

New York Says Thank You Foundation

Financial Statements

December 31, 2018 and 2017

Independent Auditors' Report

The Board of Directors New York Says Thank You Foundation

We have audited the accompanying financial statements of New York Says Thank You Foundation ("NYSTYF"), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses 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.

Auditors' 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 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 audits' 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, 2018 and 2017, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, during the year ended December 31, 2018, New York Says Thank You Foundation adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

PKF O'Connor Davies, LLP

July 12, 2019

New York Says Thank You Foundation

Statements of Financial Position

	December 31,	
	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 290,405	\$ 270,468
Contributions receivable, net	693,696	1,309,110
Prepaid expenses and other assets	<u>29,465</u>	<u>18,684</u>
	<u>\$ 1,013,566</u>	<u>\$ 1,598,262</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 25,425</u>	<u>\$ 53,632</u>
Net Assets		
Without donor restrictions	268,290	177,846
With donor restrictions	<u>719,851</u>	<u>1,366,784</u>
Total Net Assets	<u>988,141</u>	<u>1,544,630</u>
	<u>\$ 1,013,566</u>	<u>\$ 1,598,262</u>

See notes to financial statements

New York Says Thank You Foundation

Statements of Activities

	Year Ended December 31, 2018			Year Ended December 31, 2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Contributions	\$ 66,828	\$ 74,990	\$ 141,818	\$ 37,459	\$ 1,649,554	\$ 1,687,013
Donations in-kind	-	9,142	9,142	-	13,527	13,527
Donated services	15,031	13,950	28,981	-	35,375	35,375
Grants from Foundations	-	1,500	1,500	-	2,500	2,500
Program service revenue, net of costs	1,595	16,040	17,635	(512)	2,586	2,074
Miscellaneous income	9,968	-	9,968	2,115	-	2,115
Net assets released from restrictions	<u>762,555</u>	<u>(762,555)</u>	<u>-</u>	<u>775,812</u>	<u>(775,812)</u>	<u>-</u>
Total Revenue and Support	<u>855,977</u>	<u>(646,933)</u>	<u>209,044</u>	<u>814,874</u>	<u>927,730</u>	<u>1,742,604</u>
EXPENSES						
Program services	568,658	-	568,658	532,610	-	532,610
Supporting Services						
Management and general	156,238	-	156,238	127,371	-	127,371
Fundraising	<u>40,637</u>	<u>-</u>	<u>40,637</u>	<u>54,635</u>	<u>-</u>	<u>54,635</u>
Total Expenses	<u>765,533</u>	<u>-</u>	<u>765,533</u>	<u>714,616</u>	<u>-</u>	<u>714,616</u>
Change in Net Assets	90,444	(646,933)	(556,489)	100,258	927,730	1,027,988
NET ASSETS						
Beginning	<u>177,846</u>	<u>1,366,784</u>	<u>1,544,630</u>	<u>77,588</u>	<u>439,054</u>	<u>516,642</u>
Ending	<u>\$ 268,290</u>	<u>\$ 719,851</u>	<u>\$ 988,141</u>	<u>\$ 177,846</u>	<u>\$ 1,366,784</u>	<u>\$ 1,544,630</u>

New York Says Thank You Foundation

Statements of Functional Expenses

	Year Ended December 31, 2018				Year Ended December 31, 2017			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Payroll and payroll taxes	\$ 284,436	\$ 78,824	\$ 18,661	\$ 381,921	\$ 252,175	\$ 56,015	\$ 17,340	\$ 325,530
Materials and equipment	8,700	704	-	9,404	10,951	62	-	11,013
Advertising and promotions	9,068	-	958	10,026	10,885	-	644	11,529
Bookkeeping and accounting fees	-	22,613	-	22,613	-	20,970	-	20,970
Consulting services	128,405	5,001	13,400	146,806	100,143	5,582	19,831	125,556
Insurance	-	5,731	-	5,731	-	7,348	-	7,348
Travel costs	45,101	3,828	983	49,912	86,191	6,434	172	92,797
Meals	3,695	661	167	4,523	6,670	2,267	241	9,178
Other costs	11,132	(44)	99	11,187	3,146	795	-	3,941
Fundraising fees	-	-	4,435	4,435	-	-	3,287	3,287
Grants	-	-	-	-	6,500	-	330	6,830
Legal	13,950	15,031	-	28,981	14,375	11,400	9,600	35,375
Office supplies and expense	6,722	6,451	622	13,795	7,772	8,774	822	17,368
Printing and postage	27,012	1,870	773	29,655	9,801	1,390	1,129	12,320
Conferences and seminars	5,350	-	-	5,350	18,149	-	1,106	19,255
Licenses, taxes and filing fees	7,325	12,391	-	19,716	-	150	198	348
Website design and hosting	6,442	3,177	539	10,158	4,622	6,184	(65)	10,741
Video editing and screening fees	11,320	-	-	11,320	1,230	-	-	1,230
	<u>\$ 568,658</u>	<u>\$ 156,238</u>	<u>\$ 40,637</u>	<u>\$ 765,533</u>	<u>\$ 532,610</u>	<u>\$ 127,371</u>	<u>\$ 54,635</u>	<u>\$ 714,616</u>

New York Says Thank You Foundation

Statements of Cash Flows

	Year Ended December 31,	
	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (556,489)	\$ 1,027,988
Adjustments to reconcile change in net assets to net cash from operating activities		
Changes in operating assets and liabilities		
Contributions receivable	615,414	(871,867)
Prepaid expenses and other assets	(10,781)	659
Accounts payable and accrued expenses	<u>(28,207)</u>	<u>32,525</u>
Net Cash from Operating Activities	<u>19,937</u>	<u>189,305</u>
Net Change in Cash and Cash Equivalents	19,937	189,305
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>270,468</u>	<u>81,163</u>
End of year	<u>\$ 290,405</u>	<u>\$ 270,468</u>

See notes to financial statements

New York Says Thank You Foundation

Notes to Financial Statements
December 31, 2018 and 2017

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.

From the beginning, NYSTYF’s core disaster relief project was an annual 9/11 Anniversary “barn-raising” where survivors of 9/11 and disaster survivors from across the United States were empowered to help rebuild and strengthen communities recovering from their own tragedy through large scale community-wide volunteer projects. The core volunteer group consisted of the Fire Department of the City of New York (“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. who were assisted during previous “barn-raising” 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. A full-length documentary film titled “New York Says Thank You” chronicled many of these annual projects. It 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.

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. Between September 2010 and the 10th anniversary of 9/11 on September 11, 2011, 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 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 was put on display on May 21, 2015 for the first anniversary of the Museum opening, for a year as part of a rotating display of museum artifacts. A booklet chronicling the restoration has been created and is being sold in the museum store.

New York Says Thank You Foundation

Notes to Financial Statements
December 31, 2018 and 2017

1. Nature of Organization (*continued*)

The 9/12 Generation Project, the education and service learning division of NYSTYF, was created with the goal of inspiring and educating 1.5 million middle school and high school students with the positive, timeless, and universal lessons of citizenship that emerged from 9/12 and activating these students in service projects related to disaster relief, community revitalization, and the arts. In February 2015, management of this program was transferred to the American Public Education Foundation.

The Stars of HOPE® program empowers children to use the healing power of art to transform communities impacted by natural and man-made disasters. 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. Stars of HOPE Box of HOPE was launched in 2016 to enable anyone to be part of this “pay it forward” service movement to bring hope and healing to people around the world every single day. The Box of HOPE contains 15 wooden stars, paints, brushes, an informational brochure and a custom mailing box so the finished stars can be sent to anyone or anywhere hope is needed. In 2018, this program enabled individuals and companies to bring hope and healing to California following the devastating wildfires, to hurricane survivors in the Carolinas and Florida, and survivors and victims of the Parkland High School, Santa Fe, TX and Pittsburgh shootings. To date, through Stars of HOPE and Stars of HOPE Box of HOPE, we have been able to reach over 200 communities including 38 international communities in 26 countries.

Love is Stronger than Hate is a campaign NYSTYF began in 2016 to spread this message and to celebrate diversity. T-shirts were designed as a fundraiser for the Foundation and its success demonstrated the need for such positive messaging. A licensing agreement with the National September 11 Memorial and Museum for sale of goods bearing this mark has been extremely successful. NYSTYF has now additional licensing agreements with other museums, and an on-line store with many items in the collection.

Build for Life is a pending revival of a NYSTYF project first created following Hurricane Katrina to empower cancer survivors, generate in-kind donations of materials, and direct cash assistance to rebuild or repair homes families struggling to rebuild following disaster while also battling cancer, or other life-threatening illness. We hope to complete at least one home in 2019.

New York Says Thank You Foundation

Notes to Financial Statements
December 31, 2018 and 2017

2. Significant Accounting Principles

Basis of Presentation and Use of Estimates

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which requires the Foundation to make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure 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.

Financial Statement Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- *Without donor restrictions* – net assets not subject to donor-imposed stipulations, and therefore are expendable for operating purposes.
- *With donor restrictions* – net assets subject to donor-imposed stipulations that would be met by actions of the Foundation and/or by the passage of time or net assets to be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or donor-specified purposes.

Change in Accounting Principle

The Foundation adopted new guidance regarding the Presentation of Financial Statements for Not-for-Profit Entities. This guidance requires the Foundation, to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without donor restrictions. In addition, the new guidance requires the Foundation to make certain expanded disclosures relating to (1) the liquidity of financial assets, and (2) expenses by both their natural and functional classification in one location in the financial statements. As a result of implementing this standard prior year amounts for temporarily restricted and permanently restricted net assets were combined as net assets with donor restrictions.

New York Says Thank You Foundation

Notes to Financial Statements
December 31, 2018 and 2017

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, 2018 and 2017 is \$26,155 and \$57,674, of cash 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 discount rates used for 2018 and 2017 pledges ranged from 4.0%-4.5%.

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, 2018 and 2017, 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 with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as a satisfaction of program restrictions. With donor restrictions contributions which are both received and released within the same year are recorded as an increase in net assets with donor restrictions 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, 2018 and 2017

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 \$28,981 and \$35,375 for the years ended December 31, 2018 and 2017. These amounts were related to volunteers on the 9/11 Anniversary Project and donated legal services.

Donated in-kind contributions for the years ended December 31, 2018 and 2017 consisted of \$9,142 and \$13,527 of donated materials and airline vouchers.

Functional Allocation of Expense

The costs of providing the program, supporting and fundraising services of the Foundation have been reported on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the program, supporting and fundraising services based upon the function benefited.

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)(1) 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 2015.

New York Says Thank You Foundation

Notes to Financial Statements
December 31, 2018 and 2017

2. Significant Accounting Principles *(continued)*

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 July 12, 2019.

3. Liquidity and Availability

The Foundation monitors the availability of resources to meet its operating needs and contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing mission related activities, as well as services undertaken to support these activities, to be general expenditures.

As of December 31, 2018, the following financial assets could be made available within one year of the balance sheet date to meet general expenditures:

Cash and cash equivalents	\$ 290,405
Contributions due in one year or less	<u>693,696</u>
	984,101
Less:	
Restricted cash for specific mission-related projects	<u>(26,155)</u>
Financial Assets Available to Meet General Expenditures Within the Year	<u><u>\$ 957,946</u></u>

4. Contributions Receivable

Contributions receivable as of December 31 consisted of the following:

	<u>2018</u>	<u>2017</u>
Contributions	\$ 693,696	\$ 1,336,976
Less present value discount	<u>-</u>	<u>27,866</u>
	<u><u>\$ 693,696</u></u>	<u><u>\$ 1,309,110</u></u>

As of December 31, 2018 and 2017 no allowance for uncollectible amounts was recorded in the accompanying statements of financial position.

New York Says Thank You Foundation

Notes to Financial Statements
December 31, 2018 and 2017

5. Net Assets

Net assets consisted of the following at December 31:

	<u>2018</u>	<u>2017</u>
Without Donor Restrictions:		
Undesignated	<u>\$ 268,290</u>	<u>\$ 177,846</u>
With Donor Restrictions:		
Restricted for mission-related projects	26,155	57,674
Time restrictions	<u>693,696</u>	<u>1,309,110</u>
Total net assets with donor restrictions	<u>719,851</u>	<u>1,366,784</u>
Total Net Assets	<u>\$ 988,141</u>	<u>\$ 1,544,630</u>

6. Net Assets Released From Restrictions

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by the passage of time for the years ended December 31:

	<u>2018</u>	<u>2017</u>
Release of		
Restrictions for mission-related projects	\$ 147,141	\$ 112,128
Time restrictions	<u>615,414</u>	<u>663,684</u>
	<u>\$ 762,555</u>	<u>\$ 775,812</u>

7. Concentrations of Risk

Credit Risk

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

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.

New York Says Thank You Foundation

Notes to Financial Statements
December 31, 2018 and 2017

7. Concentrations of Risk (continued)

Risk Concentrations (continued)

- **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.

Contributions

Approximately \$1,500,000 of revenue from two contributors was recognized during 2017. Contributions receivable from such contributors was approximately \$694,000 and \$1,309,000 as of December 31, 2018 and 2017.

8. Related Party Transactions

During the years ended December 31, 2018 and 2017, approximately \$36,000 and \$505,000 of contributions were received from honorary co-chairs, members or relatives.

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