

# Stephen Siller Tunnel to Towers Foundation

Financial Statements

December 31, 2020 and 2019

(With Independent Auditor's Report Thereon)



*Navigating the Road  
to  
Financial Security*

# **Stephen Siller Tunnel to Towers Foundation**

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**Independent Auditor's Report**

Board of Directors  
Stephen Siller Tunnel to Towers Foundation

**Report on the Financial Statements**

We have audited the accompanying financial statements of Stephen Siller Tunnel to Towers Foundation, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, cash flows and functional expenses 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 audits 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 reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

(1)

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stephen Siller Tunnel to Towers Foundation as of December 31, 2020 and 2019, 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.

*De Santis, Kiefer, Hall & Sarane, LLP*

Staten Island, New York

August 3, 2021

# Stephen Siller Tunnel to Towers Foundation

## Statements of Financial Position December 31, 2020 and 2019

### Assets

	<u>2020</u>	<u>2019</u>
Current Assets:		
Cash and Cash Equivalents	\$ 43,243,218	\$ 13,039,926
Contributions Receivable	1,891,762	941,189
Prepaid Expenses	200,557	113,672
Restricted Cash	<u>2,679,562</u>	<u>1,615,622</u>
Total Current Assets	<u>48,015,099</u>	<u>15,710,409</u>
Fixed Assets:		
Fixed Assets - Net of Accumulated Depreciation	<u>19,265,038</u>	<u>3,617,894</u>
Other Assets:		
Endowment - Investments	4,898,390	2,564,707
Endowment - Cash	7,023,723	20,421
Other Assets - Net of Accumulated Amortization	104,469	119,448
Security Deposit	<u>32,981</u>	<u>34,898</u>
Total Other Assets	<u>12,059,563</u>	<u>2,739,474</u>
Total Assets	<u>\$ 79,339,700</u>	<u>\$ 22,067,777</u>

### Liabilities and Net Assets

Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 393,219	\$ 702,422
Refundable Advance - PPP Loan	<u>829,114</u>	
Total Current Liabilities	<u>1,222,333</u>	<u>702,422</u>
Total Liabilities	<u>1,222,333</u>	<u>702,422</u>
Net Assets:		
Without Donor Restrictions		
Undesignated	58,408,392	16,541,605
Designated by the Board for Endowment	<u>11,922,113</u>	<u>2,585,128</u>
Total Without Donor Restrictions	70,330,505	19,126,733
With Donor Restrictions		
Purpose Restrictions	<u>7,786,862</u>	<u>2,238,622</u>
Total Net Assets	<u>78,117,367</u>	<u>21,365,355</u>
Total Liabilities and Net Assets	<u>\$ 79,339,700</u>	<u>\$ 22,067,777</u>

The Accompanying Notes are an Integral Part of these Financial Statements.

# Stephen Siller Tunnel to Towers Foundation

Statements of Activities  
for the Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Support:						
Direct Public Support	\$ 94,744,787	\$ 664,458	\$ 95,409,245	\$ 34,852,353	\$ 241,099	\$ 35,093,452
In-Kind Donations	29,539,553	5,301,339	34,840,892	15,527,958	966,000	16,493,958
Net Assets Released from Restriction	417,557	(417,557)		2,254,420	(2,254,420)	
Total Support	124,701,897	5,548,240	130,250,137	52,634,731	(1,047,321)	51,587,410
Revenue:						
Tunnel to Towers Run	687,265		687,265	2,377,237		2,377,237
Runs Across America	364,171		364,171	1,776,224		1,776,224
In the Line of Duty	289,425		289,425	972,005		972,005
Stair Climb				439,006		439,006
Special Event Revenue - Gala						
Less: Direct Cost of Benefit to Donors	\$ 31,250					
Net Special Event Revenue	11,544					
Fundraising Revenue	19,706		19,706	512,501		512,501
Interest Income	299,098		299,098	616,429		616,429
Net Investment Return	73,853		73,853	10,717		10,717
Total Revenue	377,593		377,593	265,851		265,851
	2,111,111		2,111,111	6,969,970		6,969,970
Total Support and Revenue	126,813,008	5,548,240	132,361,248	59,604,701	(1,047,321)	58,557,380
Expenses:						
Program Services						
Never Forget	24,040,807		24,040,807	16,817,457		16,817,457
In the Line of Duty	48,650,638		48,650,638	27,632,583		27,632,583
Total Program Services	72,691,445		72,691,445	44,450,040		44,450,040
Fundraising	1,805,592		1,805,592	1,805,601		1,805,601
Management and General	1,112,199		1,112,199	757,967		757,967
Total Expenses	75,609,236		75,609,236	47,013,608		47,013,608
Change in Net Assets	51,203,772	5,548,240	56,752,012	12,591,093	(1,047,321)	11,543,772
Net Assets, Beginning of Year	19,126,733	2,238,622	21,365,355	6,535,640	3,285,943	9,821,583
Net Assets, End of Year	\$ 70,330,505	\$ 7,786,862	\$ 78,117,367	\$ 19,126,733	\$ 2,238,622	\$ 21,365,355

\$ 1,038,101  
525,600

# Stephen Siller Tunnel to Towers Foundation

## Statements of Cash Flows for the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Change in Net Assets	<u>\$ 56,752,012</u>	<u>\$ 11,543,772</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:		
Depreciation and Amortization	139,000	121,134
Unrealized (Gain) on Investments	(389,490)	(231,186)
Realized Loss on Investments	2,118	9,173
Donated Land and Buildings	(13,602,301)	(3,123,000)
Donated Securities	(1,895,350)	(53,374)
(Increase) Decrease in Operating Assets		
Accounts Receivable	(950,573)	(935,256)
Prepaid Expenses	(86,885)	(29,647)
Security Deposit	1,917	(7,155)
Increase (Decrease) in Operating Liabilities		
Accounts Payable and Accrued Expenses	<u>(309,203)</u>	<u>327,715</u>
Total Adjustments	<u>(17,090,767)</u>	<u>(3,921,596)</u>
Net Cash Provided By Operating Activities	<u>39,661,245</u>	<u>7,622,176</u>
Cash Flows from Investing Activities:		
Purchase of Investments	(2,057,659)	(2,369,467)
Sales of Investments	2,006,698	543,163
Purchase of Fixed Assets	<u>(2,168,864)</u>	<u>(4,724)</u>
Net Cash Used In Investing Activities	<u>(2,219,825)</u>	<u>(1,831,028)</u>
Cash Flows from Financing Activities		
Proceeds from Paycheck Protection Loan	<u>829,114</u>	
Net Cash Provided by Financing Activities	<u>829,114</u>	
Net Increase in Cash, Cash Equivalents, and Restricted Cash	38,270,534	5,791,148
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>14,675,969</u>	<u>8,884,821</u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	<u><u>\$ 52,946,503</u></u>	<u><u>\$ 14,675,969</u></u>
Supplemental Cash Flow Information:		
Cash Paid for Interest	<u>\$ 0</u>	<u>\$ 0</u>

The Accompanying Notes are an Integral Part of these Financial Statements.

# Stephen Siller Tunnel to Towers Foundation

Statement of Functional Expenses  
for the Year Ended December 31, 2020

	Program Services			Fundraising	Management and General	Total
	Never Forgot	In the Line of Duty	Total Program Services			
Salaries	\$ 1,356,340	\$ 2,085,718	\$ 3,442,058	\$ 891,760	\$ 486,139	\$ 4,819,957
Payroll Taxes and Benefits	368,707	551,744	920,451	210,760	75,716	1,206,927
Total Salaries and Payroll Taxes and Benefits	1,725,047	2,637,462	4,362,509	1,102,520	561,855	6,026,884
Advertising and Marketing	18,253,165	3,427,071	21,680,236	80,610	28,019	21,788,865
Bank Charges	27,227	102,600	129,827	3,902	352,588	486,317
Building Maintenance	11,114	39,214	50,328	5,808	5,014	61,150
Computer Expense	109,157	166,271	275,428	62,877	36,593	374,898
Consultants and Contractors	161,861	242,352	404,213	40,809	961	445,983
Utilities	11,603	17,704	29,307	5,681	3,550	38,538
Event Production	406,255	905	407,160	2,372		409,532
Food	4,647	270	4,917	143		5,060
Insurance	49,261	77,014	126,275	23,768	3,336	153,379
Meetings	6,337	18,458	24,795	3,086	757	28,638
Postage	15,552	1,154,463	1,170,015	19,021	4,661	1,193,697
Professional Services	81,180	171,455	252,635	6,021	28,555	287,211
Rent	108,031	160,040	268,071	56,088	36,018	360,177
Storage	6,155	8,944	15,099	4,159	2,085	21,343
Supplies	102,556	79,024	181,580	49,050	18,930	249,560
Telephone	5,232	7,674	12,906	2,790	1,744	17,440
Equipment	118,227		118,227			118,227
Taxes and Permits	2,284	90,315	92,599	50	7,271	99,920
Travel	62,163	174,653	236,816	13,020	5,016	254,852
Venue	26,250		26,250	102,326		128,576
Donations	782,150	18,784,109	19,566,259	1,637	2,068	19,569,964
New York City Run Costs	120,711	3,414	124,125	19,397	776	144,298
Outreach	1,809,440	16,014,874	17,824,314	178,133		18,002,447
Construction Costs	1,717	5,201,563	5,203,280			5,203,280
Amortization		14,979	14,979			14,979
Depreciation	33,485	55,810	89,295	22,324	12,402	124,021
	\$ 24,040,807	\$ 48,650,638	\$ 72,691,445	\$ 1,805,592	\$ 1,112,199	\$ 75,609,236

The Accompanying Notes are an Integral Part of these Financial Statements.



# Stephen Siller Tunnel to Towers Foundation

Statement of Functional Expenses  
for the Year Ended December 31, 2019

	Program Services			Fundraising	Management and General	Total
	Never Forget	In the Line of Duty	Total Program Services			
Salaries	\$ 993,871	\$ 1,565,615	\$ 2,559,486	\$ 551,821	\$ 391,277	\$ 3,502,584
Payroll Taxes and Benefits	273,098	433,600	706,698	162,049	73,297	942,044
Total Salaries and Payroll Taxes and Benefits	1,266,969	1,999,215	3,266,184	713,870	464,574	4,444,628
Advertising and Marketing	11,262,982	926,576	12,189,558	90,625	48,344	12,328,527
Bank Charges	132,256	65,881	198,137	26,107	87,053	311,297
Building Maintenance	10,135	36,134	46,269	4,932	4,235	55,436
Computer Expense	70,951	115,992	186,943	46,201	24,994	258,138
Consultants and Contractors	346,778	200,080	546,858	48,608	1,218	596,684
Utilities	10,258	15,851	26,109	5,582	3,130	34,821
Event Production	126,632	1,884	128,516	31,103	5,000	164,619
Food	110,710	3,932	114,642	694		115,336
Insurance	35,528	47,291	82,819	17,802		100,621
Meetings	25,774	14,922	40,696	16,063	1,722	58,481
Postage	12,835	13,277	26,112	4,046	2,600	32,758
Professional Services	268,722	160,466	429,188	23,347	36,398	488,933
Rent	72,342	119,017	191,359	45,498	25,386	262,243
Storage	18,410	4,032	22,442	1,677	880	24,999
Supplies	246,080	93,766	339,846	64,097	17,343	421,286
Telephone	4,922	8,010	12,932	3,040	1,702	17,674
Equipment	226,852		226,852			226,852
Taxes and Permits	17,887	77,542	95,429	2,240	7,229	104,898
Travel	529,065	197,751	726,816	82,098	8,306	817,220
Venue	185,269		185,269	462,887		648,156
Donations	617,496	10,347,916	10,965,412	6,716	2,171	10,974,299
New York City Run Costs	630,018	29,481	659,499	38,785	5,067	703,351
Outreach	507,961	4,494,526	5,002,487	50,475		5,052,962
Construction Costs	51,963	8,596,292	8,648,255			8,648,255
Amortization		14,979	14,979			14,979
Depreciation	28,662	47,770	76,432	19,108	10,615	106,155
	\$ 16,817,457	\$ 27,632,583	\$ 44,450,040	\$ 1,805,601	\$ 757,967	\$ 47,013,608

The Accompanying Notes are an Integral Part of these Financial Statements.

# Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements  
December 31, 2020 and 2019

## 1. Nature of Activities

The Stephen Siller Tunnel to Towers Foundation (herein referred to as the “Foundation”) is a not-for-profit corporation that was established to support, recognize, and advocate for our first responders and catastrophically injured service members in honor of the legacy of Stephen Siller, who laid down his life to save others on September 11, 2001.

The Foundation accomplishes this mission through the following programs:

### IN THE LINE OF DUTY PROGRAMS:

- 1) **Smart Homes:** *Smart Homes* program constructs custom, specially adapted Smart Homes for catastrophically injured service members returning home to restore their ability to live a life of independence.
- 2) **Fallen First Responder Home Program:** The Foundation pays off the remaining mortgage for families left behind when a firefighter or police officer is killed in the line of duty on a case-by-case basis.
- 3) **Gold Star Home Program:** This program provides mortgage-free homes to Gold Star families with young children of military who have died in the line of duty and have made the ultimate sacrifice.

### NEVER FORGET PROGRAMS:

- 1) **National Tunnel to Towers Runs and Stair Climb Series:** The New York City 5K Run and Walk and the Tower Climb as well as the National Runs and Climbs are memorial events held in honor of Stephen Siller (FDNY), and all who perished on 9/11, as well as First Responders and military who have and continue to put their lives on the line to serve and protect our nation. The Foundation has established these memorial events so as a nation *We Will Never Forget!*
- 2) **9/11 Never Forget Exhibit:** Host a traveling exhibit as a tribute to all those who sacrificed on September 11, 2001. The memorial provides interactive education including artifacts, news and video recordings, and live tours from FDNY heroes. The Foundation is committed to ensuring We Never Forget and that America’s youth understand the sacrifice of many on that day.
- 3) **Wings of a Hero:** To help local community children in need who have lost a parent by providing assistance for school, counseling or other needs.
- 4) **Legacy Awards:** To assist families of injured or fallen first responders with their specific immediate financial needs.

# Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements  
December 31, 2020 and 2019

## 2. Summary of Significant Accounting Policies

### *Method of Accounting*

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

### *Cash and Cash Equivalents*

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

### *Property, Equipment and Depreciation*

Acquisitions of property and equipment are recorded at the purchase price. Contributions of land, buildings and equipment are recorded at fair market value when title is conveyed.

Depreciation of property and equipment is recognized over the estimated useful lives of the respective assets on a straight-line basis as follows:

Buildings	3 Years
Building Improvements	5 to 10 Years
Furniture, Fixtures and Equipment	3 to 5 Years

### *Investments*

Investments are recorded at their fair values in the statement of financial position. Investment return is reported in the statement of activities and consists of interest and dividend income and realized and unrealized capital gains and losses.

# Stephen Siller Tunnel to Towers Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### *Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### *Net Assets*

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed 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. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

# **Stephen Siller Tunnel to Towers Foundation**

## **Notes to Financial Statements December 31, 2020 and 2019**

### ***Revenue and Revenue Recognition***

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, or an unconditional promise to give are received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

### ***In-Kind Donations***

The Foundation receives donations of supplies, equipment, gift cards and advertising for their various programs and fundraisers. These donations are recorded at their fair market value at the time of the donation. In-kind donations for the year ended December 31, 2020 totaled \$20,015,860 for Never Forget and \$14,825,032 for In the Line of Duty. In-kind donations for the year ended December 31, 2019 totaled \$11,787,297 for Never Forget, \$4,701,878 for In the Line of Duty, and \$4,783 for fundraising events.

### ***Contributed Services***

A significant portion of the Foundation's functions is conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements because the criteria for recognition under the FASB codification topic that addresses "Contributed Services" have not been met. This criterion requires that contributions of donated services be material in nature, that they create or enhance non-financial assets, or that they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

### ***Interest Income***

Income generated from the Foundation's interest-bearing bank accounts is recognized when earned and reported as interest income on the Statement of Activities.

# **Stephen Siller Tunnel to Towers Foundation**

## **Notes to Financial Statements December 31, 2020 and 2019**

### ***Advertising Expenses***

Marketing and advertising costs are expensed as incurred.

In 2020, the Foundation received in-kind donations of advertising for its Never Forget programs, valued in total at \$18,100,645. It also received in-kind donations of advertising for its In the Line of Duty program, valued in total at \$46,290. The Foundation spent an additional \$3,641,930 on advertising and marketing. Total advertising and marketing expense for the year ended December 31, 2020 was \$21,788,865.

In 2019, the Foundation received in-kind donations of advertising for the Tunnel to Towers Run and Stair Climb, valued in total at \$11,088,954. It also received in-kind donations of advertising for its In the Line of Duty program, valued in total at \$680,909. The Foundation spent an additional \$558,664 on advertising and marketing. Total advertising and marketing expense for the year ended December 31, 2019 was \$12,328,527.

### ***Functional Allocation of Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Expenses that can be identified with a specific program and supporting service are allocated directly according to their expenditure classification. Other costs that are common to several functions are allocated among the programs and supporting services in reasonable ratios as determined by management.

### ***Income Tax Status***

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation represents that the tax-exempt status is still in effect at December 31, 2020.

The Foundation is subject to the provisions of the FASB ASC that addresses accounting and reporting for uncertainty in income taxes. Because of the Foundation's general tax-exempt status, this ASC topic has not had, and is not expected to have, a material impact on its financial statements.

# **Stephen Siller Tunnel to Towers Foundation**

Notes to Financial Statements

December 31, 2020 and 2019

## ***Paycheck Protection Program Loan***

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The Paycheck Protection Program ("PPP") established by the CARES Act, implemented by the U.S. Small Business Administration ("SBA"), provides businesses, including certain not-for-profit organizations, with funds to pay payroll and other costs during the coronavirus ("COVID-19") outbreak. During 2020, the Foundation applied for and received PPP funds.

There are two acceptable methods for accounting for the PPP funds received under the CARES Act. Entities can elect to treat the funds as a loan or as a conditional contribution. The Foundation has elected to record the PPP funds as a conditional contribution under the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") 958-605. The Foundation is in the process of applying for loan forgiveness; however, no assurance can be provided that the Foundation will be eligible for forgiveness, in whole, or in part.

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

The Foundation manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Foundation has not experienced losses in any of these accounts.

Investments are made by diversified investment managers whose performance is monitored by the Foundation. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management believes that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

## ***Adoption of Accounting Pronouncements***

FASB Accounting Standards Codification Topic 606, Revenue from Contracts with Customers, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. The Foundation has implemented Topic 606 and no adjustments were required to be made to the financial statements. The amendments have been applied retrospectively to all periods presented, with no effect on net assets.

# Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements  
December 31, 2020 and 2019

## 3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2020</u>	<u>2019</u>
Financial Assets		
Cash and Cash Equivalents	\$43,243,218	\$13,039,926
Contributions Receivable	1,891,762	941,189
Restricted Cash	2,679,562	1,615,622
Endowment – Investment	4,898,390	2,564,707
Endowment – Cash	<u>7,023,723</u>	<u>20,421</u>
Total financial assets	59,736,655	18,181,865
Donor-imposed restrictions:		
Funds subject to purpose restrictions	<u>(2,679,562)</u>	<u>(1,615,622)</u>
Net financial assets after donor-imposed restrictions	57,057,093	16,566,243
Less:		
Board-designated funds	<u>(11,922,113)</u>	<u>(2,585,128)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$45,134,980</u>	<u>\$13,981,115</u>

The Foundation receives significant contributions restricted by donors. The Foundation manages its liquidity and reserves by operating within a prudent range of financial soundness and stability, maintaining adequate liquid reserves to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.



# Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements  
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## 4. Cash, Cash Equivalents, and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$43,243,218	\$13,039,926
Restricted Cash	2,679,562	1,615,622
Endowment – Cash	<u>7,023,723</u>	<u>20,421</u>
Total Cash, Cash Equivalents, and Restricted Cash Shown in the Statement of Cash Flows	<u>\$52,946,503</u>	<u>\$14,675,969</u>

## 5. Fair Value of Investments

The Foundation reports its investments at their fair values, in the following manner:

- Requiring consideration of non-performance risk when valuing liabilities;
- Defining fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishing a framework for measuring fair values; and
- Establishing a three-level hierarchy for fair-value measurement based upon the observability of inputs to the evaluation of an asset or liability as of the measurement date.

# Stephen Siller Tunnel to Towers Foundation

## Notes to Financial Statements December 31, 2020 and 2019

The three-level valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value levels:

- Level 1 – quoted prices for *identical* instruments in active markets;
- Level 2 – quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and mode-derived valuations for which the significant inputs are observable; and
- Level 3 – instruments for which the significant inputs are *unobservable*.

When available, the Foundation measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs may not be available for many assets and liabilities that the Foundation is required to measure at fair value (for example, in-kind contributions.)

The primary uses of fair value measures in the Foundation's financial statements are:

- Initial measurement of noncash gifts, including gifts of investment assets
- Recurring measurement of endowment and long-term investments (see Note 6).

### 6. Investments

Investments consist of the following at December 31, 2020 and 2019:

	<u>2020</u> <u>Fair Value</u>	<u>2019</u> <u>Fair Value</u>
Endowment and Long-Term Investments:		
Mutual Funds	\$ 83,843	\$ 122,655
Exchange-Traded Funds	4,675,700	2,442,052
Equities	<u>138,847</u>	<u>          </u>
Total Endowment and Long-Term Investments	<u>\$4,898,390</u>	<u>\$2,564,707</u>

# Stephen Siller Tunnel to Towers Foundation

## Notes to Financial Statements December 31, 2020 and 2019

As discussed in Note 5 to these financial statements, the Foundation is required to report its fair value measurements in one of three levels, which are based upon the ability to observe in the marketplace the inputs to the Foundations valuation techniques. The Foundation's investment assets are classified within Level 1 because they comprise mutual funds and exchange-traded funds with readily determinable fair values based on daily redemption values.

The following table presents investments measured at fair value at December 31, 2020 and 2019:

### December 31, 2020

	<u>Total</u>	<u>Fair Value Measurement at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Asset (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual Funds	\$ 83,843	\$ 83,843	\$ 0	\$ 0
Exchange-Traded Funds	4,675,700	4,675,700	0	0
Equities	<u>138,847</u>	<u>138,847</u>	<u>0</u>	<u>0</u>
Total	<u>\$4,898,390</u>	<u>\$4,898,390</u>	<u>\$ 0</u>	<u>\$ 0</u>

### December 31, 2019

	<u>Total</u>	<u>Fair Value Measurement at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Asset (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual Funds	\$ 122,655	\$ 122,655	\$ 0	\$ 0
Exchange-Traded Funds	<u>2,442,052</u>	<u>2,442,052</u>	<u>0</u>	<u>0</u>
Total	<u>\$2,564,707</u>	<u>\$2,564,707</u>	<u>\$ 0</u>	<u>\$ 0</u>

# Stephen Siller Tunnel to Towers Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### 7. Fixed Assets

The summary of fixed assets at December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Land	\$16,102,301	\$2,500,000
Buildings	2,488,964	623,000
Building Improvements	595,590	414,435
Automobile	313,627	189,882
Equipment	337,291	337,291
Asset under Capital Lease	<u>210,000</u>	<u>210,000</u>
Subtotal	20,047,773	4,274,608
Accumulated Depreciation	<u>(782,735)</u>	<u>(656,714)</u>
Net Fixed Assets	<u>\$19,265,038</u>	<u>\$3,617,894</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$248,621 and \$106,155, respectively.

### 8. Other Assets

The summary of other assets at December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Domain Name	\$149,794	\$149,794
Accumulated Amortization	<u>(45,325)</u>	<u>(30,346)</u>
Net Other Assets	<u>\$104,469</u>	<u>\$119,448</u>

Amortization expense for the years ended December 31, 2020 and 2019 was \$14,979 and \$14,979, respectively.

# Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements  
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## 9. Prior Period Adjustment

An adjustment was required to be made to the prior year's financial information in order to reflect an in-kind donation of a building, with a fair market value of \$623,000, as a donor restricted net asset. This adjustment resulted in net assets with donor restrictions increasing from \$1,615,622 to \$2,238,622, and net assets without donor restrictions decreasing from \$19,749,733 to \$19,126,733 as of and for the year ended December 31, 2019.

## 10. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Smart Homes	\$ 810,462	\$839,543
First Responders	805,126	774,102
Gold Star Homes	<u>6,171,274</u>	<u>624,977</u>
	<u>\$7,786,862</u>	<u>\$2,238,622</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors as follows for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Satisfaction of purpose restriction:		
Smart Homes	\$294,604	\$1,913,237
First Responders	77,726	341,183
Gold Star Homes	<u>45,227</u>	<u>          </u>
	<u>\$417,557</u>	<u>\$2,254,420</u>

# Stephen Siller Tunnel to Towers Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### 11. Board Designated Endowment Funds

The Foundation's endowment fund includes net assets without any donor restrictions that have been designated for endowment by the Board of Directors. As of December 31, 2020, the board designated endowment fund totaled \$11,922,113, which consists of \$4,898,390 in investments and \$7,023,723 in cash. As of December 31, 2019, the board designated endowment fund totaled \$2,585,128, which consists of \$2,564,707 in investments and \$20,421 in cash.

#### *Investment and Spending Policies*

The Foundation has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment asset. Investments will be diversified to limit the risk of loss resulting from the concentration of assets in a specific type of investment, specific maturity, specific issuer or sector unless the Executive Board prudently determines that, because of special circumstances, the purposes of the Fund are better served without diversification. The Executive Board shall review the diversification strategy periodically, provided, however, that it shall review any decision to not diversify as frequently as circumstances require but, at a minimum, annually.

The Foundation is committed to administering and investing all endowed funds in compliance with all relevant Foundation by-laws, organizational concerns, industry standards, and federal and state laws and regulations, including without limitation the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). No policy will supersede any provision of federal or state law or regulation.

Changes in endowment net assets for the years ended December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Endowment Net Assets,		
Beginning of Year	\$2,585,128	\$1,480,871
Investment Return, net	377,593	265,851
Contributions	<u>8,959,392</u>	<u>838,406</u>
Endowment Net Assets,		
End of Year	<u>\$11,922,113</u>	<u>\$2,585,128</u>

# Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements  
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## 12. 403(b) Pension Plan

During 2015, the Foundation adopted a 403(b)-pension plan where eligible employees are able to contribute part of their salary into an account under their management and control. The Foundation will match employee contributions at 100% of the first 3% and 50% of the next 2%. The Foundation's share of pension expense for the years ended December 31, 2020 and 2019 totaled \$145,258 and \$129,625, respectively.

## 13. Commitments and Contingencies

### *Operating Leases*

The Foundation entered into a lease for its rental of office space in Staten Island, New York through June 30, 2017. In March 2016, the Foundation elected to renew the lease for an additional 60 months through June 30, 2021. A \$10,000 security deposit was paid when the lease was signed on June 15, 2012. Total rent expense for this lease for the years ended December 31, 2020 and 2019 was \$152,364 and \$152,364, respectively.

The Foundation entered into a lease for warehouse space in New Fairfield, Connecticut which ended in December 2018. In July 2019, the Foundation elected to renew the lease for an additional 24 months through July 31, 2021. Rent expense was \$1,100 per month.

The Foundation entered into a lease agreement for office space in New Fairfield, Connecticut in December 2017. The initial term of the lease began on December 1, 2017 and ends on December 31, 2022. There is an option to renew the lease for an additional five-year term. A security deposit of \$5,213 was paid at the signing of the lease. Rent expense for the years ended December 31, 2020 and 2019 was \$36,102 and \$35,256.

These leases have been classified as operating leases and the future minimum rental payments are as follows:

<u>Year Ending</u>	
2021	\$189,858
2022	<u>36,619</u>
	<u>\$226,477</u>

# Stephen Siller Tunnel to Towers Foundation

## Notes to Financial Statements December 31, 2020 and 2019

The Foundation also has several month-to-month leases for warehouse space in the New York City area.

### **14. Related Party Transaction**

The Foundation has entered into transactions with members of the Board of Directors. A company owned by the Chairman of the Board of Directors provides the Foundation with its office space in Staten Island, New York. Amounts paid to this company for rent in accordance with the rental agreement are detailed in Note 13.

### **15. Line of Credit**

The Foundation obtained a \$500,000 line of credit with Northfield Bank during 2013. The line bears an interest rate of 5% on the outstanding balance. The line was not used during 2020 and 2019. There were no outstanding balances at December 31, 2020 and 2019.

### **16. Functionalized Expenses**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

### **17. Concentration of Credit Risk**

The Foundation places its temporary cash and money market accounts with various financial institutions throughout the New York City area. Accounts at these institutions were insured for up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) at December 31, 2020 and 2019. The Foundation had uninsured balances of \$51,120,252 and \$13,758,698 at December 31, 2020 and 2019, respectively.



# Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements  
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## **18. Subsequent Events**

The Foundation has evaluated subsequent events through August 3, 2021, the date the financial statements were available to be issued and has determined that there are no reportable subsequent events or transactions that need to be disclosed in these financial statements.

## **19. Risks and Uncertainties – Impacts of COVID-19**

In December 2019, an outbreak on a novel strain of coronavirus (COVID-19) spread throughout the world, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of March 20, 2020, New York Governor Andrew Cuomo ordered the closure of the physical location of every “non-essential” business for an extended period of time.

On March 16, 2020, the Foundation closed its offices, and staff transitioned to working remotely in an attempt to navigate the unprecedented challenges brought upon by the COVID-19 pandemic. Impacts have included continued disruptions or restrictions on employees’ ability to work and impairment of the ability to obtain contributions and volunteers. The full effects and future impacts are unknown at this time. No adjustments have been made to these financial statements as a result of the uncertainty surrounding the pandemic.

Senior leadership at the Foundation has been carefully monitoring the situation, evaluating its options, and taking appropriate measures to help mitigate the consequences where possible.

The Foundation applied for and was approved for a \$829,114 PPP loan created as part of the relief efforts related to COVID-19 and administered by the SBA. The loan accrues interest at 1.00%, but payments are not required to begin for ten months after the funding of the loan. The Foundation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.