



Financial Statements
December 31, 2022

My Good Deed dba 9/11 Day



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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, 2022, 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, 2022, 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 for 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.

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
August 22, 2023

My Good Deed dba 9/11 Day
Statement of Financial Position
December 31, 2022

Assets

Current Assets

Cash	\$ 199,038
Contributions receivable	237,150
Prepaid expenses and other current assets	<u>6,750</u>

Total current assets 442,938

Property and Equipment

Furniture and fixtures	9,976
Less accumulated depreciation and amortization	<u>(8,536)</u>

Property and equipment, net 1,440

Total assets \$ 444,378

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 28,908
Accrued expenses	<u>23,905</u>

Total current liabilities 52,813

Net Assets

Without donor restrictions	212,565
With donor restrictions	<u>179,000</u>

Total net assets 391,565

Total liabilities and net assets \$ 444,378

My Good Deed dba 9/11 Day
Statement of Activities
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Contributions	\$ 2,163,806	\$ 179,000	\$ 2,342,806
Federal grants	493,243	-	493,243
In-kind donated facilities and services	55,900	-	55,900
Interest income	189	-	189
Other income	21,060	-	21,060
Net assets released from restrictions	50,000	(50,000)	-
Total revenues and support	<u>2,784,198</u>	<u>129,000</u>	<u>2,913,198</u>
Expenses			
Program Services	<u>2,387,999</u>	<u>-</u>	<u>2,387,999</u>
Supporting Services			
Management and general	200,788	-	200,788
Fundraising	<u>101,137</u>	<u>-</u>	<u>101,137</u>
Total supporting services	<u>301,925</u>	<u>-</u>	<u>301,925</u>
Total expenses	<u>2,689,924</u>	<u>-</u>	<u>2,689,924</u>
Change In Net Assets	94,274	129,000	223,274
Net Assets, Beginning of Year	<u>118,291</u>	<u>50,000</u>	<u>168,291</u>
Net Assets, End of Year	<u><u>\$ 212,565</u></u>	<u><u>\$ 179,000</u></u>	<u><u>\$ 391,565</u></u>

My Good Deed dba 9/11 Day
Statement of Functional Expenses
Year Ended December 31, 2022

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Bank fees	\$ -	\$ 972	\$ 102	\$ 1,074
Charitable contributions	650	-	-	650
Depreciation	402	1,540	59	2,001
Design	-	-	3,763	3,763
Equipment rental	-	2,076	-	2,076
Insurance	1,123	4,900	164	6,187
Interest	-	53	-	53
In-kind marketing	55,900	-	-	55,900
Management fee	76,112	11,944	11,944	100,000
Meal pack program	1,603,132	17,872	19,136	1,640,140
Membership dues	2,011	7,695	294	10,000
Merchant processing fee	614	314	839	1,767
Miscellaneous	-	1,369	-	1,369
Other program expenses	69,227	111	-	69,338
Payroll and related expenses	440,759	48,069	61,126	549,954
Postage and shipping	1,723	2,527	-	4,250
Printing and publication	2,993	-	1,374	4,367
Professional fees	-	53,063	-	53,063
Program marketing	105,652	2,588	-	108,240
Rent	3,620	13,851	529	18,000
Staff development	-	3,814	-	3,814
Subscriptions	3,328	14,429	1,133	18,890
Supplies	-	390	-	390
Telephone	-	704	-	704
Travel	5,545	-	674	6,219
Website maintenance	15,208	12,507	-	27,715
Totals	<u>\$ 2,387,999</u>	<u>\$ 200,788</u>	<u>\$ 101,137</u>	<u>\$ 2,689,924</u>

My Good Deed dba 9/11 Day
Statement of Cash Flows
Year Ended December 31, 2022

Operating Activities	
Change in Net Assets	\$ 223,274
Adjustments to reconcile change in net assets from operating activities	
Depreciation	2,001
Changes in operating assets and liabilities	
Contributions receivable	(115,544)
Prepaid expenses and other current assets	2,100
Accounts payable	7,405
Accrued expenses	<u>(61,470)</u>
Net Cash Flows from Operating Activities	<u>57,766</u>
Financing Activities	
Repayments on note payable	<u>(105,486)</u>
Net Change In Cash	(47,720)
Cash, Beginning of Year	<u>246,758</u>
Cash, End of Year	<u><u>\$ 199,038</u></u>
Supplemental Disclosures of Cash Flow Information	
Interest paid	<u><u>\$ 53</u></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. In May 2023, the Organization formally changed their name to 9/11 Day.

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, 2022, management has determined no allowance for doubtful accounts is necessary.

Property and Equipment

Property and equipment additions valued at \$5,000 or greater 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. In 2021, the Organization determined that the website was impaired and was fully depreciated. In 2022, the website was disposed and the cost and related accumulated depreciation were removed from the assets of the Organization. There were no indicators of asset impairment during the year ended December 31, 2022.

Depreciation expense for the year ended December 31, 2022 totaled \$2,001.

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 statement 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 \$1,001,000, that have not been recognized as of December 31, 2022, because qualifying expenditures have not yet been incurred.

In-kind Contributions

In-kind contributions include donated facilities and professional services, which are recorded at the respective fair values of the goods or services received (Note 6). The Organization does not sell donated gifts-in-kind. In addition to in-kind contributions, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

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, 2022, program marketing expenses totaled \$108,240.

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 an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. 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. There were no deposits in excess of the insured limits. Credit risk associated with 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.

Change in Accounting Principles

Effective January 1, 2022, the Organization adopted the lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. The Organization elected to apply the guidance as of January 1, 2022, the beginning of the adoption period. The standard requires the recognition of right-of-use assets and lease liabilities for lease contracts with terms greater than 12 months. Operating lease costs are recognized in the statement of activities as a single lease cost and finance lease costs are recognized in two components, interest expense and amortization expense. The Organization has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Organization accounted for its existing leases as an operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC Topic 842 at lease commencement.

The Organization has elected the short-term lease exemption for the lease with a month-to-month term and did not recognize the asset and liability for this lease (See Note 4). Lease payments for short-term leases are recognized on straight-line basis.

As of January 1, 2022, The Organization adopted the provisions of Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires enhanced presentation and disclosure of contributed nonfinancial assets. Management has adopted the amendments of this update on a retrospective basis because it provides increased and more transparent disclosure around contributed nonfinancial assets.

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, 2022:

Cash	\$ 199,038
Contributions receivable	<u>237,150</u>
Total	<u>\$ 436,188</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 - Line of Credit

In July 2022, 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. There were no advances on the line of credit during the year ended December 31, 2022.

Note 4 - Leases

The Organization leases certain office and storage space under month-to-month lease agreements. For the year ended December 31, 2022, rent expense totaled \$18,000.

Note 5 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purpose or periods:

Subject to Expenditure for Specified Purpose	
9/11 Day Meal Pack – 2023	<u>\$ 179,000</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2022:

Satisfaction of Purpose Restrictions	
9/11 Day Meal Pack – 2022	<u>\$ 50,000</u>

Note 6 - In-Kind Contributions

For the year ended December 31, 2022, in-kind contributions recognized within the statement of activities included the following:

Facilities	\$ 55,000
Entertainment services	<u>900</u>
	<u>\$ 55,900</u>

Contributed facilities are for donated venue space for the Organization’s annual 9/11 event. Contributed facilities are used in program services and are recognized at fair value based on current rates for use of the facilities.

Contributed entertainment services are for emcee and DJ entertainment for the Organization’s annual 9/11 event. Contributed services are used in program services and are recognized at fair value based on current rates for similar services.

All gifts-in-kind received during the year ended December 31, 2022 were without donor restrictions.

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 \$8,333 plus direct expenses and a partial reimbursement for health insurance. Total management fees paid under this agreement during 2022 totaled \$100,000. In addition, travel and marketing expenses amounting to \$7,127 were paid to the company owned by the Vice President, of which \$3,342 is included in accounts payable.

For the year ended December 31, 2022, the Organization received contributions from various Board members and their affiliates amounting to \$78,249.

Note 8 - Subsequent Events

The Organization has evaluated subsequent events through August 22, 2023, the date which the financial statements were available to be issued. In May 2023, the Organization formally changed their name to 9/11 Day.