

**NEW YORK SAYS THANK YOU FOUNDATION**  
*(A Not-for-Profit Organization)*

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

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**INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
New York Says Thank You Foundation

We have audited the accompanying statement of financial position of New York Says Thank You Foundation ("NYSTYF") (a nonprofit organization) as of December 31, 2010, and the related statements of activities and change in net assets and cash flows for the year 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 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 of material misstatement. We were not engaged to perform an audit of NYSTYF's internal control over financial reporting. Our audit 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 audit provides 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, 2010, and the change in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

New York, New York  
December 23, 2011

*Charles A. Barragato & Co. LLP*

**NEW YORK SAYS THANK YOU FOUNDATION**  
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**Statement of Financial Position**  
**December 31, 2010**

**ASSETS**

Cash and cash equivalents	\$ 126,622
Contributions receivable	8,007
Due from officer	<u>1,676</u>
Total assets	<u><u>\$ 136,305</u></u>

**LIABILITIES AND NET ASSETS**

Accrued expenses	\$ 20,961
Accounts payable	<u>1,140</u>
Total liabilities	<u>22,101</u>
Net assets:	
Unrestricted	99,987
Temporarily restricted	<u>14,217</u>
Total net assets	<u>114,204</u>
Total liabilities and net assets	<u><u>\$ 136,305</u></u>

See accompanying notes to the financial statements.

**NEW YORK SAYS THANK YOU FOUNDATION**  
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**Statement of Activities and Change in Net Assets**  
**For the Year Ended December 31, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and support:			
Contributions	\$ 203,649	\$ 179,567	\$ 383,216
Donations in-kind	1,104	-	1,104
Net assets released from restrictions:			
Satisfaction of program restrictions	177,825	(177,825)	-
Total revenue and support	<u>382,578</u>	<u>1,742</u>	<u>384,320</u>
Expenses:			
Program services:			
Materials and equipment	110,905	-	110,905
Travel costs	81,761	-	81,761
Payroll and payroll taxes	26,110	-	26,110
Printing and postage	10,970	-	10,970
Other program costs	9,057	-	9,057
Public relations and consulting	6,817	-	6,817
Meals	6,446	-	6,446
Total program services	<u>252,066</u>	<u>-</u>	<u>252,066</u>
Supporting services:			
Payroll and payroll taxes	14,059	-	14,059
Bookkeeping and accounting fees	10,647	-	10,647
Website design and hosting	9,655	-	9,655
Fundraising	7,329	-	7,329
Printing and postage	5,937	-	5,937
Other support costs	4,009	-	4,009
Service fees	3,740	-	3,740
Meals	3,471	-	3,471
Office supplies and expense	3,290	-	3,290
Strategic development	2,562	-	2,562
Insurance	1,100	-	1,100
Total supporting services	<u>65,799</u>	<u>-</u>	<u>65,799</u>
Total expenses	<u>317,865</u>	<u>-</u>	<u>317,865</u>
Change in net assets	64,713	1,742	66,455
Net assets - beginning of the year	<u>35,274</u>	<u>12,475</u>	<u>47,749</u>
Net assets - end of the year	<u>\$ 99,987</u>	<u>\$ 14,217</u>	<u>\$ 114,204</u>

See accompanying notes to the financial statements.

**NEW YORK SAYS THANK YOU FOUNDATION**  
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**Statement of Cash Flows**  
**For the Year Ended December 31, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Cash flows from operating activities:			
Change in net assets	\$ 64,713	\$ 1,742	\$ 66,455
Adjustments to reconcile increase in net assets to net cash provided by operating activities:			
Increase in contributions receivable	(804)	-	(804)
Increase in due from officer	(1,676)	-	(1,676)
Increase in accrued expenses	4,407	-	4,407
Decrease in accounts payable	(720)	-	(720)
Net cash provided by operating activities	65,920	1,742	67,662
Cash and cash equivalents - beginning of the year	46,485	12,475	58,960
Cash and cash equivalents - end of the year	<u>\$ 112,405</u>	<u>\$ 14,217</u>	<u>\$ 126,622</u>

See accompanying notes to the financial statements.

**NEW YORK SAYS THANK YOU FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2010**

**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 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. Destroyed in the aftermath of the World Trade Center attacks on 9/11 and stitched back together seven years later by tornado survivors in Greensburg, Kansas, The National 9/11 Flag is a living testament to the resilience and compassion of the American people. The goal of The National Flag Tour is to display this historic flag at leading venues nation wide, to empower local service heroes in all 50 states with the privilege of stitching the flag back to its original 13-stripe format, and to inspire millions of Americans with the flag’s rich visual history in order to deepen the country’s sense of citizenship and national pride and bolster the spirit of volunteerism on the 9/11 Anniversary and year round. Millions of Americans have experienced The National 9/11 Flag through national and local coverage, public displays in small town gatherings, and major cultural and sporting events. On September 12, 2012, 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.

**NEW YORK SAYS THANK YOU FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2010**

**Continued**

In an effort to bring hope and color back to devastated communities, NYSTYF started a program in 2007 called Stars of Hope where children paint brightly colored stars and plant them on street corners. The Foundation's goal is to have children in all 50 states participate in this special project to create lasting inspiration in communities throughout the country recovering from disaster.

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 February 2009, NYSTYF amended its Certificate of Incorporation to: expand its mission to assist those coping with life threatening or life altering illness and the poor, distressed and underprivileged; expand its efforts to encourage volunteers from areas other than New York and provide initial and ongoing support and technical assistance to exempt organizations working with individuals and communities coping with both the immediate aftermath and ongoing effects of domestic natural and manmade disasters; support those coping with life threatening or life altering illness, the poor, distressed and underprivileged.

**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. As of December 31, 2010, temporarily restricted assets were approximately \$14,217 and there were no permanently restricted net assets.



**NEW YORK SAYS THANK YOU FOUNDATION**  
**Notes to Financial Statements**  
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**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. As of December 31, 2010 all contributions receivable were current and no allowance for uncollectible amounts was recorded.

**Net Assets**

The Foundation's net assets, revenue and support, and expenses are classified as permanently restricted, temporarily restricted and unrestricted based on the existence or absence of donor-imposed restrictions. These classifications are defined as follows:

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

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

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

**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.

**NEW YORK SAYS THANK YOU FOUNDATION**  
**Notes to Financial Statements**  
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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 NYSTYF’s programs and supporting services. During 2010, 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 year ended December 31, 2010 consisted of \$1,104 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).

On January 1, 2009, the Foundation adopted accounting rules that prescribe when to recognize and how to measure the financial statement effect of income tax positions taken or expected to be taken on its income tax returns. These rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained. Based on that evaluation, the Foundation only recognizes the benefit of each income tax position that is more than 50% likely of being sustained. To the extent that all or part of the benefits of an income tax position are not recognized, a liability would be recognized for the unrecognized benefits, along with any interest and penalties that would result from disallowance of the position. Should any penalties and interest be incurred, they would be recognized as an operating expense. Management has assessed its tax positions as of December 31, 2010 and concluded that no liability was required in the accompanying statement of financial position.

The Foundation is subject to examination by taxing authorities; however, there are currently no audits for any tax periods in progress. The Foundation believes they are no longer subject to income tax examinations for years prior to 2007.

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**Notes to Financial Statements**  
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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.

**Subsequent Events**

In accordance with FASB 855-10, *Subsequent Events*, the Foundation evaluated subsequent events for potential recognition and/or disclosure in these financial statements through December 23, 2011, the date the financial statements were available to be issued.

**Note 2 - Concentration of Contributions**

Approximately 50% of the Foundation's revenue is derived from contributors who reside in and around the New York metropolitan area.

**Note 3 – 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 4 – Related Party Transactions**

During the year ended December 31, 2010, approximately \$110,800 of contributions were received from honorary co-chairs, members or relatives of the Foundation's Board of Directors.

**Note 5 – Subsequent Events**

In May 2011, the Foundation received an unrestricted contribution of \$200,000 from an unrelated donor.

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In June 2011, NYSTYF entered an agreement with Build an Ark Animal Rescue (“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 will provide management and administrative support services for this organization.

In July 2011, NYSTYF worked in partnership with Build an Ark Animal Rescue, Coosawatte River Resort Association, Jordan Building Construction and Lester Buildings to help rebuild a 10,000 square foot barn destroyed on April 4, 2011 when tornadoes ripped through Ellijay, Georgia. The direct program costs incurred by the Foundation related to this project through the date of the audit report were approximately \$78,000.

In July 2011, NYSTYF hired two new employees resulting in an increase to monthly salary expense and related payroll taxes of approximately \$7,200.

In September 2011, the Foundation launched “The 9/12 Generation Project” at a school located a few blocks from Ground Zero. The 9/12 Generation Project’s mission is to inspire and educate middle school and high school students nationwide with the positive lessons of humanity, kindness and citizenship of 9/12, the day after 9/11, in order to activate these students in volunteer service projects focused on community revitalization, disaster relief and the arts, that will empower students to have a positive impact on communities beyond their economic means and geographic limitations. At the core of this educational and service initiative is a documentary film, *New York Says Thank You*, which was released on the 10<sup>th</sup> anniversary of 9/11 by an unrelated entity. In October 2011, the Foundation received a grant of \$75,000 from a donor to support this project. The direct program costs related to this project through the date of the audit report were approximately \$5,300.

The Foundation’s planned anniversary project for 2011 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 a year-long collaboration between the Bottineau Winter Park, Annie’s parents and NYSTYF and construction which was planned to begin in May 2012 was pushed back to September 2012 and will now represent the Foundation’s 2012 anniversary project. Donations received directly by the Foundation for this project through the date of the audit report were approximately \$1,000. The direct program costs related to this project through the date of the audit report were approximately \$3,800.