



Financial Statements  
December 31, 2021

My Good Deed dba 9/11 Day



**TOMORROW  
TOGETHER**

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CPAs & BUSINESS ADVISORS

## Independent Auditor's Report

To The Board of Directors  
My Good Deed dba 9/11 Day  
Irvine, California

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of My Good Deed dba 9/11 Day, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of My Good Deed dba 9/11 Day as of December 31, 2021, 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.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of My Good Deed dba 9/11 Day and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about My Good Deed dba 9/11 Day's ability to continue as a going concern for one year after the date that the financial statement is available to be issued.

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## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 My Good Deed dba 9/11 Day's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about My Good Deed dba 9/11 Day's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Tustin, California  
October 13, 2022

My Good Deed dba 9/11 Day  
Statement of Financial Position  
December 31, 2021

Assets	
Current Assets	
Cash	\$ 246,758
Contributions receivable	121,606
Prepaid expenses and other current assets	<u>8,850</u>
Total current assets	<u>377,214</u>
Property and Equipment	
Website	100,875
Furniture and fixtures	<u>9,976</u>
	110,851
Less accumulated depreciation and amortization	<u>(107,410)</u>
Total property and equipment	<u>3,441</u>
Total assets	<u><u>\$ 380,655</u></u>
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	\$ 21,503
Accrued expenses	85,375
Note payable	<u>105,486</u>
Total current liabilities	<u>212,364</u>
Net Assets	
Without donor restrictions	118,291
With donor restrictions	<u>50,000</u>
Total net assets	<u>168,291</u>
Total liabilities and net assets	<u><u>\$ 380,655</u></u>

My Good Deed dba 9/11 Day  
Statements of Activities  
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and Support</b>			
Contributions	\$ 4,426,326	\$ -	\$ 4,426,326
Federal grants	792,781	-	792,781
In-kind donated facilities and services	936,895	-	936,895
Interest income	820	-	820
Net assets released from restrictions	50,000	(50,000)	-
Total revenues and support	<u>6,206,822</u>	<u>(50,000)</u>	<u>6,156,822</u>
<b>Expenses</b>			
Program Services	<u>6,380,281</u>	-	<u>6,380,281</u>
Supporting Services			
Management and general	224,989	-	224,989
Fundraising	<u>140,866</u>	-	<u>140,866</u>
Total supporting services	<u>365,855</u>	-	<u>365,855</u>
Total expenses	<u>6,746,136</u>	-	<u>6,746,136</u>
Change In Net Assets	(539,314)	(50,000)	(589,314)
Net Assets, Beginning of Year	<u>657,605</u>	<u>100,000</u>	<u>757,605</u>
Net Assets, End of Year	<u>\$ 118,291</u>	<u>\$ 50,000</u>	<u>\$ 168,291</u>

My Good Deed dba 9/11 Day  
Statement of Functional Expenses  
Year Ended December 31, 2021

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Bank fees	\$ -	\$ 611	\$ 669	\$ 1,280
Charitable contributions	57,500	-	-	57,500
Depreciation and amortization	19,413	1,578	-	20,991
Design	14,509	-	2,699	17,208
Education	102,705	-	-	102,705
Equipment rental	-	1,634	-	1,634
Insurance	-	6,593	-	6,593
Interest	-	8,951	-	8,951
In-kind marketing	825,000	-	-	825,000
Licenses and permits	-	305	-	305
Loss on disposal of property and e	107,902	-	-	107,902
Management fee	80,800	10,576	10,100	101,476
Meal pack program	4,137,092	-	796	4,137,888
Membership dues	-	5,595	-	5,595
Miscellaneous	-	315	-	315
Merchant processing fee	-	1,460	238	1,698
Other program expenses	2,485	-	-	2,485
Payroll and related expenses	505,082	57,445	120,367	682,894
Postage and shipping	44	26	-	70
Professional fees	-	71,521	-	71,521
Program marketing	496,846	-	-	496,846
Rent	-	18,000	-	18,000
Staff development	25	18,447	-	18,472
Subscriptions	6,334	10,400	5,491	22,225
Supplies	1,351	246	71	1,668
Telephone	300	1,975	-	2,275
Travel	130	13	435	578
Website maintenance	22,763	9,298	-	32,061
Totals	<u>\$ 6,380,281</u>	<u>\$ 224,989</u>	<u>\$ 140,866</u>	<u>\$ 6,746,136</u>

My Good Deed dba 9/11 Day  
Statement of Cash Flows  
Year Ended December 31, 2021

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Operating Activities	
Change in Net Assets	\$ (589,314)
Adjustments to reconcile change in net assets from operating activities	
Gain on forgiveness of Payroll Protection Program ("PPP") Loan	(62,500)
Depreciation and amortization	20,991
Loss on disposal of property and equipment	107,902
(Increase) decrease in	
Contributions receivable	(110,106)
Prepaid expenses and other current assets	(894)
Increase (decrease) in	
Accounts payable	(1,671)
Accrued expenses	33,099
	<hr/>
Net Cash Flows used for Operating Activities	(602,493)
Investing Activities	
Purchase of property and equipment	<hr/> (85,550)
Net Cash Flows used for Investing Activities	<hr/> (85,550)
Financing Activities	
Borrowings on note payable	1,000,000
Repayments on note payable	(894,514)
Borrowings on Payroll Protection Program ("PPP") Loan	62,500
	<hr/>
Net cash flows from Financing Activities	167,986
Net Change In Cash	(520,057)
Cash, Beginning of Year	<hr/> 766,815
Cash, End of Year	<hr/> <u>\$ 246,758</u>



## **Note 1 - Principal Activity and Significant Accounting Policies**

### **Organization**

My Good Deed dba 9/11 Day (the "Organization") is a California non-profit corporation formed to annually organize the September 11 National Day of Service and Remembrance ("9/11 Day"), working with leading 9/11 groups, employers, nonprofits, education organizations, and agencies to inspire millions to observe the anniversary of 9/11 by engaging in good deeds and charitable service. The Organization oversees the implementation of television and radio public service announcements, online initiatives, volunteer events in major cities, education programs, media relations and grassroots outreach to reach millions of people each year. The Organization has offices in California and New York.

### **Contributions Receivable**

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. As of December 31, 2021, management has determined no allowance for doubtful accounts is necessary.

### **Property and Equipment**

Property and equipment additions are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2021.

Depreciation and amortization expense for the year ended December 31, 2021 totaled \$20,991.

**Net Assets**

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions 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 statements of activities as net assets released from restrictions.

**Revenue and Revenue Recognition**

Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization's federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. The Organization has unexpended cost-reimbursable grants of approximately \$491,500, that have not been recognized as of December 31, 2021, because qualifying expenditures have not yet been incurred.

**Donated Facilities, Services and In-Kind Contributions**

Donated facilities have been included in the accompanying financial statements where estimates of market value were available to measure the value. Donated services are recognized when a non-financial asset is created, or specialized skill is required and the Organization would otherwise need to purchase the services. In 2021, a substantial number of volunteers have donated their time to the Organization. The value of this time and related expenses has not been included in the accompanying financial statements except to the extent such services meet the criteria as set forth above. During the year ended December 31, 2021, the Organization received donated facilities with a fair value of \$111,895 for donated venue space, which is included in meal pack program in the accompanying statement and functions expenses. In addition, during the year ended December 31, 2021, the Organization received and donated media with a fair market value of \$825,000, which is included in in-kind marketing in the accompany statement of functional expenses.

**Advertising**

The Organization uses advertising to promote its programs among the audiences it serves. The Organization expenses advertising and program marketing costs as incurred. For the year ended December 31, 2021, program marketing expenses totaled \$496,846.

### **Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statement of activities and the statement of functional expenses. The statement of functional expenses presented the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include payroll and related expenses, management fee, travel, subscriptions, telephone, supplies, bank fees, and postage and shipping, which are allocated on the basis of estimates of time and effort or are directly attributable to a respective activity.

### **Income Taxes**

The Organization has been organized as a California nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction, and have been determined not to be private foundations. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that each entity has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

### **Financial Instruments and Credit Risk**

Deposit concentration risk is managed by placing cash with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the Organization's mission.

**Note 2 - Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2021:

Cash	\$	246,758
Contributions receivable		<u>121,606</u>
 Total	 \$	 <u><u>368,364</u></u>

As part of the Organization’s liquidity management plan, the Organization uses cash budgeting techniques to help forecast cash disbursements and collections.

**Note 3 - Paycheck Protection Program (“PPP”) Loan**

The Organization was granted a \$62,500 loan under the PPP administered by a Small Business Administration (“SBA”) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization has elected to account for the funding as a conditional contribution by applying ASC 958-605, Not-for-Profit – Revenue Recognition. The Organization initially recorded the loan as a refundable advance and subsequently recognized contribution revenue in accordance with guidance for conditional contributions, that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization has recognized \$62,500 as contribution revenue for the year ended December 31, 2021.

**Note 4 - Note Payable**

Note payable consists of the following:

Note payable, secured by substantially all of the assets of the Organization, bearing interest at 4.00% per annum.

The debt was paid in full upon maturity in January 2022.

\$ 105,486

**Note 5 - Leases**

The Organization leases certain office and storage space under month-to-month lease agreements. For the year ended December 31, 2021, rent expense totaled \$18,000.

**Note 6 - Net Assets with Donor Restrictions**

Net assets with donor restriction at time and purpose at December 31, 2021, consist of:

Donor-Restricted for Programs	
9/11 Day Meal Pack – 2022	<u>\$ 50,000</u>

**Note 7 - Related Party Transactions**

The Organization pays fees to a company owned by the Vice-President for managing its operations and providing administrative services. The agreement calls for monthly base fees of \$5,834 plus direct expenses and a partial reimbursement for health insurance. Total management fees paid under this agreement during 2021 totaled \$101,476, of which \$1,000 was included in accounts payable. In addition, travel and marketing expenses amounting to \$4,842 were paid to the company owned by the Vice-President.

For the year ended December 31, 2021, the Organization received contributions from various Board members and their affiliates amounting to \$359,232.

**Note 8 - Subsequent Events**

The Organization has evaluated subsequent events through October 13, 2022, the date the financial statements were available to be issued.

Subsequent to year-end, the Organization entered into a revolving line of credit with a bank for maximum borrowings of \$250,000. The line is secured by substantially all of the assets of the Organization. Borrowings under the line bear interest at the bank's prime rate plus 1.00% or a floor of 4.25%. The agreement requires the Organization to comply with certain financial and non-financial covenants.