorkers – and all Americans - experienced on 9/12. Started in 2003 at the suggestion of a 5-year-old boy, the Foundation is a growing national and global “Pay It Forward” service movement that is creating transformative solutions based on survivor empowerment in disaster relief, education, and the arts.

NYSTYF’s core disaster relief project is the annual 9/11 Anniversary “barn-raising” where survivors of 9/11 and disaster survivors from across the United States are empowered to help rebuild and strengthen communities recovering from their own tragedy through large scale community-wide volunteer projects. The core volunteer group consists of FDNY firefighters (many of them survivors of the World Trade Center attacks), as well as Ground Zero construction workers, 9/11 family members, and volunteers of all ages from the New York City metropolitan area. Each year a growing group of disaster survivors from all the communities around the U.S. assisted on previous “barn-raising” and volunteered at subsequent rebuilding projects as their way to “Pay It Forward.” This group includes California wildfire survivors, Hurricane Katrina survivors from Louisiana and Mississippi, tornado survivors from Illinois, Indiana, Texas, Kansas, Iowa, Arkansas, Georgia, and Missouri, flooding survivors from North Dakota, and Hurricane Sandy survivors from New York City and Long Island. The 2014 project involved a community-wide barn-raising to help rebuild 1 Day Ranch, a horse rescue, therapeutic riding and animal education facility damaged in the violent winds that hit Bethel Acres and Shawnee on May 19, 2013.

In the wake of Hurricane Sandy, New York Says Thank You Foundation was privileged to help rebuild and repair over 100 homes for New York area first responders and their families displaced by the storm. This has been the largest scale and longest term home rebuilding commitment ever made in our Foundation’s 10-year history and the work was completed at the end of 2014.

As part of our nationwide disaster relief efforts, New York Says Thank You Foundation became the custodian for The National 9/11 Flag, a 30-foot American flag destroyed in the aftermath of the collapse of the World Trade Center. Rescued from Ground Zero in late October 2001, the flag was first stitched back together by tornado survivors in Greensburg, Kansas on the 9/11 Anniversary 2008. Beginning in September, 2010 NYSTYF took the flag on a 50-state journey where 30,000 wounded warriors, military veterans, first responders, educators, school children, 9/11 family members, and everyday service heroes in local communities nationwide stitched the flag back to its original 13-stripe format using fabric from retired American flags in all 50 states. The flag has been stitched by soldiers and school children who survived the shooting at Ft. Hood, Texas, by World War II veterans on the deck of the USS Missouri in Pearl Harbor, by the family of Martin Luther King Jr., by 20 Members of Congress at the U.S. Capitol, and by Secretary of Defense Leon Panetta who proclaimed at the Pentagon on September 9, 2011 “The National 9/11 Flag will forever stand as a monument to the strength of the

## **New York Says Thank You Foundation**

Notes to Financial Statements  
December 31, 2014 and 2013

### **1. Nature of Organization (continued)**

American people.” The National 9/11 Flag contains threads from the American flag Abraham Lincoln was laid on when he was shot at Ford’s Theater. On June 14, 2012 – Flag Day – threads from the original Star-Spangled Banner flag that flew at Fort McHenry in the War of 1812 and inspired Francis Scott Key to write the National Anthem were stitched into The National 9/11 Flag, thereby completing this amazing historic journey. The goal of The National 9/11 Flag Restoration Tour was to inspire 300 million Americans with the flag’s rich visual history in order to deepen our sense of citizenship and national pride and bolster the spirit of volunteerism on the 9/11 Anniversary and year-round. The National 9/11 Flag was transferred to the National September 11 Memorial & Museum at the Museum’s official public opening ceremony on May 21, 2014 and will be first displayed on May 21, 2015 for the first anniversary of the Museum opening.

The 9/12 Generation Project is the education and service learning division of New York Says Thank You Foundation. The goal of The 9/12 Generation Project is to inspire and educate 1.5 million middle school and high school students with the positive, timeless, and universal lessons of citizenship that emerged from 9/12 and activate these students in service projects related to disaster relief, community revitalization, and the arts. At the core of The 9/12 Generation Project is the educational version of the full-length documentary film New York Says Thank You which premiered at the 2011 Tribeca Film Festival and was viewed by 6 million households nationwide via television and Internet broadcast on the 10th Anniversary of 9/11. Endorsed by the National School Board Association and National PTA Association as an innovative solution by which to teach young students about 9/11, The 9/12 Generation Project is in nearly 1,000 schools nationwide.

The Stars of HOPE program empowers children to use the healing power of art to transform communities impacted by natural and man-made disasters. Ran in partnership with Groesbeck Rebuilds America, the Stars of HOPE therapeutic arts program reaches communities in need, bolstering the mental health of children, families, and entire communities in the wake of tragedy. Since the first Stars of HOPE project in Greensburg, Kansas in 2007, an estimated 30,000 disaster survivors and volunteers have transformed communities impacted by disaster in 40 communities around the U.S. and 3 global communities (Kessennuma, Japan, Omagh, Ireland, and Nairobi, Kenya). Stars of HOPE is transforming the way people around the world express their compassion and connectivity in the wake of disaster.



## New York Says Thank You Foundation

Notes to Financial Statements  
December 31, 2014 and 2013

### 2. Significant Accounting Principles

#### ***Basis of Accounting***

The Foundation's financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), whereby revenues are recognized when earned and expenses are recorded when incurred.

#### ***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses recognized during the reporting period. 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.

#### ***Basis of Presentation***

The Foundation's financial statements conform to U.S. GAAP presentation requirements for Not-For-Profit Organizations. Such guidance requires the Foundation 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. In addition, information is required to segregate program service expenses from management and general expenses. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

- **Unrestricted net assets** - Net assets that are not subject to donor-imposed restrictions.
- **Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation or through the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

## **New York Says Thank You Foundation**

Notes to Financial Statements  
December 31, 2014 and 2013

### **2. Significant Accounting Principles *(continued)***

#### ***Cash and Cash Equivalents***

The Foundation considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. Included in cash and cash equivalents in the accompanying statements of financial position at December 31, 2014 and 2013 is \$32,488 and \$237,594, respectively, of cash temporarily restricted for specific mission-related projects of the Foundation.

#### ***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 contributions are due in more than one year. The rate used for the 2014 pledge was 4.50%.

In accordance with U.S. GAAP, 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 31, 2014 and 2013, 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.

#### ***Grants***

The Foundation recognizes grant revenue awarded by foundations as the qualifying expenses stipulated in the grant agreement have been incurred.

## **New York Says Thank You Foundation**

Notes to Financial Statements  
December 31, 2014 and 2013

### **2. Significant Accounting Principles *(continued)***

#### ***Donated Services and Goods***

Donated services are recognized as contributions in accordance with U.S. GAAP, 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. As 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. The value of this contributed time is not reflected in the financial statements since it did not require specialized skills. However, certain other contributed services that required specialized skills, were provided by individuals possessing those skills and otherwise needing to be purchased if not provided by donation, are recognized as revenue and expense. Such amounts, which are included in the accompanying statements of activities, were determined based on their estimated fair market value at the date of donation, totaled approximately \$57,600 and \$16,600 for the years ended December 31, 2014 and 2013. These amounts were related to volunteers on the 9/11 Anniversary Project, Hurricane Sandy Relief Project and donated legal services.

Donated in-kind contributions for the years ended December 31, 2014 and 2013 consisted of \$31,552 and \$194,636, respectively of donated materials and airline vouchers.

#### ***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). Accordingly, no provisions for income taxes have been provided in the Foundation's financial statements.

The Foundation recognizes the effect of income tax positions only when they are more likely than not to be sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial statement recognition or disclosure. The Foundation is no longer subject to income tax examinations by the applicable taxing jurisdictions for periods prior to the year 2011.

## New York Says Thank You Foundation

Notes to Financial Statements  
December 31, 2014 and 2013

### 2. Significant Accounting Principles *(continued)*

#### ***Risk Concentrations***

The following summarizes the Foundation's material risk concentrations:

- **Cash:** The Foundation maintains its cash balances in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and as a result believes it is not exposed to any significant related financial risk.
- **Unconditional contributions:** The Foundation periodically reviews its unconditional contributions and establishes an allowance for uncollectible amounts to manage its credit risk. Management uses historical analysis combined with specific information on individual amounts outstanding to determine a reasonable allowance. Management believes that the credit risk beyond its established allowance is limited.

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 24, 2015.

#### ***Reclassifications***

Certain amounts in the 2013 financial statements have been reclassified to conform to the 2014 presentation format.

## New York Says Thank You Foundation

Notes to Financial Statements  
December 31, 2014 and 2013

### 3. Contributions Receivable

Contributions receivable as of December 31 consisted of the following:

	<u>2014</u>	<u>2013</u>
Contributions	\$ 777,335	\$ 305,403
Less present value discount	<u>38,409</u>	<u>23,346</u>
	<u>\$ 738,926</u>	<u>\$ 282,057</u>

These receivables are due as follows:

	<u>2014</u>	<u>2013</u>
Due in less than one year	\$ 352,447	\$ 101,616
Due in one to five years	<u>386,479</u>	<u>180,441</u>
	<u>\$ 738,926</u>	<u>\$ 282,057</u>

As of December 31, 2014 and 2013 no allowance for uncollectible amounts was recorded in the accompanying statements of financial position.

### 4. Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following at December 31:

	<u>2014</u>	<u>2013</u>
Restricted for mission-related projects	\$ 110,806	\$ 243,488
Time restrictions	<u>737,167</u>	<u>276,654</u>
	<u>\$ 847,973</u>	<u>\$ 520,142</u>

### 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>2014</u>	<u>2013</u>
Release of		
Restrictions for mission-related projects	\$ 778,748	\$ 550,626
Time restrictions	<u>326,654</u>	<u>284,826</u>
	<u>\$ 1,105,402</u>	<u>\$ 835,452</u>

## **New York Says Thank You Foundation**

Notes to Financial Statements  
December 31, 2014 and 2013

### **6. Concentrations of Risk**

#### ***Credit Risk***

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

#### ***Contributions***

For the years ended December 31, 2014 and 2013, approximately \$826,000 and \$163,000 of revenue was recognized from one contributor in each year. Contributions receivable from such contributor was approximately \$738,000 and \$96,000, respectively, as of December 31, 2014 and 2013.

### **7. Related Party Transactions**

During the years ended December 31, 2014 and 2013, approximately \$19,000 and \$158,000, respectively, of contributions were received from honorary co-chairs, members or relatives of the Foundation's Board of Directors.

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