

The Mayor's Fund to Advance New York City

(a component unit of the City of New York)

Financial Report

June 30, 2013



Assurance ■ Tax ■ Consulting

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Independent Auditor's Report

To the Board of Directors
The Mayor's Fund to Advance New York City
New York, New York

Report on the Financial Statements

We have audited the accompanying balance sheets of The Mayor's Fund to Advance New York City (the "Fund"), a component unit of the City of New York, as of June 30, 2013 and 2012, and the related statements of revenue, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund as of June 30, 2013 and 2012, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 - 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

McGladrey LLP

New York, New York
December 19, 2013

**The Mayor's Fund to Advance New York City
(a component unit of the City of New York)**

Management's Discussion and Analysis (Unaudited)

This section of The Mayor's Fund to Advance New York City's (the "Fund") annual financial report presents our discussion and analysis of the Fund's financial performance during the fiscal year ended June 30, 2013. Please read it in conjunction with the Fund's financial statements and accompanying notes.

Financial Highlights

The Fund works closely with many New York City agencies to support and strengthen innovative public programs serving the City's residents. Each initiative undertaken by the Fund is unique. Some initiatives are one-year pilot programs while others are multi-year projects. Thus, annual contributions and expenses are not directly correlated and expect to fluctuate from year to year depending on which year contributions are received and program expenses are incurred. Highlights of 2012-13 initiatives enhanced through private support include:

- Hurricane Sandy relief efforts were immediately initiated following Sandy's landfall in New York City on October 28, 2012. As part of the City's emergency relief and recovery operations, the Fund received and addressed specific needs with the help of agency partners working in impacted areas. Efforts included purchases of meals, supplies, baby essentials and personal care needs, as well as ongoing recovery and rebuilding projects for homeowners, immigrant populations, nonprofit organizations, businesses, schools, libraries and parks among other impacted groups.
- Culture Shed, an effort led by the Department of Cultural Affairs, is an innovative visual and performing arts facility that will be developed in the Hudson Yards, creating a venue for new cultural opportunities in the city.
- Young Men's Initiative, a multi-year, interagency and cross-partner initiative to address and find new ways to help young black and Latino men break down barriers to their success and achieve their professional, educational and personal goals.
- Social Innovation Fund, a multi-year initiative to replicate effective anti-poverty programs of the Center for Economic Opportunity in New York City and seven other cities.
- Summer Youth Experience, including the Summer Youth Employment Program and Ladders for Leaders, programs of the Department of Youth and Community Development, to provide youth with employment and education opportunities and foster positive educational and career outcomes.

At June 30, 2013, the Fund's total net position increased by approximately \$16.98 million, or 36.14%, from the previous year due to the following changes in revenue and expenses:

- During the fiscal year ended June 30, 2013, total contributions and grants were approximately \$105.90 million, an increase of about \$52.74 million, or 99.22%, from fiscal year 2012. The increase is largely due to recognizing \$66.69 million (including approximately \$7.58 million of in-kind support) of revenue received for Hurricane Sandy Relief efforts.
- In fiscal year 2013, total expenses were approximately \$89.39 million, an increase of approximately \$52.03 million, or 139.26%, from the previous year. The increase in expenses is mainly due to expenses of approximately \$44.58 million (including \$7.58 million of in-kind expenses) associated with the Hurricane Sandy Relief efforts and expenses of about \$5.68 million for the Young Men's Initiative which became fully operational during FY 2013.

**The Mayor's Fund to Advance New York City
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Management's Discussion and Analysis (Unaudited)

Financial Highlights (continued)

At June 30, 2012, the Fund's total net position increased by approximately \$16.27 million, or 52.97%, from the previous year due to the following changes in revenue and expenses:

- During the fiscal year ended June 30, 2012, total contributions and grants were approximately \$53.16 million, an increase of about \$23.79 million, or 81.00%, from fiscal year 2011. The increase is largely due to recognizing \$15.97 million in support received and income earned for the Young Men's Initiative, a new effort in fiscal year 2012.
- In fiscal year 2012, total expenses were approximately \$37.36 million, an increase of approximately \$5.23 million, or 16.27%, from the previous year. The increase in expenses is based on the needs of the programs.

Overview of the Annual Financial Report

This annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The Fund follows enterprise fund reporting; therefore, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

Financial Analysis of the Fund

Net Position: The following table summarizes the changes in net position between June 30, 2013, 2012, and 2011:

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>Percentage Change</u>	
				<u>2013</u>	<u>2012</u>
Total assets	\$ 83,971,058	\$ 61,656,242	\$ 34,989,443	36.19%	76.21%
Total liabilities	20,016,601	14,679,474	4,279,234	36.36%	243.04%
Net position	<u>\$ 63,954,457</u>	<u>\$ 46,976,768</u>	<u>\$ 30,710,209</u>	36.14%	52.97%
Net position:					
Restricted expendable	\$ 63,677,664	\$ 46,250,183	\$ 29,514,010	37.68%	56.71%
Unrestricted	276,793	726,585	1,196,199	(61.90)%	(39.26)%
Total	<u>\$ 63,954,457</u>	<u>\$ 46,976,768</u>	<u>\$ 30,710,209</u>	36.14%	52.97%

**The Mayor's Fund to Advance New York City
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Management's Discussion and Analysis (Unaudited)

Financial Analysis of the Fund (continued)

Operating Activities: The Fund receives contributions for programs that benefit the City of New York. Grant revenue is earned when the Fund has complied with the terms and conditions of the grant agreements.

The following table summarizes the activities of the Fund for fiscal years ended June 30, 2013, 2012, and 2011:

	2013	2012	2011	Percentage Change	
				2013	2012
Contributions and grants	\$ 105,900,771	\$ 53,158,991	\$ 29,369,393	99.22%	81.00%
Operating expenses:					
Program services	88,898,949	36,918,763	31,772,828	140.80%	16.20%
Management and general	416,205	345,648	275,341	20.41%	25.53%
Fund-raising	79,564	99,043	87,822	(19.67)%	12.78%
Total operating expenses	89,394,718	37,363,454	32,135,991	139.26%	16.27%
Operating income (loss)	16,506,053	15,795,537	(2,766,598)	4.50%	670.94%
Nonoperating revenue	471,636	471,022	507,697	0.13%	(7.22)%
Change in net position	\$ 16,977,689	\$ 16,266,559	\$ (2,258,901)	4.37%	820.11%

General Outlook

The Mayor's Fund to Advance New York City will continue to raise and accept contributions in support of public programs addressing the needs and general welfare of New Yorkers. This may include building partnerships and sharing best practices with local, state and federal stakeholders. To achieve its goals, the Fund is reliant on the generosity of individuals, foundations and corporations, which play a crucial role in making the City safer, healthier, and an even more vibrant and dynamic to live and work.

Contacting the Fund's Financial Management

The financial report is designed to provide donors with a general overview of the Fund's finances and to demonstrate the Fund's accountability for the grants and contributions that it receives. If you have questions about this report, or need additional financial information, contact the Fund at 253 Broadway, 8th Floor, New York, NY 10007.

**The Mayor's Fund to Advance New York City
(a component unit of the City of New York)**

**Balance Sheets
June 30, 2013 and 2012**

	2013	2012
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 49,455,996	\$ 11,997,776
Short-term investments	23,673,429	32,598,860
Restricted contributions and grants receivable	10,771,288	11,415,571
Prepaid expenses	<u>70,345</u>	<u>91,035</u>
Total current assets	83,971,058	56,103,242
Noncurrent Assets:		
Restricted contributions and grants receivable	<u>-</u>	<u>5,553,000</u>
Total assets	<u>\$ 83,971,058</u>	<u>\$ 61,656,242</u>
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 14,903,815	\$ 6,850,104
Deferred revenue and refundable advances	<u>5,112,786</u>	<u>7,829,370</u>
Total liabilities	<u>20,016,601</u>	14,679,474
Contingency		
Net Position:		
Restricted expendable	63,677,664	46,250,183
Unrestricted	<u>276,793</u>	<u>726,585</u>
Total net position	<u>63,954,457</u>	46,976,768
Total liabilities and net position	<u>\$ 83,971,058</u>	<u>\$ 61,656,242</u>

See Notes to Financial Statements.

**The Mayor's Fund to Advance New York City
(a component unit of the City of New York)**

**Statements of Revenue, Expenses and Changes in Net Position
Years Ended June 30, 2013 and 2012**

	2013	2012
Operating Activities:		
Support and revenue:		
Contributions and grants:		
Unrestricted	\$ 162,225	\$ 119,530
Restricted	<u>105,738,546</u>	<u>53,039,461</u>
Total operating support and revenue	<u>105,900,771</u>	<u>53,158,991</u>
Operating Expenses:		
Program services	88,898,949	36,918,763
Management and general	416,205	345,648
Fund-raising	<u>79,564</u>	<u>99,043</u>
Total operating expenses	<u>89,394,718</u>	<u>37,363,454</u>
Excess of operating support and revenue over expenses	<u>16,506,053</u>	<u>15,795,537</u>
Nonoperating Revenue:		
City of New York contract	374,510	374,510
Interest income - unrestricted	89,382	96,351
Interest income - restricted	<u>7,744</u>	<u>161</u>
Total nonoperating revenue	<u>471,636</u>	<u>471,022</u>
Change in net position	16,977,689	16,266,559
Net Position:		
Beginning	<u>46,976,768</u>	<u>30,710,209</u>
Ending	<u>\$ 63,954,457</u>	<u>\$ 46,976,768</u>

See Notes to Financial Statements.

**The Mayor's Fund to Advance New York City
(a component unit of the City of New York)**

**Statements of Cash Flows
Years Ended June 30, 2013 and 2012**

	2013	2012
Cash Flows From Operating Activities:		
Receipts from contributions and grants	\$ 101,639,663	\$ 48,329,857
Payments for project and program expenses	(71,037,770)	(31,941,821)
Payments to project consultants	(175,000)	(300,000)
Payments for salaries and related costs	(2,256,983)	(2,266,412)
Other payments	(108,757)	(200,302)
Net cash provided by operating activities	28,061,153	13,621,322
Cash Flows Provided By Noncapital Financing Activity:		
Receipts from City of New York contract	374,510	374,510
Cash Flows From Investing Activities:		
Purchase of short-term investments	-	(24,220,537)
Proceeds from liquidation of short-term investments	8,925,431	-
Interest income	97,126	96,512
Net cash provided by (used in) investing activities	9,022,557	(24,124,025)
Net change in cash and cash equivalents	37,458,220	(10,128,193)
Cash and Cash Equivalents:		
Beginning	11,997,776	22,125,969
Ending	\$ 49,455,996	\$ 11,997,776
Reconciliation of Excess of Operating Support and Revenue Over Expenses to Net Cash Provided by Operating Activities:		
Excess of operating support and revenue over over expenses	\$ 16,506,053	\$ 15,795,537
Adjustments to reconcile excess of operating support and revenue over expenses to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Decrease (increase) in restricted contributions and grants receivable	6,197,283	(12,488,974)
Decrease (increase) in prepaid expenses	20,690	(85,481)
Increase in accounts payable and accrued expenses	8,053,711	2,620,870
(Decrease) increase in deferred revenue and refundable advances	(2,716,584)	7,779,370
Net cash provided by operating activities	\$ 28,061,153	\$ 13,621,322

See Notes to Financial Statements.

**The Mayor's Fund to Advance New York City
(a component unit of the City of New York)**

Notes to Financial Statements

Note 1. The Fund

The Mayor's Fund to Advance New York City (the "Fund") is a not-for-profit organization established to support innovative initiatives of the City's agencies, such as the Departments of Parks and Recreation, Consumer Affairs, Health and Mental Hygiene, Youth and Community Development, and Cultural Affairs. The Fund is dedicated to creating partnerships between the City and the private sector in an effort to enhance public programs and improve the quality of life for New York City's residents. The Fund is a component unit of the City of New York, and the Mayor of the City of New York appoints all of its board members.

The Fund was initially incorporated under the name New York City Public Private Initiatives, Inc. in June 1994 under the New York State Not-for-Profit Corporations Law. The Fund adopted the current name in July 2003. The Fund is considered a public charity and, as such, is exempt from income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code.

Note 2. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (the "GASB"). The financial statements have been prepared using the accrual basis of accounting.

In order to ensure observance of limitations and restrictions placed upon the use of the resources available to the Fund, the accounts of the Fund are maintained in accordance with the principles of enterprise fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their activities or objectives. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. All activity of the Fund is reported as operating funds, which includes unrestricted and restricted resources representing the portion of expendable funds that is available for support of the Fund's operations.

In accordance with GASB No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the Fund reports in its statements of revenue, expenses and changes in net position in certain categories. Revenue is reported by major source and operating revenue is distinguished from nonoperating revenue. Management's Discussion and Analysis is also required by GASB No. 34.

The Fund records nonexchange transactions in accordance with GASB No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. GASB No. 33 establishes accounting and financial reporting standards for nonexchange transactions involving financial or capital resources, such as grants and private contributions. GASB No. 33 identifies four classes of nonexchange transactions, of which contributions received by the Fund are considered voluntary nonexchange transactions. For voluntary nonexchange transactions, assets are recognized by the Fund when all applicable eligibility requirements are met or resources are received, whichever is first, and revenue is recognized when all applicable eligibility requirements are met. Resources received prior to all eligibility requirements being met are considered deferred revenue. Per GASB No. 33, eligibility requirements may be stipulated by the provider and comprise one or more of the following:

- a. Required characteristics of recipients - the recipient has the characteristics specified by the provider.
- b. Time requirements - time requirements specified by the provider have been met. For example, the time period when the resources are required to be used has begun.

**The Mayor's Fund to Advance New York City
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Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

- c. Reimbursements - the provider offers resources on a reimbursement basis and the recipient has incurred allowable costs.
- d. Contingencies - the provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred.

Purpose restrictions do not affect when a nonexchange transaction is recognized. Resources received with purpose restrictions are recognized as revenue and reported in restricted net position balance by the Fund until the resources are used for the specified purpose. In most cases, the Fund reserves the right to transfer funds that are in excess of a specific program's needs to a different program of the Fund.

The Fund adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, in the current year. The adoption of this Statement changed the presentation of the basic financial statements to a statement of net position format.

The Fund also adopted GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that are included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' ("AICPA") Committee on Accounting Procedure. GASB 62 does not have any impact on the Fund's financial statements.

Revenue from federal grants and the City of New York contract are recognized when reimbursable expenses are incurred under the terms of the grant or contract. Qualified expenses in excess of cash received are accounted for as receivables. Cash received in excess of qualified expenses is accounted for as refundable advances.

The Fund seeks in-kind support from various sources in support of its projects. In-kind contributions are reported as contributions and expenses in the accompanying statements of revenue, expenses and changes in net position at their estimated fair value at the date of donation. During the year ended June 30, 2013, the Fund received in-kind donations amounting to \$7,579,582 for Hurricane Sandy Relief efforts. The Fund also receives donated items for the benefit of certain City agencies and the City of New York. Such items that are not retained by the Fund have not been reflected in the financial statements. In-kind contributions recorded in the financial statements for the year ended June 30, 2013 were \$49,925 for rent and facilities and \$112,300 for legal and other professional services. For the year ended June 30, 2012, in-kind contributions were \$43,615 for rent and facilities and \$75,915 for legal and other professional services.

The Fund considers investments with original maturities of three months or less to be cash equivalents. Cash equivalents (uncategorized investments) are stated at cost plus accrued interest, which approximates fair value.

The Fund maintains cash and cash equivalents in accounts in financial institutions which, at times, exceed federally insured limits. The Fund has not experienced any losses on these accounts to date. Cash and cash equivalents at June 30, 2013 are held by two financial institutions.

Short-term investments consist of U.S. Treasury and agency notes and certificates of deposit with original maturities exceeding 90 days, and are stated at fair value. These short-term investments are held by one financial institution at June 30, 2013.

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Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

The Fund provides allowance for uncollectible receivables based on management's best estimate of uncollectible amounts at year-end, considering type, age, collection history and any other factors considered appropriate.

Payments made for expenses relating to events or projects which have not occurred as of the end of the fiscal year are considered prepaid expenses.

The Fund is subject to unrelated business income tax ("UBIT"), if applicable. For the years ended June 30, 2013 and 2012, the Fund did not owe any UBIT. Management evaluated the Fund's income tax positions and concluded that the Fund had taken no uncertain income tax positions that require adjustments to the financial statements. With a few exceptions, the Fund is no longer subject to income tax examinations by U.S. federal, state or local tax authorities for tax years before 2010, which is the standard statute of limitations look-back period.

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 of assets and liabilities and disclosures of contingencies at the date of the financial statements, and revenue and expenses recognized during the reporting period. Actual results could differ from those estimates.

The Fund evaluates events occurring after the date of the financial statements as on Note 6 to consider whether or not the impact of such events needs to be reflected or disclosed in the financial statements. Such evaluation is performed through the date the financial statements are available for issuance, which was December 19, 2013 for these financial statements.

Note 3. Restricted Contributions and Grants Receivable

Restricted contributions and grants receivable are due to be collected as follows:

	<u>2013</u>	<u>2012</u>
Within 1 year or less	\$ 10,771,288	\$ 11,415,571
Within 2 years	<u>-</u>	<u>5,553,000</u>
	<u>\$ 10,771,288</u>	<u>\$ 16,968,571</u>

Management has determined that all receivables are collectible in full when due, and no allowance for doubtful accounts was deemed necessary.

One significant donor accounted for approximately 62% of the restricted contributions and grants receivable at June 30, 2013. This significant donor provided approximately 20% of the Fund's restricted contributions and grants for the year ended June 30, 2013.

Note 4. Restricted Expendable Net Position

Restricted expendable net position represents resources provided by donors to fund various projects undertaken for the benefit of and on behalf of the City.

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Notes to Financial Statements

Note 4. Restricted Expendable Net Position (Continued)

The following table summarizes support received from donors and expenditures made for such projects for the year ended June 30, 2013:

	Restricted Expendable Net Position Balance at June 30, 2012	Support Received and Income Earned	Expenses Incurred	Interfund Transfers ⁽²⁾	Restricted Expendable Net Position Balance at June 30, 2013
Administration for Children Services	\$ 230,000	\$ -	\$ 130,000	\$ -	\$ 100,000
Benefit Events	739,023	-	100,344	(350,000)	288,679
Center for Economic Opportunity ⁽¹⁾	16,418,153	15,573,017	18,740,860	100,000	13,350,310
Center for Innovation Thru Data Intelligence	-	112,000	13,304	-	98,696
Citi-Wide Events	-	100,000	100,000	-	-
City Hall Conservancy	1,418	-	-	-	1,418
Civic Innovation	30,503	115,428	504	(58,405)	87,022
Civilian Complaint Review Board	10,598	-	10,598	-	-
9/11 Commemoration Fund	179,474	-	175,093	-	4,381
Commission on Women's Issues	120,153	100,091	5,101	(136,239)	78,904
Department of Citywide Administrative Services	23,600	-	-	-	23,600
Department of Consumer Affairs	841,038	270,650	405,523	-	706,165
Department of Cultural Affairs	1,351,941	5,620,663	6,412,039	-	560,565
Department of Education	125,768	4,597	81,302	-	49,063
Department of Environmental Protection	143,733	17,500	44,573	-	116,660
Department of Health and Mental Hygiene	202,050	-	202,050	-	-
Department of Homeless Services	266,618	610,500	580,164	-	296,954
Department of Housing Preservation and Development	1,103,219	1,685,721	282,332	-	2,506,608
Department of Parks and Recreation	1,601,460	40,000	81,299	-	1,560,161
Department of Probation	110,682	1,610	47,020	-	65,272
Department of Sanitation	3,901	7,500	7,850	-	3,551
Department of Transportation	530,370	-	403,830	-	126,540
Department of Youth and Community Development	407,597	2,989,282	3,472,340	388,818	313,357
Greater NY	537,102	193,500	191,131	-	539,471
Human Rights Commission	6,004	-	6,004	-	-
Latin Media and Entertainment	13,785	-	-	-	13,785
Law Department	90,000	36,800	69,690	-	57,110
Memorial Park	43,784	-	43,784	-	-
NYC Housing Authority	551,328	91,644	336,188	-	306,784
NYC Libraries	-	25,000	25,000	-	-
NYC Service ⁽¹⁾	1,007,382	1,735,537	2,059,532	(2,579)	680,808
Office For People With Disabilities	13,298	8,500	29,309	8,395	884
Office of Criminal Justice Coordinator	92,287	-	6,400	-	85,887
Office of Emergency Mangement	592,687	500	61,164	-	532,023
Office of Film Theatre & Broadcasting	192,387	70,787	117,595	-	145,579
Office of Immigrant Affairs	44,859	460,250	335,997	-	169,112
Office of Operations	223,384	-	171,181	-	52,203
Office of Special Projects and Community Events	59,431	592,709	576,901	-	75,239
Office of Veterans' Affairs	56,712	89,169	13,656	-	132,225
Office to Combat Domestic Violence	1,059,100	1,036,941	1,366,770	-	729,271
PlaNYC	818,409	55,135	359,284	-	514,260
Public Design Commission	248,651	22,534	229,580	50,000	91,605
Relief Efforts - Hurricane Sandy ⁽³⁾	-	66,691,751	44,577,956	-	22,113,795
Relief Efforts - Other	-	51,290	51,300	10	-
Small Business Services	791,449	280,970	696,518	-	375,901
Voter Assistance Commission	10,026	5,000	15,000	-	26
Young Men's Initiative	15,356,819	7,049,714	5,682,743	-	16,723,790
Totals	\$ 46,250,183	\$ 105,746,290	\$ 88,318,809	\$ -	\$ 63,677,664

**The Mayor's Fund to Advance New York City
(a component unit of the City of New York)**

Notes to Financial Statements

Note 4. Restricted Expendable Net Position (Continued)

- (1) Direct program expenses shown above include direct personnel service costs of \$1,566,288. Such amount is reported as personnel services costs in Note 7.
- (2) Interfund transfers represent authorized transfers between projects.
- (3) Includes in-kind contributions and expenses of \$7,579,582.

Note 5. City of New York Contract

The Fund renewed its contract agreement with the City to perform private fund-raising and other related services for the benefit of the City. The contract provides for reimbursement of certain operating expenses stipulated within the contract. The contract allows the Fund to retain up to 8% of all restricted contributions to offset reimbursable expenses. This retainage may be waived for program use at the discretion of the Fund and the authorizing Deputy Mayor.

The contract also stipulates that the City provide the Fund with administrative office space, and office furniture and equipment. The cost of such facilities may be paid by the Fund from the retainage of contributions or it may be treated as an in-kind contribution if retainage is not available. In fiscal years 2013 and 2012, the Fund elected to treat the use of facilities as an in-kind contribution. The in-kind contribution was \$49,925 and \$43,615 for the years ended June 30, 2013 and 2012, respectively, which is considered to be the fair value of such facilities (see Note 2).

Note 6. Hurricane Sandy Relief Efforts

During fiscal year 2013, the Fund initiated relief efforts for those affected by Hurricane Sandy. The accompanying financial statements include grants and contributions revenue of \$66,691,751 and program expenses of \$44,577,956 for Hurricane Sandy Relief Efforts. These amounts include the estimated fair value of in-kind donations amounting to \$7,579,582.

Subsequent to June 30, 2013, the Fund received revenue of approximately \$1,700,000 and signed grant agreements with partners, including New York City agencies and not-for-profit organizations, of approximately \$21,000,000 for the City's hurricane rebuilding and recovery activities. These amounts are not recognized in the accompanying financial statements. The future payments on these grants are subject to the satisfaction of stipulated conditions in the grant agreements, including performance by grantee acceptable to the Fund.

**The Mayor's Fund to Advance New York City
(a component unit of the City of New York)**

Notes to Financial Statements

Note 7. Operating Expenses

Expenses as shown in the accompanying statements of revenue, expenses and changes in net position consisted of the following:

	2013			
	Program Services	Management and General	Fund- Raising	Total
Salaries	\$ 1,808,594	\$ 144,582	\$ 60,262	\$ 2,013,438
Payroll taxes and other employee benefits	210,507	41,465	17,344	269,316
Total personnel services	2,019,101	186,047	77,606	2,282,754
Direct program expenses - restricted programs	86,752,521	-	-	86,752,521
Direct program expenses - unrestricted funds	67,771	-	-	67,771
Accountant	37,406	12,469	-	49,875
Audit and tax preparation fees	-	41,650	-	41,650
In-kind legal and other professional services	-	112,300	-	112,300
In-kind facilities and tech support	-	49,925	-	49,925
Printing	-	5,235	-	5,235
Insurance	5,379	2,896	-	8,275
Other expenses	16,771	5,683	1,958	24,412
	\$ 88,898,949	\$ 416,205	\$ 79,564	\$ 89,394,718
	2012			
	Program Services	Management and General	Fund- Raising	Total
Salaries	\$ 1,805,161	\$ 123,193	\$ 74,947	\$ 2,003,301
Payroll taxes and other employee benefits	175,050	35,965	22,259	233,274
Total personnel services	1,980,211	159,158	97,206	2,236,575
Direct program expenses - restricted programs	34,796,547	-	-	34,796,547
Direct program expenses - unrestricted funds	95,981	-	-	95,981
Accountant	33,281	11,094	-	44,375
Audit and tax preparation fees	-	43,145	-	43,145
In-kind legal and other professional services	-	75,915	-	75,915
In-kind facilities and tech support	-	43,615	-	43,615
Printing	-	5,870	-	5,870
Insurance	4,639	2,498	-	7,137
Other expenses	8,104	4,353	1,837	14,294
	\$ 36,918,763	\$ 345,648	\$ 99,043	\$ 37,363,454

**The Mayor's Fund to Advance New York City
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Notes to Financial Statements

Note 8. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund does not have a deposit policy for custodial credit risk.

Of the Fund's total cash and cash equivalents held by financial institutions at June 30, 2013 and 2012, \$49,545,224 and \$10,710,208, respectively, were uninsured and uncollateralized.

The Fund's short-term investments consist of U.S. Treasury and agency obligations and certificates of deposit insured by the Federal Deposit Insurance Corporation (the "FDIC").

Note 9. Interest Rate and Credit Risks

The Fund's investment policy limits the maximum maturity for any investment that it will hold to three years, and the maximum weighted-average life of the portfolio to two years.

The Fund's investment policy also limits its investment choices to U.S. Treasury and agency obligations, certificates of deposit insured by the FDIC, and FDIC guaranteed securities.

At June 30, 2013, the Fund's short-term investments, stated at fair value based on bid or evaluation prices, consist of the following:

	Credit Rating		Amount
	Moody's Investor Services	Standard & Poor's	
U.S. Government Obligations			
FHLB	Aaa	AA+	\$ 498,654
Treasury Notes	N/A	N/A	21,084,351
Certificates of Deposit	N/A	N/A	2,090,424
			\$ 23,673,429

Note 10. Contingency

Certain grants recognized as revenue by the Fund are subject to continued compliance with donor-imposed restrictions and conditions. In the event of noncompliance, a donor may cancel its grant agreement and may require the Fund to return any unspent amount on the grants. In addition, certain grants and contracts are subject to independent audit by the awarding agency or funding source. Such audit could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds.

Management is of the opinion that such events, if any, will not have a material impact on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such contingency.