

Stephen Siller Tunnel to Towers Foundation

Financial Statements

December 31, 2024 and 2023

(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

Opinion

We have audited the financial statements of Stephen Siller Tunnel to Towers Foundation which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Stephen Siller Tunnel to Towers Foundation as of December 31, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits 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 Stephen Siller Tunnel to Towers Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the 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 Stephen Siller Tunnel to Towers Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

(1)

1675 Richmond Road
Staten Island, NY 10304

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 Stephen Siller Tunnel to Towers Foundation'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 Stephen Siller Tunnel to Towers Foundation'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.

De Santis, Kiefer, Shall & Sarrone, LLP

Staten Island, New York

November 12, 2025

Stephen Siller Tunnel to Towers Foundation

Statements of Financial Position
December 31, 2024 and 2023

Assets

	<u>2024</u>	<u>2023</u>
Current Assets:		
Cash and Cash Equivalents	\$ 356,129,369	\$ 259,892,154
Contributions Receivable, Net	26,349,202	12,236,939
Prepaid Expenses	6,770,577	2,759,229
Restricted Cash	<u>2,574,956</u>	<u>2,431,462</u>
Total Current Assets	<u>391,824,104</u>	<u>277,319,784</u>
Fixed Assets:		
Fixed Assets - Net of Accumulated Depreciation	<u>181,576,638</u>	<u>94,623,832</u>
Other Assets:		
Endowment - Investments	63,082,689	53,197,923
Endowment - Cash	12,291,648	2,991,408
Contributions Receivable, Net	2,079,812	1,779,514
Assets Held Under Split-Interest Agreement	620,239	-
Right of Use Assets - Operating Leases	1,246,578	1,497,825
Other Assets - Net of Accumulated Amortization	44,552	59,531
Security Deposit	<u>66,401</u>	<u>66,401</u>
Total Other Assets	<u>79,431,919</u>	<u>59,592,602</u>
Total Assets	<u>\$ 652,832,661</u>	<u>\$ 431,536,218</u>
<u>Liabilities and Net Assets</u>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 14,370,312	\$ 8,473,524
Program Liabilities - Home Purchase and Renovations	34,495,757	17,206,855
Short-Term Grants Payable	64,886,988	39,387,476
Short-Term Lease Liabilities - Operating Leases	<u>301,601</u>	<u>316,029</u>
Total Current Liabilities	<u>114,054,658</u>	<u>65,383,884</u>
Non Current Liabilities:		
Liabilities Under Split-Interest Agreements	413,407	-
Long-Term Grants Payable	36,265,146	47,058,981
Long-Term Lease Liabilities - Operating Leases	<u>992,509</u>	<u>1,221,104</u>
Total Non Current Liabilities	<u>37,671,062</u>	<u>48,280,085</u>
Total Liabilities	<u>151,725,720</u>	<u>113,663,969</u>
Net Assets:		
Without Donor Restrictions		
Undesignated	419,591,609	257,471,942
Designated by the Board for Endowment	<u>75,374,337</u>	<u>56,189,331</u>
Total Without Donor Restrictions	<u>494,965,946</u>	<u>313,661,273</u>
With Donor Restrictions		
Purpose Restrictions	4,834,922	2,431,462
Time Restriction	<u>1,306,073</u>	<u>1,779,514</u>
Total Net Assets With Donor Restrictions	<u>6,140,995</u>	<u>4,210,976</u>
Total Net Assets	<u>501,106,941</u>	<u>317,872,249</u>
Total Liabilities and Net Assets	<u>\$ 652,832,661</u>	<u>\$ 431,536,218</u>

Stephen Siller Tunnel to Towers Foundation

Statements of Activities
for the Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Support:						
Direct Public Support	\$ 485,669,455	\$ 1,569,778	\$ 487,239,233	\$ 331,482,151	\$ 476,965	\$ 331,959,116
Government, Corporate and Individual Grants	31,883,871	1,682,986	33,566,857	19,556,155	1,779,514	21,335,669
In-Kind Donations	44,754,910	984,893	45,739,803	122,433,168	121,310	122,554,478
Net Assets Released from Restriction	2,317,877	(2,317,877)	-	13,889,820	(13,889,820)	-
Total Support	<u>566,626,113</u>	<u>1,919,780</u>	<u>568,545,893</u>	<u>487,361,294</u>	<u>(11,512,031)</u>	<u>475,849,263</u>
Revenue:						
Tunnel to Towers Run	4,504,991	-	4,504,991	3,515,421	-	3,515,421
Runs Across America	4,404,486	-	4,404,486	2,952,998	-	2,952,998
Stair Climb	880,555	-	880,555	771,829	-	771,829
Special Event Revenue - Gala	-	-	-	-	-	-
Less: Direct Cost of Benefit to Donors	\$ 825,405	-	-	-	-	-
Net Special Event Revenue	<u>534,481</u>	<u>445,897</u>	<u>980,378</u>	<u>771,829</u>	<u>445,897</u>	<u>1,217,726</u>
Rental Income	290,924	-	290,924	33,803	-	33,803
Fundraising Revenue	359,040	-	359,040	400,005	-	400,005
Interest Income	4,150,835	-	4,150,835	2,865,711	-	2,865,711
Net Investment Return	8,327,824	-	8,327,824	2,174,473	-	2,174,473
Change in Value of Split-Interest Agreement	6,242,592	10,239	6,252,831	8,839,019	-	8,839,019
Total Revenue	<u>29,161,247</u>	<u>10,239</u>	<u>29,171,486</u>	<u>21,553,259</u>	<u>-</u>	<u>21,553,259</u>
Total Support and Revenue	<u>593,787,360</u>	<u>1,930,019</u>	<u>595,717,379</u>	<u>508,914,553</u>	<u>(11,512,031)</u>	<u>497,402,522</u>
Expenses:						
Program Services						
Never Forget	28,313,392	-	28,313,392	73,699,440	-	73,699,440
In the Line of Duty	334,578,252	-	334,578,252	283,941,841	-	283,941,841
Total Program Services	<u>362,891,644</u>	<u>-</u>	<u>362,891,644</u>	<u>357,641,281</u>	<u>-</u>	<u>357,641,281</u>
Fundraising	41,553,695	-	41,553,695	24,373,726	-	24,373,726
Management and General	8,037,348	-	8,037,348	6,386,578	-	6,386,578
Total Expenses	<u>412,482,687</u>	<u>-</u>	<u>412,482,687</u>	<u>388,401,585</u>	<u>-</u>	<u>388,401,585</u>
Change in Net Assets	181,304,673	1,930,019	183,234,692	120,512,968	(11,512,031)	109,000,937
Net Assets, Beginning of Year	313,661,273	4,210,976	317,872,249	193,148,305	15,723,007	208,871,312
Net Assets, End of Year	<u>\$ 494,965,946</u>	<u>\$ 6,140,995</u>	<u>\$ 501,106,941</u>	<u>\$ 313,661,273</u>	<u>\$ 4,210,976</u>	<u>\$ 317,872,249</u>

Stephen Siller Tunnel to Towers Foundation

Statements of Cash Flows for the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 183,234,692	\$ 109,000,937
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:		
Depreciation and Amortization	2,252,249	727,268
Unrealized (Gain) on Investments	(6,465,815)	(6,178,801)
Realized (Gain)/Loss on Investments	(161,404)	263,057
Change in Value of Split Interest Agreements	(10,239)	-
Donated Land, Buildings, and Equipment	(4,750,000)	-
Loss on Disposal of Land	12,250	-
Donated Securities	(12,911,745)	(5,075,482)
Reduction in the Carrying Amount of Right of Use Asset	251,247	318,376
Provision for Uncollectible Contributions	-	18,487
(Increase) Decrease in Operating Assets		
Contributions Receivable, Net	(14,412,561)	(6,832,185)
Prepaid Expenses	(4,011,348)	737,223
Security Deposit	-	500
Increase (Decrease) in Operating Liabilities		
Accounts Payable and Accrued Expenses	5,896,788	1,831,050
Program Liabilities - Home Purchase and Renovations	17,288,902	17,206,855
Grants Payable	14,705,677	33,469,872
Lease Liabilities - Operating Leases	(243,023)	(262,670)
Liabilities Under Split-Interest Agreements	413,407	-
Total Adjustments	<u>(2,145,615)</u>	<u>36,223,550</u>
Net Cash Provided By Operating Activities	<u>181,089,077</u>	<u>145,224,487</u>
Cash Flows from Investing Activities:		
Purchase of Investments	(16,623,819)	(16,152,136)
Sales of Investments	25,067,017	16,473,121
Purchase of Fixed Assets	(84,452,326)	(47,214,016)
Addition to Assets Held Under Split Interest Agreement	601,000	-
Net Cash Used In Investing Activities	<u>(75,408,128)</u>	<u>(46,893,031)</u>
Net Increase in Cash, Cash Equivalents, and Restricted Cash	105,680,949	98,331,456
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>265,315,024</u>	<u>166,983,568</u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	<u>\$ 370,995,973</u>	<u>\$ 265,315,024</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, 2024

	Program Services				Total Program Services	Fundraising	Management and General	Total
	Never Forfeited	In the Line of Duty		Total Program Services				
Salaries	\$ 4,717,400	\$ 11,786,990		\$ 16,504,390	\$ 5,237,749	\$ 3,575,520	\$ 25,317,659	
Payroll Taxes and Benefits	1,295,427	2,873,589		4,169,016	1,291,482	872,124	6,332,622	
Total Salaries and Payroll Taxes and Benefits	6,012,827	14,660,579		20,673,406	6,529,231	4,447,644	31,650,281	
Advertising and Marketing	1,292,416	51,697,668		52,990,084	22,124,847	510,902	75,625,833	
Bank Charges	1,711,026	3,928,017		5,639,043	1,785,462	949,132	8,373,637	
Building Maintenance	182,945	1,159,667		1,342,612	179,650	146,341	1,668,603	
Computer Expense	184,098	426,840		610,938	217,563	128,970	957,471	
Consultants and Contractors	6,366,961	3,968,438		10,335,399	1,226,359	283,191	11,844,949	
Utilities	72,956	646,164		719,120	67,063	54,162	840,345	
Event Production	905,649	442,684		1,348,333	459,366	11,556	1,819,255	
Food	61,721	36,117		97,838	87,361	2,433	187,632	
Insurance	205,444	1,166,020		1,371,464	165,394	116,979	1,653,837	
Meetings	61,514	126,048		187,562	135,499	42,807	365,868	
Postage	47,576	217,448		265,024	107,878	139,027	511,929	
Professional Services	259,157	1,739,036		1,998,193	977,352	294,571	3,270,116	
Operating Lease Expense	77,528	162,441		239,969	73,837	55,377	369,183	
Rent	45,948	114,865		160,813	56,875	151,096	368,784	
Storage	-	211,334		211,334	39,149	-	250,483	
Supplies	1,152,206	1,128,362		2,280,568	1,460,983	206,102	3,947,653	
Telephone	18,148	39,139		57,287	17,286	12,959	87,532	
Equipment	210,521	34,523		245,044	3,903	1,116	250,063	
Taxes and Permits	50,598	1,453,865		1,504,463	31,505	29,920	1,565,888	
Travel	555,597	1,613,581		2,169,178	711,144	62,055	2,942,377	
Venue	202,092	38,597		240,689	2,185,775	-	2,426,464	
Donations	7,081,104	168,649,156		175,730,260	262,918	246,191	176,239,369	
New York City Run Costs	1,349,867	-		1,349,867	-	-	1,349,867	
Outreach	2,750	79,206,063		79,208,813	2,454,206	-	81,663,019	
Amortization	3,145	6,591		9,736	2,996	2,247	14,979	
Depreciation	199,598	1,705,009		1,904,607	190,093	142,570	2,237,270	
	<u>\$ 28,313,392</u>	<u>\$ 334,578,252</u>		<u>\$ 362,891,644</u>	<u>\$ 41,553,695</u>	<u>\$ 8,037,348</u>	<u>\$ 412,482,687</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, 2023

	Program Services				Total Program Services	Fundraising	Management and General	Total
	Never Forfeited	In the Line of Duty						
Salaries	\$ 3,600,605	7,587,432	\$ 11,188,037		\$ 3,151,782	\$ 2,544,971	\$ 16,884,790	
Payroll Taxes and Benefits	913,104	1,835,617	2,748,721		749,274	592,548	4,090,543	
Total Salaries and Payroll Taxes and Benefits	4,513,709	9,423,049	13,936,758		3,901,056	3,137,519	20,975,333	
Advertising and Marketing	52,554,194	73,134,304	125,688,498		12,230,324	337,732	138,256,554	
Bank Charges	1,479,204	3,100,509	4,579,713		1,240,199	1,033,499	6,853,411	
Building Maintenance	131,629	367,445	499,074		98,307	84,277	681,658	
Computer Expense	198,000	457,825	655,825		188,953	144,682	989,460	
Consultants and Contractors	1,104,312	1,333,296	2,437,608		406,383	163,562	3,007,553	
Utilities	29,091	236,464	265,555		22,525	18,112	306,192	
Event Production	2,141,171	1,180,833	3,322,004		199,555	1,163	3,522,722	
Food	158,763	7,583	166,346		9,433	2,059	177,838	
Insurance	161,618	265,916	427,534		104,340	91,922	623,796	
Meetings	86,251	111,114	197,365		53,239	11,622	262,226	
Postage	51,382	1,479,231	1,530,613		99,711	101,489	1,731,813	
Professional Services	172,268	1,274,367	1,446,635		169,073	220,984	1,836,692	
Operating Lease Expense	76,380	156,232	232,612		62,493	52,077	347,182	
Rent	30,583	62,556	93,139		25,022	171,358	289,519	
Storage	-	201,386	201,386		1,803	-	203,189	
Supplies	1,597,880	1,794,164	3,392,044		1,080,902	556,025	5,028,971	
Telephone	17,083	41,414	58,497		14,301	11,612	84,410	
Equipment	238,428	4,774	243,202		1,181	291	244,674	
Taxes and Permits	63,838	422,151	485,989		18,628	35,037	539,654	
Travel	1,393,558	1,109,800	2,503,358		421,063	30,158	2,954,579	
Venue	372,282	24,810	397,092		1,938,177	-	2,335,269	
Donations	5,768,675	129,799,856	135,568,531		166,655	41,023	135,776,209	
New York City Run Costs	1,172,784	-	1,172,784		-	-	1,172,784	
Merchandise	17,276	35,340	52,616		14,148	19,690	86,454	
Outreach	19,339	57,535,725	57,555,064		1,799,439	13,185	59,367,688	
Provision for Uncollectible Contributions	-	-	-		-	-	-	
Amortization	3,295	6,741	10,036		2,696	2,247	14,979	
Depreciation	146,447	374,956	521,403		104,120	86,766	712,289	
	\$ 73,699,440	\$ 283,941,841	\$ 357,641,281		\$ 24,373,726	\$ 6,386,578	\$ 388,401,585	

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

Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements
December 31, 2024 and 2023

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 honor the sacrifice of FDNY firefighter Stephen Siller, and all those who laid down their lives to save others on September 11, 2001. The Foundation also honors our military and first responders who continue to make the supreme sacrifice of life and limb for our country.

The Foundation accomplishes this mission through the following programs:

IN THE LINE OF DUTY PROGRAMS:

- 1) **Smart Home Program:** This program constructs custom, specially adapted Smart Homes for catastrophically injured service members and first responders to restore their ability to live a life of independence.
- 2) **Fallen First Responder Home Program:** The Foundation provides mortgage free homes to families with young children left behind when a firefighter or police officer is killed in the line of duty.
- 3) **Gold Star Home Program:** The Foundation provides mortgage free homes to families with young children when a service member dies in the line of duty.
- 4) **Homeless Veterans Program:** The Foundation is committed to end homelessness amongst the veteran community. Providing a safe and dignified residence is an integral part of helping veterans who are homeless reclaim their lives. Veterans in this program receive the support they need to help them address any obstacles to living a more independent life. In addition to delivering housing, the Foundation provides comprehensive care through its national case management team by connecting veterans who have additional needs with mental health counseling, addiction services, skills training and job placement.

Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements
December 31, 2024 and 2023

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) **Tunnel to Towers 9/11 Institute:** This is the September 11, 2001 education program. The Foundation has developed a curriculum for grades K-12 that can be accessed by teachers throughout the nation to educate children about the history of 9/11. The program also includes a mobile exhibit, which serves to educate and pay tribute to the sacrifices made on September 11, 2001.
- 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 military or first responders and other cases where there is immediate special financial need.

2. Summary of Significant Accounting Policies

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

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.

Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements
December 31, 2024 and 2023

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.

Contributions Receivable

The Foundation 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. The Foundation determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At December 31, 2024 and 2023, the allowance was \$-0- and \$389,965, respectively.

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	27.5 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, 2024 and 2023

Assets Held and Liabilities Under Split-Interest Agreements

Charitable Gift Annuities

Under charitable gift annuity contracts, we receive immediate and unrestricted title to contributed assets and agree to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the annuity liability is recorded as a contribution without donor restrictions. In subsequent years, the liability for future annuity payments is reduced by payments made to the specified beneficiaries and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year. Upon termination of the annuity contract, the remaining liability is removed and recognized as income.

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.

Grants Payable

The Foundation has awarded several grants payable to other tax-exempt organizations in furtherance of its mission. Unconditional grants payable expected to be paid 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 liability. In subsequent years, amortization of the discounts is included in program expense in the statements of functional expenses.

Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements
December 31, 2024 and 2023

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.

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.

The Foundation recognizes revenue from registration fees related to its runs, stair climb, and golf outings at the time of registration. These fees are nonrefundable. Special events revenue is reported less the direct benefit to donors, and contribution income is recorded for the excess received when the event takes place.

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Notes to Financial Statements
December 31, 2024 and 2023

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.

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.

Advertising Expenses

Marketing and advertising costs are expensed as incurred.

Joint Costs

In accordance with ASC 958, *Not-for-Profit Entities*, the Foundation conducts activities that include both programmatic components and fundraising appeals (joint activities). The costs of these joint activities are allocated between program services and fundraising expenses based on the relative direct conduct and content of each activity. Joint costs were incurred primarily through direct response television and direct mail campaigns.

For the year ended 2024, the Foundation incurred a total of \$122,948,562 of joint costs. Of these costs, \$99,918,740 was allocated to program services and \$23,029,822 was allocated to fundraising expenses. For the year ended 2023, the Foundation incurred a total of \$77,989,534 of joint costs. Of these costs, \$67,433,846 was allocated to program services, \$10,542,503 was allocated to fundraising, and \$13,185 was allocated to management and general.

Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements
December 31, 2024 and 2023

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.

Leases

The Foundation determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Foundation does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

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, 2024.

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.

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.

Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements
December 31, 2024 and 2023

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>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$356,129,369	\$259,892,154
Restricted Cash	2,574,956	2,431,462
Endowment – Cash	<u>12,291,648</u>	<u>2,991,408</u>
Total Cash, Cash Equivalents, and Restricted Cash Shown in the Statement of Cash Flows	<u>\$370,995,973</u>	<u>\$265,315,024</u>

5. Contributions Receivable

Unconditional promises to give are estimated to be collected as follows at December 31, 2024 and 2023:

	2024	2023
Within One Year	\$26,349,202	\$12,626,904
In One to Five Years	1,900,000	1,666,666
Over Five Years	<u>400,000</u>	<u>300,000</u>
	28,649,202	14,593,570
Less discount to net present value at rates ranging from 3.97% to 4.64%	(220,188)	(187,152)
Less uncollectible promises to give	<u>0</u>	<u>(389,965)</u>
	<u>\$28,429,014</u>	<u>\$14,016,453</u>

Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements December 31, 2024 and 2023

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.

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>2024</u>	<u>2023</u>
Financial Assets		
Cash and Cash Equivalents	\$356,129,369	\$259,892,154
Contributions Receivable, Net	26,349,202	12,236,939
Restricted Cash	2,574,956	2,431,462
Endowment – Investment	63,082,689	53,197,923
Endowment – Cash	<u>12,291,648</u>	<u>2,991,408</u>
Total financial assets	460,427,864	330,749,886
Donor-imposed restrictions:		
Funds subject to purpose and time restrictions	<u>(6,140,995)</u>	<u>(4,210,976)</u>
Net financial assets after donor- imposed restrictions	454,286,869	326,538,910
Less:		
Board-designated funds	<u>(75,374,337)</u>	<u>(56,189,331)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$378,912,532</u>	<u>\$270,349,579</u>

The Foundation receives 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
December 31, 2024 and 2023

6. 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.

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 7).

Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements
December 31, 2024 and 2023

7. Investments

Investments consist of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Endowment and Long-Term Investments:		
Exchange-Traded Funds	\$36,455,351	\$22,864,815
Equities	19,646,052	6,518,674
Fixed Income	5,865,364	11,580,468
Mutual Funds	14,034	11,184,188
Fixed Annuity	1,101,888	1,049,778
Assets held under Split-Interest Agreement	<u>620,239</u>	<u> </u>
Total Endowment and Long-Term Investments	<u>\$63,702,928</u>	<u>\$53,197,923</u>

As discussed in Note 6 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 following table presents investments measured at fair value at December 31, 2024 and 2023:

December 31, 2024

	<u>Total</u>	<u>Fair Value Measurement at Reporting Date Using</u>		
		Quoted Prices in Active Markets for Identical Asset (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Exchange-Traded Funds	\$36,455,351	\$36,455,351	0	0
Equities	19,646,052	19,646,052	0	0
Fixed Income	5,865,364	0	5,865,364	0
Mutual Funds	14,034	14,034	0	0
Fixed Annuity	<u>1,101,888</u>	<u>0</u>	<u>0</u>	<u>1,101,888</u>
Total	<u>\$63,082,689</u>	<u>\$56,115,437</u>	<u>\$5,865,364</u>	<u>\$1,101,888</u>

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Notes to Financial Statements December 31, 2024 and 2023

December 31, 2023

	<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>
Exchange-Traded Funds	\$22,864,815	\$22,864,815	\$ 0	\$ 0
Equities	6,518,674	6,518,674	0	0
Fixed Income	11,580,468	0	11,580,468	0
Mutual Funds	11,184,188	11,184,188	0	0
Fixed Annuity	<u>1,049,778</u>	<u>0</u>	<u>0</u>	<u>1,049,778</u>
Total	<u>\$53,197,923</u>	<u>\$40,567,677</u>	<u>\$11,580,468</u>	<u>\$1,049,778</u>

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2024 and 2023:

	2024	2023
Balance at Beginning of Year	\$1,049,778	\$1,000,265
Purchases of Investments	0	0
Investment Return, net	52,110	49,513
Distributions	<u>0</u>	<u>0</u>
Balance at End of Year	<u>\$1,101,888</u>	<u>\$1,049,778</u>

Assets held under split-interest agreements are invested in cash and money market funds and are valued at cost.

Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements
December 31, 2024 and 2023

8. Fixed Assets

The summary of fixed assets at December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Land	\$54,357,633	\$28,371,323
Land Improvements	394,843	0
Buildings	46,210,822	20,424,941
Construction in Progress	70,725,882	38,651,515
Building Improvements	12,513,206	8,399,333
Automobile	1,002,970	672,273
Equipment	<u>1,621,514</u>	<u>1,117,409</u>
Subtotal	186,826,870	97,636,794
Accumulated Depreciation	<u>(5,250,232)</u>	<u>(3,012,962)</u>
Net Fixed Assets	<u>\$181,576,638</u>	<u>\$94,623,832</u>

Depreciation expense for the years ended December 31, 2024 and 2023 was \$2,237,270 and \$712,289, respectively.

For the year ended December 31, 2024, the Foundation received a donation of land totaling \$4,750,000. This donation was recorded at the fair market value at the time of donation. This amount was reported as an in-kind donation on the statements of activities.

Let Us Do Good Village

The Foundation is constructing its Let Us Do Good Village in Florida. Costs recorded as construction in progress include improvements to the land, construction of an amenity center, and construction of three homes. Once construction is completed and buildings in the Village are occupied, the Foundation will begin depreciating these fixed assets.

Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements
December 31, 2024 and 2023

Homeless Veterans Program

The Foundation initiated the acquisition and renovation of hotels to provide housing for homeless veterans. During the fiscal years ending December 31, 2024 and 2023, the Foundation invested approximately \$67.3 million and \$15.5 million, respectively, in buildings and improvements for this program. These expenditures are classified as In the Line of Duty program costs and are being capitalized in line with generally accepted accounting principles. Once renovations are complete and the hotels are occupied, the Foundation will record depreciation expense on these assets.

9. Other Assets

The summary of other assets at December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Domain Name	\$149,794	\$149,794
Accumulated Amortization	<u>(105,242)</u>	<u>(90,263)</u>
Net Other Assets	<u>\$44,552</u>	<u>\$59,531</u>

Amortization expense for the years ended December 31, 2024 and 2023 was \$14,979 and \$14,979, respectively.

Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements
December 31, 2024 and 2023

10. Grants Payable

Grants payable are estimated to be paid as follows at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Within One Year	\$64,886,988	\$39,387,476
In One to Five Years	34,030,000	48,927,000
Over Five Years	<u>5,500,000</u>	<u>1,800,000</u>
	104,416,988	90,114,476
Less discount to net present value at rates ranging from 3.97% to 4.48%	<u>(3,264,854)</u>	<u>(3,668,019)</u>
	<u>\$101,152,134</u>	<u>\$86,446,457</u>

Grants payable are due for the following programs:

United States Veterans Initiative	\$ 42,415,195	\$50,935,399
Mortgage Forgiveness Program	52,179,988	33,712,476
Village Occupancy Liability	3,643,721	1,028,079
Scholarships	1,497,402	
Travis Manion Foundation	717,834	
Fire Family Transportation	<u>697,994</u>	<u>770,503</u>
Total	<u>\$101,152,134</u>	<u>\$86,446,457</u>

11. Program Liabilities – Home Purchase and Renovations

As part of its In the Line of Duty home programs, the Foundation enters into commitments to purchase homes or perform home renovations for its recipients. At December 31, 2024 and 2023, the Foundation entered into agreements to purchase homes or perform renovations within the next year totaling \$34,495,757 and \$17,206,855, respectively.

Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements
December 31, 2024 and 2023

12. In-Kind Contributions

The Foundation received the following in-kind contributions for the years ended December 31, 2024 and 2023:

December 31, 2024

<u>Program or Supporting Service</u>	<u>Donated Advertising</u>	<u>Donated Services</u>	<u>Donated Goods</u>	<u>Total</u>
Never Forget	\$0	\$ 46,649	\$ 4,320	\$ 50,969
In the Line of Duty	25,508,164	259,902	5,984,257	31,752,323
Fundraising	788,912	12,145	2,640	803,697
Management and General	<u>0</u>	<u>219,813</u>	<u>12,913,001</u>	<u>13,132,814</u>
	<u>\$26,297,076</u>	<u>\$538,509</u>	<u>\$18,904,218</u>	<u>\$45,739,803</u>

December 31, 2023

<u>Program or Supporting Service</u>	<u>Donated Advertising</u>	<u>Donated Services</u>	<u>Donated Goods</u>	<u>Total</u>
Never Forget	\$ 51,424,659	\$78,880	\$ 45,901	\$51,549,440
In the Line of Duty	48,602,869	13,332,159	970,976	62,902,004
Fundraising	2,555,468	428,034	125	2,983,627
Management and General	<u>0</u>	<u>39,925</u>	<u>5,075,482</u>	<u>5,115,407</u>
	<u>\$102,582,996</u>	<u>\$13,878,998</u>	<u>\$6,092,484</u>	<u>\$122,554,478</u>

The Foundation receives significant in-kind contributions of time and pro bono services from members of the community and volunteers related to program operations, special events, and fund-raising campaigns. Donated services are recognized as contributions 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. The Foundation recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation.

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Notes to Financial Statements December 31, 2024 and 2023

During fiscal years 2024 and 2023, the Foundation received donated services for security and consulting services. The Foundation also received contributions of advertising and donated goods.

All donated services and assets were utilized by the Foundation's programs and supporting services.

Donated goods include donations of securities to the Foundation's endowment account. For the years ended December 31, 2024 and 2023, the value of the donated investments totaled \$12,911,644 and \$5,075,482, respectively. Investments are valued using the fair market value on the date of donation. It is the policy of the Foundation to sell the securities immediately upon receipt.

Donated goods for the In the Line of Duty program include:

- Gift cards, which are recorded based upon the cash value of the card received at the time of the donation. The value of the donated gift cards totaled \$700,000 and \$625,000 for the years ended December 31, 2024 and 2023, respectively.
- Donated materials for home construction, which are valued based upon the cost of those materials provided by the donor. Donated materials totaled \$534,257 and \$392,003 for the years ended December 31, 2024 and 2023, respectively.
- During 2024, the Foundation received a donation of land with an appraised fair market value of \$4,750,000.

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Notes to Financial Statements
December 31, 2024 and 2023

13. Net Assets with Donor Restrictions

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

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Smart Homes	\$ 1,225,621	\$ 561,904
First Responders	1,871,858	500,141
Gold Star Homes	508,128	350,856
Never Forget Relief	<u>1,229,315</u>	<u>1,018,561</u>
	\$4,834,922	\$2,431,462
Subject to the passage of time:		
Contributions Receivable	1,112,848	1,779,514
Charitable Gift Annuity	<u>193,225</u>	<u> </u>
Total Net Assets with Donor Restrictions	<u>\$6,140,995</u>	<u>\$4,210,976</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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Satisfaction of purpose restriction:		
Smart Homes	\$691,748	\$2,051,868
First Responders	287,059	597,617
Gold Star Homes	8,059	5,323,270
Let Us Do Good Village	0	5,704,684
Homeless Veterans	0	193,240
Never Forget Relief	<u>664,345</u>	<u>19,141</u>
	<u>\$1,651,211</u>	<u>\$13,889,820</u>
Satisfaction of time restriction:		
Contributions Receivable	<u>\$ 666,666</u>	<u>\$ 0</u>

Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements
December 31, 2024 and 2023

14. 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, 2024, the board designated endowment fund totaled \$75,374,337 which consists of \$63,082,689 in investments and \$12,291,648 in cash. As of December 31, 2023, the board designated endowment fund totaled \$56,189,331, which consists of \$53,197,923 in investments and \$2,991,408 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, Foundational 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, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Endowment Net Assets, Beginning of Year	\$56,189,331	\$44,278,094
Investment Return, net	6,273,261	6,859,235
Contributions	<u>12,911,745</u>	<u>5,052,002</u>
Endowment Net Assets, End of Year	<u>\$75,374,337</u>	<u>\$56,189,331</u>

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Notes to Financial Statements
December 31, 2024 and 2023

In August of 2021, the Foundation purchased the building located at 2381 Hylan Blvd for the intent of acquiring additional employee office space to accommodate the current and future growth of the Foundation staff. The Foundation has determined that if the building is subsequently sold all proceeds will go directly to the Endowment Fund.

In December of 2023, the Foundation purchased the building located at 2187 Victory Blvd for the intent of acquiring additional employee office space to accommodate the current and future growth of the Foundation staff. The Foundation has determined that if the building is subsequently sold all proceeds will go directly to the Endowment Fund.

15. 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, 2024 and 2023 totaled \$697,971 and \$434,847, respectively.

16. Lease Commitments

Operating Leases

The Foundation evaluated current contracts to determine which met the criteria of a lease. The ROU assets represent the Foundation's right to use underlying assets for the lease term, and the lease liabilities represent the Foundation's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Foundation has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2024 and 2023 was 1.82% and 1.71%, respectively.

The Foundation's operating leases consist of two leases for office space, one lease for warehouse space, and one lease for a parking lot.

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Notes to Financial Statements

December 31, 2024 and 2023

Total lease expense for the years ended December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Operating lease expense	<u>\$369,183</u>	<u>\$347,182</u>

Cash flow information for the year ended December 31, 2024 is as follows:

Operating cash flows from operating leases	\$358,209
ROU Assets obtained in exchange for new operating lease liabilities	89,662
Weighted-average remaining lease term in years for operating leases	4.53
Weighted-average discount rate for operating leases	1.82%

Cash flow information for the year ended December 31, 2023 is as follows:

Operating cash flows from operating leases	\$291,476
Weighted-average remaining lease term in years for operating leases	5.40
Weighted-average discount rate for operating leases	1.71%

The following displays the undiscounted cash flows due related to operating leases as of December 31, 2024, along with a reconciliation to the discounted amount recorded on the statement of financial position at December 31, 2024:

Undiscounted cash flows due:

For the Year Ending
December 31,

2025	\$ 321,435
2026	286,515
2027	270,959
2028	231,194
2029	<u>234,816</u>
Total undiscounted cash flows	1,344,919
Less: present value discount	<u>(50,809)</u>
Total lease liabilities	<u>\$1,294,110</u>

The Foundation also has several month-to-month leases for warehouse space.

Stephen Siller Tunnel to Towers Foundation

Notes to Financial Statements December 31, 2024 and 2023

17. Related Party Transaction

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 were \$237,192 and \$230,087 for the years ended December 31, 2024 and 2023, respectively.

18. 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.

19. 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, 2024 and 2023. The Foundation had uninsured balances of \$307,596,349 and \$157,000,121 at December 31, 2024 and 2023, respectively.

20. Subsequent Events

The Foundation has evaluated subsequent events through November 12, 2025, the date the financial statements were available to be issued.

On February 13, 2024, the Foundation received a donation of 17,100 shares of Publishers Clearing House, LLC stock (a closely held entity). At the date of gift, the donor's appraisal of gift was \$51,800,000. At December 31, 2024, the stock value was determined to be \$0 and in April 2025 Publishers Clearing House, LLC filed Chapter 11 Bankruptcy.