

NEW YORK SAYS THANK YOU FOUNDATION
(A Nonprofit Organization)

FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

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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, 2013 and 2012, 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 a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 9 to the financial statements, the 2013 financial statements have been revised to correct a misstatement. Our opinion is not modified with respect to this matter.

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, 2013 and 2012, 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 17, 2014, except for Note 9 as to which the date is September 24, 2014



NEW YORK SAYS THANK YOU FOUNDATION
(A Nonprofit Organization)

Statements of Financial Position

	December 31,	
	Revised 2013	2012
ASSETS		
Cash and cash equivalents	\$ 411,261	\$ 371,791
Contributions receivable, net	282,057	594,838
Prepaid expenses and other assets	52,405	-
Total assets	\$ 745,723	\$ 966,629
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 714	\$ 1,882
Accrued expenses	42,407	19,210
Program advances	208,148	-
Total liabilities	251,269	21,092
Net assets (deficit):		
Unrestricted	(25,688)	221,290
Temporarily restricted	520,142	724,247
Total net assets	494,454	945,537
Total liabilities and net assets	\$ 745,723	\$ 966,629

See accompanying notes to the financial statements.

NEW YORK SAYS THANK YOU FOUNDATION
(A Nonprofit Organization)

Statements of Activities and Changes in Net Assets

	Revised - Year Ended December 31, 2013			Year Ended December 31, 2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and support:						
Contributions	\$ 188,615	\$ 412,658	\$ 601,273	\$ 132,237	\$ 915,911	\$ 1,048,148
Donations in-kind		194,636	194,636	7,677	-	7,677
Donated services		16,555	16,555	-	-	-
Grants from Foundations	-	7,498	7,498	-	-	-
Net assets released from restrictions:						
Satisfaction of program restrictions	835,452	(835,452)	-	1,020,398	(1,020,398)	-
Total revenue and support	<u>1,024,067</u>	<u>(204,105)</u>	<u>819,962</u>	<u>1,160,312</u>	<u>(104,487)</u>	<u>1,055,825</u>
Expenses:						
Program services:						
Payroll and payroll taxes	392,015	-	392,015	276,302	-	276,302
Materials and equipment	248,846	-	248,846	234,184	-	234,184
Consulting services	152,800	-	152,800	15,609	-	15,609
Travel costs	125,485	-	125,485	125,545	-	125,545
Meals	35,298	-	35,298	15,906	-	15,906
9/12 Generation Project DVDs	28,800	-	28,800	22,055	-	22,055
Other program costs	32,872	-	32,872	14,836	-	14,836
Grants	17,811	-	17,811	42,865	-	42,865
Building supply write-off	17,190	-	17,190	-	-	-
Printing and postage	13,840	-	13,840	24,760	-	24,760
Construction skilled labor costs	10,050	-	10,050	-	-	-
Donated services expense	7,440	-	7,440	-	-	-
Video editing and screening fees	-	-	-	46,076	-	46,076
Total program services	<u>1,082,447</u>	<u>-</u>	<u>1,082,447</u>	<u>818,138</u>	<u>-</u>	<u>818,138</u>
Supporting services:						
Payroll and payroll taxes	77,387	-	77,387	41,764	-	41,764
Fundraising	50,696	-	50,696	48,843	-	48,843
Bookkeeping and accounting fees	18,931	-	18,931	24,609	-	24,609
Legal	9,115	-	9,115	-	-	-
Website design and hosting	7,598	-	7,598	8,091	-	8,091
Insurance	7,371	-	7,371	1,300	-	1,300
Travel costs	5,694	-	5,694	2,277	-	2,277
Other support costs	4,878	-	4,878	8,949	-	8,949
Printing and postage	2,074	-	2,074	4,316	-	4,316
Service fees	2,020	-	2,020	1,209	-	1,209
Meals	1,943	-	1,943	1,549	-	1,549
Office supplies and expense	891	-	891	1,584	-	1,584
Total supporting services	<u>188,598</u>	<u>-</u>	<u>188,598</u>	<u>144,491</u>	<u>-</u>	<u>144,491</u>
Total expenses	<u>1,271,045</u>	<u>-</u>	<u>1,271,045</u>	<u>962,629</u>	<u>-</u>	<u>962,629</u>
Change in net assets	(246,978)	(204,105)	(451,083)	197,683	(104,487)	93,196
Net assets - beginning of the year	221,290	724,247	945,537	23,607	828,734	852,341
Net assets (deficit) - end of the year	<u>\$ (25,688)</u>	<u>\$ 520,142</u>	<u>\$ 494,454</u>	<u>\$ 221,290</u>	<u>\$ 724,247</u>	<u>\$ 945,537</u>

See accompanying notes to the financial statements.

NEW YORK SAYS THANK YOU FOUNDATION
(A Nonprofit Organization)

Statements of Cash Flows

	Year Ended December 31,	
	Revised 2013	2012
Cash flows from operating activities:		
Change in net assets	\$ (451,083)	\$ 93,196
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease in contributions receivable	312,781	171,887
(Increase) decrease in prepaid expenses and other assets	(52,405)	1,749
Decrease in accounts payable	(1,168)	(9,896)
Increase (decrease) in accrued expenses	23,197	(8,296)
Increase in program advances	208,148	-
Net cash provided by operating activities	39,470	248,640
Increase in cash and cash equivalents	39,470	248,640
Cash and cash equivalents - beginning of the year	371,791	123,151
Cash and cash equivalents - end of the year	\$ 411,261	\$ 371,791
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, 2013 and 2012

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 2013 anniversary project, NYSTYF assisted in the ground-up rebuilding of the Long Beach, New York home of a NYPD Officer and 13 other volunteer rebuilding efforts across Long Island, Queens, Brooklyn and Staten Island. The Foundation completed these rebuilds during 2014.

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.

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: West Hamilton Beach, Long Beach and Howard Beach, New York; Toms River, Seaside Heights, Brick and Long Branch New Jersey; Newtown, Connecticut; Boston, Massachusetts; Moore, Oklahoma and Omagh, Ireland in 2013 and Minot, North Dakota; Bastrop, Texas; Breezy Point, New York; and Japan in 2012.

In September 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*”.

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In November 2012, NYSTYF launched its Hurricane Sandy Relief project with the goal to rebuild approximately 200 homes of qualifying New York City firefighters, police officers, sanitation workers and volunteer firefighters/EMT's who serve the five boroughs of New York that were impacted by the terrible destruction caused by Hurricane Sandy along the East Coast. As of the date of this report, the Foundation and its volunteers have helped rebuild approximately 107 storm damaged homes. It is anticipated that of the remaining 93 targeted homes, only 28 will be rebuilt in 2014 before the program comes to an end as a result of construction delays due to issues with city/federal programs, contractors, and town/city rebuilding codes. The remaining homes will not be rebuilt by the Foundation.

Another of NYSTYF's projects included The National 9/11 Flag Tour. The National 9/11 Flag was one of the largest American flags to fly above the wreckage at Ground Zero. The National Flag Tour displayed the historic flag at leading venues nation wide and empowered 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. The stitching of the National 9/11 Flag was completed on September 11, 2011. 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 until it became part of the permanent collection of the National September 11 Memorial Museum built at the World Trade Center in May 2014.

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.

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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 Foundation to use or expend the donated assets as specified and are satisfied either by the passage of time or by actions of the Foundation.

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

As of December 31, 2013 and 2012, temporarily restricted assets were approximately \$520,000 and \$724,000, 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, 2013 and 2012 is \$237,527 and \$162,766, 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 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, 2013 and 2012, there were no conditional receivables.

NEW YORK SAYS THANK YOU FOUNDATION
Notes to Financial Statements
December 31, 2013 and 2012

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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.

Donated Services and Goods

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. 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 and changes in net assets and were determined based on documented values provided by donors, totaled approximately \$16,600 for the year ended December 31, 2013. Approximately \$7,500 of this balance related to volunteers on the 9/11 anniversary project and Hurricane Sandy Relief project and approximately \$9,100 related to donated legal services for Stars of Hope trademarks.

During 2012, no amounts were 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.

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Notes to Financial Statements
December 31, 2013 and 2012

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Donated in-kind contributions for the years ended December 31, 2013 and 2012 consisted of \$194,636 and \$7,677, 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).

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, 2013 and 2012 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.

NEW YORK SAYS THANK YOU FOUNDATION
Notes to Financial Statements
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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 24, 2014.

Note 2 – Contributions Receivable

Contributions receivable as of December 31 consisted of the following:

	2013	2012
Contributions	\$ 305,403	\$ 633,358
Less: unamortized discount	23,346	38,520
	\$ 282,057	\$ 594,838

These receivables are due as follows:

	2013	2012
Due in less than one year	\$ 101,616	\$ 131,446
Due in one to five years	180,441	463,392
	\$ 282,057	\$ 594,838

As of December 31, 2013 and 2012 no allowance for uncollectible amounts was recorded in the accompanying statements of financial position.

Note 3 – Program Advances

As of December 31, 2013, approximately \$208,000 of a contribution and a grant received for the Hurricane Sandy Relief project in 2013 is included in program advances in the accompanying statement of financial position which represents the unexpended portion of the contribution/grant potentially refundable to the donor/grantor when the project is complete based upon the terms of the restrictions.

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Notes to Financial Statements
December 31, 2013 and 2012

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Note 4 - Concentration of Contributions

For the years ended December 31, 2013 and 2012, approximately \$163,000 and \$300,000, 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 \$96,000 and \$194,000, respectively as of December 31, 2013 and 2012.

Contributions receivable from another contributor for a \$1,000,000 pledge made in 2011 was \$180,000 and \$367,000, respectively, as of December 31, 2013 and 2012.

Note 5 – Temporarily Restricted Net Assets

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

	<u>2013</u>	<u>2012</u>
Restricted for mission-related projects	\$ 243,488	\$ 162,766
Time restrictions	<u>276,654</u>	<u>561,481</u>
	<u>\$ 520,142</u>	<u>\$ 724,247</u>

Note 6 – 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>2013</u>	<u>2012</u>
Release of:		
Restrictions for mission-related projects	\$ 550,626	\$ 521,445
Time restrictions	<u>284,826</u>	<u>498,953</u>
	<u>\$ 835,452</u>	<u>\$1,020,398</u>

Note 7 – 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.

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Notes to Financial Statements
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Note 8 – Related Party Transactions

During the years ended December 31, 2013 and 2012, approximately \$158,000 and \$167,000, respectively, of contributions were received from honorary co-chairs, members or relatives of the Foundation’s Board of Directors.

Note 9 – Revised 2013 Financial Statements

Certain errors resulting in an understatement of previously reported prepaid expenses and other assets, donations in-kind, materials and equipment expense, other program costs and building supply write-off were discovered after the issuance of the financial statements dated July 17, 2014. Accordingly, these accounts were revised as of December 31, 2013 and for the year then ended to correct for these errors. No period prior to 2013 was affected by this error. The following balances were revised:

Statement of Financial Position

	As Previously Reported	Adjustments	Revised
Prepaid expenses and other assets	\$ 6,753	\$ 45,652	\$ 52,405
Total assets	\$ 700,071	\$ 45,652	\$ 745,723
Unrestricted net assets	\$ (71,340)	\$ 45,652	\$ (25,688)
Total liabilities and net assets	\$ 700,071	\$ 45,652	\$ 745,723

NEW YORK SAYS THANK YOU FOUNDATION
Notes to Financial Statements
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Statement of Activities and Changes in Net Assets

Total Column:	As Previously Reported	Adjustments	Revised
Revenue and Support:			
Donations in-kind	\$ 110,636	\$ 84,000	\$ 194,636
Total revenue and support	\$ 735,962	\$ 84,000	\$ 819,962
Expenses:			
Materials and equipment	\$ 236,688	\$ 12,158	\$ 248,846
Other program costs	\$ 23,872	\$ 9,000	\$ 32,872
Building supply write-off	\$ -	\$ 17,190	\$ 17,190
Total program services	\$1,044,099	\$ 38,348	\$1,082,447
Total expenses	\$1,232,697	\$ 38,348	\$1,271,045
Change in net assets	\$ (496,735)	\$ 45,652	\$ (451,083)
Net assets (deficit) – end of year	\$ 448,802	\$ 45,652	\$ 494,454

The donations in-kind contribution adjustment of \$84,000 was temporarily restricted and was included in the revised temporarily restricted satisfaction of program restrictions in net assets released from restriction of \$835,452. This revised amount which was previously reported as \$751,452 was reclassified to unrestricted revenue and support, therefore having no impact to total revenue and support. All other adjustments noted above were considered unrestricted.

Statement of Cash Flows

	As Previously Reported	Adjustments	Revised
Change in unrestricted net assets	\$ (496,735)	\$ 45,652	\$ (451,083)
(Increase) decrease in prepaid expenses and other assets	\$ (6,753)	\$ 45,652	\$ (52,405)