

FDNY Foundation

Financial Report

June 30, 2024

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Independent Auditor's Report

To the Board of Directors of
FDNY Foundation, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FDNY Foundation, Inc. (the Foundation) (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 The Foundation, Inc. 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 the Foundation's, ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* 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, including omissions, 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 generally accepted auditing standards and *Government Auditing Standards*, 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 the 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 the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May, 2025, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

New York, New York
May 11, 2025

FDNY Foundation, Inc.
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 4,174,897	\$ 4,783,033
Pledges receivable, net	2,868,119	3,603,155
Grants receivable	707,894	1,752,326
Royalties and other receivables	136,037	169,465
Investments	13,840,658	11,244,907
Inventory	915,032	834,564
Right-of-use asset - operating lease	1,291,192	1,749,476
Prepaid expenses and other assets	55,316	35,877
Property and equipment, net	2,702,225	3,310,082
TOTAL ASSETS	\$ 26,691,370	\$ 27,482,885
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 452,819	\$ 837,567
Deferred revenue	-	73,700
Lease liability - operating lease	1,332,507	1,778,011
Total liabilities	1,785,326	2,689,278
NET ASSETS		
Without donor restrictions		
Undesignated	7,325,872	8,642,710
Board-designated endowment	13,840,658	11,244,907
	21,166,530	19,887,617
With donor restrictions	3,739,514	4,905,990
Total net assets	24,906,044	24,793,607
TOTAL LIABILITIES AND NET ASSETS	\$ 26,691,370	\$ 27,482,885

The Notes to Financial Statements are an integral part of these statements.

FDNY Foundation, Inc.
Statements of Activities
Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Contributions and private grants	\$ 1,634,912	\$ 1,073,933	\$ 2,708,845	\$ 1,418,801	\$ 1,416,031	\$ 2,834,832
In-kind contributions	2,017,513	-	2,017,513	1,747,429	-	1,747,429
Government grants	358,255	-	358,255	354,427	-	354,427
Special events (net of direct expenses of \$375,690 and \$450,420 for 2024 and 2023, respectively)	2,395,874	-	2,395,874	3,222,723	-	3,222,723
Licensing royalties and commissions	133,239	-	133,239	165,758	-	165,758
Merchandise sales - Fire Zone retail (net of cost of goods sold of \$738,149 and \$553,889 for 2024 and 2023, respectively)	566,827	-	566,827	551,841	-	551,841
Publications	48,276	-	48,276	66,382	-	66,382
Interest and dividends, net	304,996	-	304,996	259,883	-	259,883
Net realized and unrealized gains on investments	1,292,906	-	1,292,906	900,277	-	900,277
Document control unit processing	26,026	-	26,026	40,355	-	40,355
Rental income	2,000	-	2,000	4,000	-	4,000
Other	265,795	-	265,795	283,996	-	283,996
	9,046,619	1,073,933	10,120,552	9,015,872	1,416,031	10,431,903
Net assets released from restrictions	2,240,409	(2,240,409)	-	1,907,785	(1,907,785)	-
Total public support and revenue	11,287,028	(1,166,476)	10,120,552	10,923,657	(491,754)	10,431,903
EXPENSES						
Program services						
Fire zone educational and retail	1,901,563	-	1,901,563	1,970,263	-	1,970,263
Wellness programs	726,827	-	726,827	823,464	-	823,464
Fire and life safety programs	6,860,550	-	6,860,550	7,162,252	-	7,162,252
Total program services	9,488,940	-	9,488,940	9,955,979	-	9,955,979
Supporting services						
Management and general	284,766	-	284,766	260,607	-	260,607
Fundraising	234,409	-	234,409	299,079	-	299,079
Total supporting services	519,175	-	519,175	559,686	-	559,686
Total expenses	10,008,115	-	10,008,115	10,515,665	-	10,515,665
Change in net assets	1,278,913	(1,166,476)	112,437	407,992	(491,754)	(83,762)
NET ASSETS, beginning of year	19,887,617	4,905,990	24,793,607	19,479,625	5,397,744	24,877,369
NET ASSETS, end of year	\$ 21,166,530	\$ 3,739,514	\$ 24,906,044	\$ 19,887,617	\$ 4,905,990	\$ 24,793,607

The Notes to Financial Statements are an integral part of these statements.

FDNY Foundation, Inc.
Statements of Functional Expenses
Year Ended June 30, 2024

	Program Services				Supporting Services			
	Fire Zone Educational and Retail	Wellness Programs	Fire and Life Safety Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Totals
Salaries	\$ 132,368	\$ -	\$ 197,741	\$ 330,109	\$ 93,000	\$ 157,266	\$ 250,266	\$ 580,375
Payroll taxes and benefits	18,942	-	49,639	68,581	13,904	18,963	32,867	101,448
Professional fees	34,991	-	95,285	130,276	71,273	9,375	80,648	210,924
Meeting space rental and related expenses	2,940	-	118,899	121,839	2,676	11,446	14,122	135,961
Printing and publications	8,948	-	8,743	17,691	-	-	-	17,691
Dues and subscriptions	15,862	-	13,617	29,479	20,759	50	20,809	50,288
Supplies and materials	16,138	-	73,418	89,556	398	15,297	15,695	105,251
Advertising and promotion	16,437	-	999,800	1,016,237	300	1,000	1,300	1,017,537
Rent	587,500	498,251	699,056	1,784,807	35,000	-	35,000	1,819,807
Postage, shipping and delivery	59,350	-	5,480	64,830	313	-	313	65,143
Grants to fire department	-	153,550	2,947,393	3,100,943	-	-	-	3,100,943
Donated educational items	-	-	333,087	333,087	-	-	-	333,087
Equipment rental	-	-	236,986	236,986	-	-	-	236,986
Telephone	15,785	26,015	-	41,800	8,098	-	8,098	49,898
Repairs and maintenance	87,928	2,091	2,914	92,933	-	-	-	92,933
Communication and internet	11,109	2,528	9,773	23,410	-	-	-	23,410
Bank charges and other fees	43,928	3	14,426	58,357	3,636	10,823	14,459	72,816
Utilities	9,076	44,389	-	53,465	-	-	-	53,465
Travel	-	-	15,306	15,306	-	-	-	15,306
Temporary help	227,460	-	444,087	671,547	7,447	5,520	12,967	684,514
Support for fallen uniform members	-	-	334,084	334,084	-	-	-	334,084
Support for uniform members	-	-	247,611	247,611	350	3,000	3,350	250,961
Other	4,944	-	13,205	18,149	27,612	1,669	29,281	47,430
Total expenses before depreciation	1,293,706	726,827	6,860,550	8,881,083	284,766	234,409	519,175	9,400,258
Depreciation	607,857	-	-	607,857	-	-	-	607,857
TOTAL EXPENSES	\$ 1,901,563	\$ 726,827	\$ 6,860,550	\$ 9,488,940	\$ 284,766	\$ 234,409	\$ 519,175	\$ 10,008,115

The Notes to Financial Statements are an integral part of this statement.

FDNY Foundation, Inc.
Statements of Functional Expenses
Year Ended June 30, 2023

	Program Services				Supporting Services			Totals
	Fire Zone Educational and Retail	Wellness Programs	Fire and Life Safety Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 145,999	\$ -	\$ 310,842	\$ 456,841	\$ 83,944	\$ 130,765	\$ 214,709	\$ 671,550
Payroll taxes and benefits	20,238	-	49,345	69,583	12,786	19,917	32,703	102,286
Professional fees	5,904	-	122,836	128,740	65,000	-	65,000	193,740
Meeting space rental and related expenses	1,780	-	80,577	82,357	1,697	74,979	76,676	159,033
Printing and publications	4,206	-	24,703	28,909	602	-	602	29,511
Dues and subscriptions	32,060	-	14,053	46,113	8,302	7,556	15,858	61,971
Supplies and materials	23,269	-	36,511	59,780	6,985	18,187	25,172	84,952
Advertising and promotion	15,737	-	1,000,000	1,015,737	1,949	-	1,949	1,017,686
Rent	587,500	517,759	685,393	1,790,652	34,533	-	34,533	1,825,185
Postage, shipping and delivery	72,087	-	2,775	74,862	716	-	716	75,578
Grants to fire department	-	217,860	3,101,440	3,319,300	-	-	-	3,319,300
Donated educational items	-	-	63,003	63,003	-	-	-	63,003
Equipment rental	-	-	401,687	401,687	3,288	14,519	17,807	419,494
Telephone	5,268	23,040	1,790	30,098	3,958	2,000	5,958	36,056
Repairs and maintenance	166,585	993	232	167,810	608	4,000	4,608	172,418
Communication and internet	4,975	7,019	9,102	21,096	-	-	-	21,096
Bank charges and other fees	17,609	69	5,554	23,232	3,172	15,996	19,168	42,400
Utilities	5,387	55,954	1,650	62,991	-	-	-	62,991
Travel	-	-	8,066	8,066	117	2,785	2,902	10,968
Temporary help	203,040	-	329,794	532,834	1,631	-	1,631	534,465
Support for fallen uniform members	-	-	479,725	479,725	-	-	-	479,725
Support for uniform members	-	-	363,781	363,781	-	-	-	363,781
Other	40,822	770	69,393	110,985	31,319	8,375	39,694	150,679
Total expenses before depreciation	1,352,466	823,464	7,162,252	9,338,182	260,607	299,079	559,686	9,897,868
Depreciation	617,797	-	-	617,797	-	-	-	617,797
TOTAL EXPENSES	\$ 1,970,263	\$ 823,464	\$ 7,162,252	\$ 9,955,979	\$ 260,607	\$ 299,079	\$ 559,686	\$ 10,515,665

The Notes to Financial Statements are an integral part of this statement.

FDNY Foundation, Inc.
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 112,437	\$ (83,762)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Donated retail facilities	617,850	617,850
Depreciation	607,857	617,797
Net realized and unrealized (gains) losses on investments	(1,292,906)	(900,277)
Right-of-use assets - operating leases	458,284	(1,749,476)
Decrease (increase) in operating assets		
Pledges receivable	117,177	(331,949)
Grants receivable	1,044,432	(143,681)
Royalties and other receivables	33,428	(28,394)
Inventory	(80,468)	26,060
Prepaid expenses and other assets	(19,439)	20,375
(Decrease) in operating liabilities		
Accounts payable and accrued expenses	(384,748)	745,082
Lease liability - operating leases	(445,504)	1,778,011
Deferred revenue	(73,700)	73,700
Net cash provided by operating activities	694,700	641,336
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchases) of investment securities	(2,715,629)	(1,573,580)
Proceeds from sales of investment securities	1,412,793	1,176,271
Net cash (used in) investing activities	(1,302,836)	(397,309)
Net increase in cash and cash equivalents	(608,136)	244,027
CASH AND CASH EQUIVALENTS, beginning of year	4,783,033	4,539,006
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 4,174,897</u>	<u>\$ 4,783,033</u>

The Notes to Financial Statements are
an integral part of these statements.

FDNY Foundation, Inc.

Notes to Financial Statements

Note 1. Nature of Operations

The FDNY Foundation, Inc. (the Foundation) is a not-for-profit organization established in New York in 1981, previously known as the FDNY Fire Safety Education Fund, to provide varied fire-safety education programs and activities in furtherance of the fire-safety education programs of the New York City Fire Department (the FDNY). The Foundation provides programs (i) to promote the professional development, training, and educational interests of the members of the FDNY and others in all areas of fire administration, firefighting, and fire prevention and investigation; and (ii) to provide support to emergency medical services and their residual beneficial effects to the residents of New York City and New York State.

The funds raised assist the FDNY in its mission to prevent and respond to fires, medical emergencies, disasters, and terrorist acts, thereby protecting the lives and property of residents and visitors in New York City. The Foundation funds programs to help meet the FDNY's training, equipment, and educational needs.

The FDNY, in collaboration with the Foundation, applies for and receives multiple federal, state, and private grants. The grants' intended purpose is to provide counseling and wellness services for FDNY members and their families, public education, and training to members.

The Foundation also operates the FDNY Fire Zone, which provides varied fire-safety and fire-awareness education programs to children and others. The FDNY Fire Zone also operates a retail store which offers various FDNY merchandise for sale to the general public.

Except for certain types of income subject to unrelated business income tax (primarily from merchandise sales), the Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state and local income taxes under comparable laws.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The Foundation's financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Foundation is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the Board of Directors.

Board-designated endowment is an endowment fund created by the not-for-profit entity's governing board by designating a portion of its net assets without donor restrictions as unrestricted net assets to be invested to provide income for a long but not necessarily specified period.

Net assets with donor restrictions: net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

FDNY Foundation, Inc.

Notes to Financial Statements

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Cash and Cash Equivalents

For financial reporting purposes, the Foundation considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents, except for that portion of cash held as part of the investment portfolio.

Investment Valuation and Income Recognition

The Foundation's investments are stated at fair value. Fair value is 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. See note 5 for discussion of fair value measurements.

Investment income is reflected in the statements of activities as increases and decreases in net assets without donor restrictions unless their use is temporarily restricted by explicit donor stipulations. Investment income includes interest and dividends earned on investments. Realized and unrealized gains and losses on investments reported at fair value are reported as a separate line item in the accompanying statements of activities.

Contributions and Pledges Receivable

Contributions are recorded as revenue upon the receipt of cash or unconditional pledges. Contributions are considered available for use without donor restrictions, unless specifically restricted by the donor. Conditional contributions are recorded when the specified conditions have been met. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved.

The Foundation reports contributions in the net assets with donor restrictions classification if they are received with donor stipulations or time considerations as to their use. When a donor's restriction is met, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

Lease Accounting

The Foundation determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be a lease or contain a lease if the contract conveys the right to control the use of the identified property, plant, or equipment (an identified asset) in exchange for consideration. The Foundation determines these assets are leased because the Foundation has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. The Foundation's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

FDNY Foundation, Inc.

Notes to Financial Statements

In evaluating its contracts, the Foundation separately identifies lease and nonlease components, such as common area and other maintenance costs, in calculating the right of use (ROU) assets and lease liabilities for its office facilities and vehicles. The Foundation has elected the practical expedient to not separate lease and nonlease components and classifies the contract as a lease if consideration in the contract allocated to the lease is greater than the consideration allocated to the nonlease component.

Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Foundation determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Foundation has elected to use the risk-free rate as a practical expedient for its discount rate in order to determine present value.

The lease term may include options to extend or to terminate the lease that the Foundation is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term. The Foundation has elected not to record leases with an initial term of 12 months or less on the statement of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Special Event

The Foundation holds its annual FDNY Humanitarian Dinner to honor those who have supported the Department. Special event revenue is primarily derived from admissions, donations, and journal ad sales related to the humanitarian dinner. Special event revenue is recognized when pledged and/or received.

Revenue from Contracts with Customers

The Foundation determines revenue through the following steps:

- Identification of the contract(s) with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of transaction price to the separate performance obligations;
- Recognition of revenue when, or as, performance obligations are satisfied.

Revenue is measured as the amount of consideration the Foundation expects to receive in exchange for providing goods or services. The primary sources of revenue from contracts with customers for the Foundation are licensing and royalty income, merchandise sales, and publication income.

Licensing and Royalty Income

The Foundation has an agreement with a third-party licensing agent of the City of New York, whereby the third-party licensing agent is responsible for the performance of the marketing and licensing services of the FDNY logo. In return, the Foundation receives 70% of the annual royalty income, net of expenditures.

FDNY Foundation, Inc.

Notes to Financial Statements

Merchandise Sales

Through the FDNY Fire Zone, the Foundation operates a retail store which offers various FDNY merchandise for sale to the general public. Revenue is recognized when the risks and rewards of ownership and title to the product have transferred to the buyer. This generally occurs at the time of in-store sales or upon delivery to the customer.

Publication Income

Publication income is recognized over the annual subscription in the year received.

Property and Equipment

Property and equipment are recorded at their original costs or, if contributed, at their appraised value at the dates of contributions. Depreciation of property and equipment is provided using the straight-line method over estimated useful lives of five to seven years; leasehold improvements are amortized over the term of the lease.

Inventory

Inventories consist of "FDNY" retail merchandise available for sale and are reported at the lower of cost or market value, using the first-in, first-out method. There were write offs of obsolete inventory during 2024 and 2023 of \$58,099 and \$0, respectively.

Accrued Vacation

Based on their tenure, employees are entitled to be paid for unused vacation time if they leave the Foundation. The accrued vacation obligation was approximately \$38,000 and \$48,000 for fiscal years 2024 and 2023, respectively, and was reported as part of accrued expenses in the accompanying statements of financial position.

Endowment Funds

The Foundation reports all applicable disclosures to its board-designated funds treated as endowments (see Note 9). There are no donor-restricted endowment funds.

Rental Income

The Foundation leases space to an unrelated party in accordance with a signed lease agreement. Rental income is recognized in accordance with the lease agreement.

Government Grants

Government grants revenue is recognized in the period the qualifying allowable expenditures are incurred.

Donated Goods and Services

Donated goods and services that meet the requirements for recognition under generally accepted accounting principles are reported as both revenue and expense (or, in some cases, as assets) in the accompanying statements of activities, at amounts determined by management to be reasonable for obtaining such goods and services.

FDNY Foundation, Inc.

Notes to Financial Statements

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries, payroll taxes and benefits	Time and effort
Professional fees	Purpose of services provided
Meeting space rental and related expenses	Asset usage
Printing, publications, dues and subscriptions	Asset usage
Supplies and materials	Asset usage
Advertising and promotion	Purpose of services provided
Rent and utilities	Asset usage
Postage, shipping and delivery	Asset usage
Telephone, communication and internet	Asset usage
Repairs and maintenance	Purpose of services provided
Bank charges and other fees	Purpose of services provided
Travel	Purpose of services provided
Temporary help	Purpose of services provided
Other	Asset usage

Advertising Costs

Advertising costs are expensed as incurred.

Income Taxes

The Foundation files an annual Form 990, *Return of Organization Exempt from Income Tax*, with the Internal Revenue Service (IRS). At June 30, 2024, the Foundation's Form 990s for the years 2020 through 2023 remain eligible for examination by the IRS.

The Foundation adopted the provisions of the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 740-10-05, relating to the accounting and reporting for uncertainty on income taxes. For the Foundation, these provisions could be applicable to the incurrence of unrelated business income tax (UBIT) attributable to some of the Fire Zone retail store merchandise. Because of the Foundation's general tax-exempt status, ASC Topic 740-10-05 did not have, and is not anticipated to have, a material impact on the Foundation's financial statements.

Subsequent Events

The Foundation has evaluated subsequent events and transactions through May 11, 2025, the date that the financial statements were available to be issued.

FDNY Foundation, Inc.

Notes to Financial Statements

Note 3. Availability and Liquidity

The following represents the Foundation's liquid financial assets at June 30, 2024 and 2023:

	2024	2023
Financial assets at year end		
Cash and cash equivalents	\$ 4,174,897	\$ 4,783,033
Pledges, grants, royalties and other receivables, net	3,712,050	5,524,946
Investments	13,840,658	11,244,907
Total financial assets	21,727,605	21,552,886
Less amounts not available to be used within one year		
Net assets with donor restrictions	3,739,514	4,905,990
Less net assets with purpose restrictions to be met in less than one year	(1,997,781)	(2,305,176)
Board-designated endowment	13,840,658	11,244,907
	15,582,391	13,845,721
Financial assets available to meet general expenditures over the next twelve months	\$ 6,145,214	\$ 7,707,165

The Foundation's intent is generally to maintain financial assets to meet no less than 60 days of operating expenses (approximately \$1,100,000). As part of its liquidity plan, excess cash and cash equivalents are held or invested at the direction of the Finance Committee of the Board of Directors.

Note 4. Risks and Uncertainties

The Foundation maintains its cash balances at major money center financial institutions. Balances fluctuate during the year and may exceed the FDIC insurance limits. The Foundation has not experienced any losses in such accounts and management does not anticipate nonperformance by its financial institutions.

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Note 5. Fair Value Measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. It defines fair value as an exit price, which is the price that would be received for an asset or paid to transfer a liability in the Foundation's principal or most advantageous market for the asset or liability, in an orderly transaction between market participants on the measurement date.

FDNY Foundation, Inc.

Notes to Financial Statements

The fair value hierarchy generally requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions based on market data and the entity's judgments about the assumptions that market participants would use in pricing the asset or liability, and are to be developed based on the best information available in the circumstances.

The Foundation determines the fair market value of its investments based on the established fair value definition and hierarchy levels. The three levels within the hierarchy that may be used to measure fair value are:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Observable inputs, including Level 1 prices that have been adjusted; quoted prices for similar assets or liabilities; quoted prices in markets that are less active than traded exchanges; and other inputs that are observable or can be substantially corroborated by observable market data.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are a significant component of the fair value of the assets or liabilities.

The lowest level of input that is a significant component of the fair value measurements determines the placement of the entire fair value measurement in the hierarchy. The Foundation's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the classification of fair value assets and liabilities within the fair value hierarchy levels.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023.

Corporate bonds: Corporate bonds are valued using a non-call spread scale that is created for each issuer for maturities going out to forty years. The spreads represent credit risk and are obtained from the new issue market, secondary trading, and dealer quotations, using pricing models maximizing the use of observable inputs for similar securities.

Equity securities: Equity securities are valued using quoted market prices in active markets.

Mutual funds and exchange-traded funds: Mutual funds and exchange-traded funds (the Funds) are valued at the closing price every business day. The Funds held by the Foundation are registered with the Securities and Exchange Commission. These Funds are required to publish their daily net asset value (NAV) and to transact at that price. The Funds held by the Foundation are deemed to be actively traded.

Money market fund: The money market fund is stated at cost which approximates fair value.

The preceding valuation methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

FDNY Foundation, Inc.

Notes to Financial Statements

The following table sets forth, by level, the Foundation's assets that were accounted for at fair value on a recurring basis as of June 30, 2024 and 2023:

Investments in securities:

	2024				2023			
	Total Fair Value	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total Fair Value	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments at fair value								
Corporate bonds								
Preferred	\$ 57,128	\$ -	\$ 57,128	\$ -	\$ 69,717	\$ -	\$ 69,717	\$ -
Other	203,608	-	203,608	-	179,246	-	179,246	-
	260,736	-	260,736	-	248,963	-	248,963	-
Equity securities								
Materials	97,979	97,979	-	-	100,560	100,560	-	-
Consumer goods	317,207	317,207	-	-	262,565	262,565	-	-
Financial	439,453	439,453	-	-	390,230	390,230	-	-
Foreign	471,553	471,553	-	-	383,448	383,448	-	-
Health care	302,948	302,948	-	-	314,818	314,818	-	-
Industrials	338,350	338,350	-	-	299,264	299,264	-	-
Services	215,871	215,871	-	-	178,218	178,218	-	-
Technology	1,206,073	1,206,073	-	-	908,949	908,949	-	-
Other	292,397	292,397	-	-	215,068	215,068	-	-
	3,681,831	3,681,831	-	-	3,053,120	3,053,120	-	-
Mutual and exchange-traded funds								
Emerging markets	273,585	273,585	-	-	234,098	234,098	-	-
Foreign	468,558	468,558	-	-	422,517	422,517	-	-
Blend	897,190	897,190	-	-	1,079,086	1,079,086	-	-
Growth	98,103	98,103	-	-	222,848	222,848	-	-
Bonds	7,413,111	7,413,111	-	-	4,610,971	4,610,971	-	-
Value	55,045	55,045	-	-	-	-	-	-
Other	579,958	579,958	-	-	464,953	464,953	-	-
	9,785,550	9,785,550	-	-	7,034,473	7,034,473	-	-
Money market fund	112,541	112,541	-	-	908,351	908,351	-	-
Total investments	<u>\$ 13,840,658</u>	<u>\$ 13,579,922</u>	<u>\$ 260,736</u>	<u>\$ -</u>	<u>\$ 11,244,907</u>	<u>\$ 10,995,944</u>	<u>\$ 248,963</u>	<u>\$ -</u>

FDNY Foundation, Inc.

Notes to Financial Statements

Note 6. Receivables

Pledges Receivable

At June 30, 2024 and 2023, pledges receivable are due as follows:

	2024	2023
Less than one year	\$ 1,153,850	\$ 1,307,350
One to five years	1,995,529	2,659,793
	3,149,379	3,967,143
Reduction of pledges due in excess of one year to present value at 4.58% and 3.98% for fiscal years 2024 and 2023, respectively	(281,260)	(363,988)
Total pledges receivable, net	\$ 2,868,119	\$ 3,603,155

For fiscal years 2024 and 2023, pledges receivable included \$2,278,581 and \$3,387,757, respectively, that represented the value of the donated facilities reserved for use by the Foundation. Based on management's past experience, no reserve for non-collectability was established for fiscal years 2024 and 2023.

Receivables from Grants, Royalties and Other Sources

At June 30, 2024 and 2023, receivables from grants and royalties consisted of amounts arising from exchange transactions with the Foundation. All amounts are due within one year. Based on management's past experience, no reserve for non-collectability was deemed necessary for fiscal years 2024 and 2023.

Note 7. Property and Equipment

Property assets, stated at cost, consist of the following for the years ended June 30, 2024 and 2023:

	2024	2023
Furniture, fixtures and equipment	\$ 774,655	\$ 774,655
Leasehold improvements	4,656,183	4,656,183
	5,430,838	5,430,838
Less: accumulated depreciation	2,728,613	2,120,756
Property and equipment, net	\$ 2,702,225	\$ 3,310,082

Depreciation expense for fiscal years 2024 and 2023 was \$607,857 and \$617,797, respectively.

FDNY Foundation, Inc.

Notes to Financial Statements

Note 8. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2024 and 2023 consisted of the following:

	2024	2023
Specific purpose		
Fire Zone Safety Learning Center	\$ -	\$ 129,509
Family assistance	442,758	517,611
Fire department equipment and apparatus	568,549	890,743
Emergency medical services	115,250	106,590
FDNY counseling services unit	50,000	80,730
Other	64,331	94,332
	<hr/>	<hr/>
Total specific purpose	1,240,889	1,819,515
Passage of time		
Fire Zone Safety Learning Center		
Less than one year	587,850	587,850
One to five years	1,910,775	2,498,625
	<hr/>	<hr/>
Total passage of time	2,498,625	3,086,475
	<hr/>	<hr/>
Total net assets with donor restrictions	<u>\$ 3,739,514</u>	<u>\$ 4,905,990</u>

Net assets released from restrictions during fiscal years June 30, 2024 and 2023 consisted of the following:

	2024	2023
Satisfaction of purpose restrictions		
Fire Zone Safety Learning Center	\$ 265,989	\$ 4,550
Family assistance	571,459	647,925
Fire department equipment and apparatus	675,509	396,695
Emergency medical services	75,611	41,026
FDNY Counseling Services Unit	33,991	-
COVID-19 emergency fund	-	168,139
Other	30,000	61,600
	<hr/>	<hr/>
Total net assets released from purpose restrictions	1,652,559	1,319,935
Satisfaction of passage of time restrictions		
Fire Zone Safety Learning Center	587,850	587,850
	<hr/>	<hr/>
Total net assets released from restrictions	<u>\$ 2,240,409</u>	<u>\$ 1,907,785</u>

FDNY Foundation, Inc.

Notes to Financial Statements

Note 9. Board-Designated Endowment Funds

The Foundation's endowment funds consist solely of those funds without donor restrictions designated by the Board of Directors to provide a predictable stream of funds for the Foundation's programs.

The Foundation will continue to adhere to New York Prudent Management of Institutional Funds Act's (NYPMIFA) requirements relating to the Foundation's board-designated endowment funds.

Changes in endowment assets during fiscal years June 30, 2024 and 2023 consisted of the following:

	2024	2023
Endowment net assets, beginning of year	\$ 11,244,907	\$ 9,947,312
Investment return		
Interest and dividends, net	304,996	259,883
Transfer from without donor restrictions fund	-	-
Other	997,849	137,435
Net realized and unrealized gains on investments	1,292,906	900,277
Total investment return	2,595,751	1,297,595
Endowment net assets, end of year	\$ 13,840,658	\$ 11,244,907

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets and assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation within prudent risk constraints.

Note 10. Donated Facilities, Assets, and Services

Rockefeller Center

In January 2000, a corporate sponsor donated leased space to the FDNY Foundation, for the development of a fire safety learning center. The space is also used for the Fire Zone. The general purpose of the learning center is to develop a broader understanding of the FDNY's operations, in order to expand public awareness and generate goodwill. The learning center offers fire safety education exhibits and programs operated and managed by the Foundation in support of the FDNY. In September 2018, the Foundation entered into a direct lease with the same corporate sponsor at a new location for the Fire Zone. The new Fire Zone opened to the public in September 2020. The lease has an expiration date of June 30, 2028.

FDNY Foundation, Inc.

Notes to Financial Statements

The space donated for the 48th Street learning center was recorded at its estimated fair value. In fiscal years 2024 and 2023, \$587,850, was released from restrictions and is reported in the accompanying statements of activities.

Warehouse

The Foundation entered into a license agreement to use space in a FDNY facility. In fiscal years 2024 and 2023, \$38,268 was recorded as both revenue and expense, respectively, in the accompanying financial statements. The agreement is in effect through June 30, 2024.

Storage Facility

The Foundation entered into a license agreement, effective September 10, 2020, to store PPE equipment that is provided to uniform members. In fiscal year 2024 and 2023, \$616,625, respectively, were recorded as both revenue and expense in the accompanying financial statements. The agreement was in effect through June 30, 2023, and is being extended every three months until such time as storage is no longer required.

Atlantis Marina and Yacht Club

In July 2011, Atlantis Marina and Yacht Club donated space in its marina to maintain and operate a long trailer as Marine 8's headquarters, and a boat slip for fireboats and other vessels which provide emergency response services in Raritan Bay, Lower Bay, Arthur Kill and the Atlantic Ocean. The agreement was renewed in July 2016 for five years and renewed again in July 2021 for an additional five years.

The space donated at the marina was recorded at its estimated fair value. In fiscal years 2024 and 2023, \$30,000 was released from restrictions and is reported in the accompanying statements of activities.

Public Service Announcements

During fiscal years 2024 and 2023, the Foundation received the benefit of public service announcements (PSAs) on local television stations. The PSAs are based on a fair value of approximately \$1,000,000 for both years and were recorded as both revenue and expense in the accompanying statements of activities.

For the year ended June 30, 2024, contributed nonfinancial assets recognized within the statements of activities included:

	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Use of facilities	\$ 684,426	Fire and Life Safety Programs	No associated donor restrictions in month-to-month leases /time restriction on long-term leases	In valuing the various locations of donated rent, FDNY Foundation, Inc. estimated the fair value of the signed lease provided by the donor which is determined on the basis of recent comparable rental prices in the area.
Fitness equipment	90,985	Fire and Life Safety Programs	No associated donor restrictions	FDNY Foundation, Inc. estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.
Smoke alarms	192,102	Fire and Life Safety Programs	No associated donor restrictions	FDNY Foundation, Inc. estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.
Services	1,050,000	Public service announcements for Fire and Life Safety Programs	No associated donor restrictions	FDNY Foundation, Inc. estimated services from advertisers are valued at the estimated fair value based on current rates for similar advertising services.
Total	<u>\$ 2,017,513</u>			

FDNY Foundation, Inc.

Notes to Financial Statements

For the year ended June 30, 2023, contributed nonfinancial assets recognized within the statements of activities included:

	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Use of facilities	\$ 684,426	Fire and Life Safety Programs	No associated donor restrictions in month-to-month leases /time restriction on long-term leases	In valuing the various locations of donated rent, FDNY Foundation, Inc. estimated the fair value of the signed lease provided by the donor which is determined on the basis of recent comparable rental prices in the area.
Fitness equipment	63,003	Fire and Life Safety Programs	No associated donor restrictions	FDNY Foundation, Inc. estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.
Services	1,000,000	Public service announcements for Fire and Life Safety Programs	No associated donor restrictions	FDNY Foundation, Inc. estimated services from advertisers are valued at the estimated fair value based on current rates for similar advertising services.
Total	<u>\$ 1,747,429</u>			

Note 11. Employee Benefit Plan

The Foundation has an employee benefit plan, as prescribed under U.S. Internal Revenue Code Section 401(k), that covers all eligible employees. All employees who have attained the age of 21 are eligible to participate. Contributions to the 401(k) plan are based on a maximum of 50% on the first 6% of an eligible employee's elective deferral. After completion of six years of service, eligible employees are considered to be 100% vested in employer matching contributions. During fiscal years 2024 and 2023, the Foundation made matching contributions to the 401(k) plan of \$10,644 and \$11,070, respectively.

Note 12. Commitments and Contingencies

Leases

The Foundation has obligations as a lessee for office space with noncancelable terms expiring through July 2027. The Foundation has classified these leases as operating leases.

The statement of financial position information related to the operating lease is as follows as of June 30, 2023:

Right-of-use asset - operating lease	\$ 1,291,192
Lease liability - operating lease	1,332,507

The components of lease cost were as follows for the year ended June 30, 2024:

Lease expense	
Operating lease cost	\$ 503,680

Information associated with the measurement of the Foundation's operating lease obligation as of June 30, 2024, is as follows:

Weighted-average remaining lease term in years	2.75 years
Weighted-average discount rate	2.88%

FDNY Foundation, Inc.

Notes to Financial Statements

Future minimum lease payments and reconciliation to the statement of financial position at June 30, 2024 are as follows:

Year Ending June 30,	Amount
2025	\$ 507,177
2026	522,915
2027	<u>363,016</u>
Total future undisclosed lease payments	1,393,108
Less present value discount	<u>(60,601)</u>
Lease Liability	<u><u>\$ 1,332,507</u></u>

Supplemental cash flow information related to the operating leases were as follows for the year ended June 30, 2024:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows – operating leases	\$ 490,898
Right-of-use assets obtained in exchange for lease liabilities	
Operating lease	\$ 458,285
Reductions to right-of-use asset resulting from reduction to lease liabilities	
Operating lease	\$ 445,503

Rent expense for fiscal years 2024 and 2023 was \$1,819,807 and \$1,825,185, respectively, which included \$1,302,276 and \$1,302,276 of donated retail and office space in the fiscal years 2024 and 2023, respectively.

Government-Supported Projects

Government-supported projects are subject to audit by the applicable government granting agencies. At June 30, 2024, there were no material obligations outstanding as a result of such audits, and management believes that any subsequent audits will not result in any material obligations.

Note 13. Related Party Transactions

The FDNY has authorized the lease rights of the commissary store in the FDNY headquarters lobby to the Foundation. The Foundation entered into a lease arrangement on October 16, 2017, with an unrelated contractor to operate the commissary store through October 15, 2020. The unrelated contractor is paying rent on a month-to-month basis since the lease ended. All amounts received through the lease of the facility are to be used by the Foundation to fund current operations.

During fiscal years 2024 and 2023, the Foundation made grants to the FDNY of \$3,034,661 and \$3,283,900 respectively, for various projects.

FDNY Foundation, Inc.

Notes to Financial Statements

Note 14. Tax Status

The Foundation has been determined by the IRS to be exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code (the IRC) and has been classified as a publicly supported organization as described in Section 509(a)(1) of the IRC. Accordingly, contributions to the Foundation entitle donors to the maximum charitable contribution deduction allowed under the IRC.

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Directors of
FDNY Foundation, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of FDNY Foundation, Inc. (the Foundation) (a non-profit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for determining audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

New York, New York
May 11, 2025