

The Mayor's Fund to Advance New York City

(a component unit of the City of New York)

Financial Report
June 30, 2014



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 statements of net position 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, 2014 and 2013, 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, 2014 and 2013, 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
March 25, 2015

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, 2014. 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 2013-14 initiatives enhanced through private support include:

- The successful rollout of "Pre-K for All" was a transformational moment for the City, and for over 53,000 four-year-olds who are receiving a free, full-day, high-quality education this year. But the historic campaign required a similarly historic enrollment and outreach effort. Months before the first day of school, the City recognized the need to mobilize a massive outreach campaign, and the Fund joined the Department of Education and over a dozen City agencies and corporate and civic communities to help drive and support the effort.
- 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.
- 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, 2014, the Fund's total net position decreased by approximately \$25.81 million, or 40.35%, from the previous year due to the following changes in revenue and expenses:

- During the fiscal year ended June 30, 2014, total contributions and grants were approximately \$26.35 million, a decrease of about \$79.55 million, or 75.12%, from fiscal year 2013. The decrease is largely due to the significant contributions revenue (approximately \$66.69 million) received for Hurricane Sandy Relief efforts in fiscal year 2013. There were also significant decreases in contributions received for Young Men's Initiative and for projects of the Department of Cultural Affairs during fiscal year 2014.

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

Financial Highlights (continued)

- In fiscal year 2014, total expenses were approximately \$52.55 million, a decrease of approximately \$36.85 million, or 41.22%, from the previous year. The decrease is mainly due to expenses associated with Hurricane Sandy Relief efforts. The Fund incurred expenditures of approximately \$13.69 million and \$44.58 million for Hurricane Sandy Relief during fiscal years 2014 and 2013, respectively.

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.

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, 2014, 2013, and 2012:

	2014	2013	2012	Percentage Change	
				2014	2013
Total assets	\$ 50,115,664	\$ 83,971,058	\$ 61,656,242	(40.32)%	36.19%
Total liabilities	11,962,954	14,903,815	6,850,104	(19.73)%	117.57%
Deferred inflows of resources:					
Unavailable resources	-	5,112,786	7,829,370	(100.00)%	(35.00)%
Net position	\$ 38,152,710	\$ 63,954,457	\$ 46,976,768	(40.34)%	36.14%
Net position:					
Restricted expendable	\$ 38,063,365	\$ 63,677,664	\$ 46,250,183	(40.22)%	37.68%
Unrestricted	89,345	276,793	726,585	(67.72)%	(61.90)%
Total	\$ 38,152,710	\$ 63,954,457	\$ 46,976,768	(40.34)%	36.14%

**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, 2014, 2013, and 2012:

	2014	2013	2012	Percentage Change	
				2014	2013
Contributions and grants	\$ 26,351,172	\$ 105,900,771	\$ 53,158,991	(75.12)%	99.22%
Operating expenses:					
Program services	52,192,070	88,898,949	36,918,763	(41.29)%	140.80%
Management and general	308,891	416,205	345,648	(25.78)%	20.41%
Fund-raising	47,807	79,564	99,043	(39.91)%	(19.67)%
Total operating expenses	52,548,768	89,394,718	37,363,454	(41.22)%	139.26%
Operating (loss) income	(26,197,596)	16,506,053	15,795,537	(258.72)%	4.50%
Nonoperating revenue	395,849	471,636	471,022	(16.07)%	0.13%
Change in net position	\$ (25,801,747)	\$ 16,977,689	\$ 16,266,559	(251.97)%	4.37%

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
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**Statements of Net Position
June 30, 2014 and 2013**

	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	\$ 44,968,689	\$ 49,455,996
Short-term investments	-	23,673,429
Restricted contributions and grants receivable	5,136,424	10,771,288
Prepaid expenses	10,551	70,345
Total assets	50,115,664	83,971,058
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	11,962,954	14,903,815
Deferred Inflows of Resources		
Unavailable resources	-	5,112,786
Contingency		
Net Position		
Restricted expendable	38,063,365	63,677,664
Unrestricted	89,345	276,793
Total net position	\$ 38,152,710	\$ 63,954,457

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, 2014 and 2013**

	2014	2013
Operating Activities		
Support and revenue:		
Contributions and grants:		
Unrestricted	\$ 128,148	\$ 162,225
Restricted	26,223,024	105,738,546
Total operating support and revenue	26,351,172	105,900,771
Operating Expenses		
Program services	52,192,070	88,898,949
Management and general	308,891	416,205
Fund-raising	47,807	79,564
Total operating expenses	52,548,768	89,394,718
(Deficiency) excess of operating support and revenue over expenses	(26,197,596)	16,506,053
Nonoperating Revenue		
City of New York contract	374,510	374,510
Interest income - unrestricted	21,339	89,382
Interest income - restricted	-	7,744
Total nonoperating revenue	395,849	471,636
Change in net position	(25,801,747)	16,977,689
Net Position		
Beginning	63,954,457	46,976,768
Ending	\$ 38,152,710	\$ 63,954,457

See Notes to Financial Statements.

**The Mayor's Fund to Advance New York City
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**Statements of Cash Flows
Years Ended June 30, 2014 and 2013**

	2014	2013
Cash Flows From Operating Activities		
Receipts from contributions and grants	\$ 26,793,806	\$ 101,639,663
Payments for project and program expenses	(52,935,233)	(71,037,770)
Payments to project consultants	-	(175,000)
Payments for salaries and related costs	(2,337,239)	(2,256,983)
Other payments	(77,919)	(108,757)
Net cash provided by (used in) operating activities	(28,556,585)	28,061,153
Cash Flows Provided By Noncapital Financing Activity		
Receipts from City of New York contract	374,510	374,510
Cash Flows From Investing Activities		
Proceeds from liquidation of short-term investments	23,673,429	8,925,431
Interest income	21,339	97,126
Net cash provided by investing activities	23,694,768	9,022,557
Net change in cash and cash equivalents	(4,487,307)	37,458,220
Cash and Cash Equivalents		
Beginning	49,455,996	11,997,776
Ending	\$ 44,968,689	\$ 49,455,996
Reconciliation of Excess of Operating Support and Revenue		
Over expenses to net cash provided by (used in) operating activities (Deficiency) excess of operating support and revenue over expenses	\$ (26,197,596)	\$ 16,506,053
Adjustments to reconcile (deficiency) excess of operating support and revenue over expenses to net cash (used in) provided by operating activities:		
Changes in operating assets and liabilities		
Decrease in restricted contributions and grants receivable	5,634,864	6,197,283
Decrease in prepaid expenses	59,794	20,690
(Decrease) increase in accounts payable and accrued expenses	(2,940,861)	8,053,711
Decrease in unavailable resources	(5,112,786)	(2,716,584)
Net cash provided by (used in) operating activities	\$ (28,556,585)	\$ 28,061,153

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. The Fund presents its basic financial statements in a statement of net position format in accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. During 2014, the Fund adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement clarified the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. As a result of the adoption of GASB Statement No. 65, the amounts previously reported as deferred revenue and refundable advances were reclassified as deferred inflows of resources, unavailable resources.

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 follows 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.

**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)

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.
- 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.

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 deferred inflows of resources.

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. In-kind contributions recorded in the financial statements for the year ended June 30, 2014 were \$50,044 for rent and facilities, and \$29,400 for legal and other professional services. For the year ended June 30, 2013, the Fund recognized in-kind contributions of \$7,579,582 for Hurricane Sandy Relief efforts, \$49,925 for rent and facilities, and \$112,300 for legal and other professional services. 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.

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, 2014 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.

**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)

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 includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Revenue from the City of New York contract and interest income are recognized as nonoperating revenue.

The costs of providing the various programs and other activities of the Fund have been summarized in the statements of revenue, expenses and changes in net position. Accordingly, certain costs have been allocated to the programs and supporting services benefitted.

The Fund is subject to unrelated business income tax (UBIT), if applicable. For the years ended June 30, 2014 and 2013, 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 or disclosure to the accompanying 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 years before 2011, 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 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 March 25, 2015 for these financial statements.

Note 3. Restricted Contributions and Grants Receivable

Restricted contributions and grants receivable are due to be collected within one year or less. Management has determined that all receivables at June 30, 2014 are collectible in full and no allowance for doubtful accounts was deemed necessary.

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.

**The Mayor's Fund to Advance New York 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, 2014:

	Restricted Expendable Net Position Balance at June 30, 2013	Support Received and Income Earned	Expenses Incurred	Interfund Transfers ⁽²⁾	Restricted Expendable Net Position Balance at June 30, 2014
Administration for Children Services	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -
Benefit Events	288,679	-	-	(288,679)	-
Center for Economic Opportunity ⁽¹⁾	13,350,310	12,939,703	15,792,371	75,000	10,572,642
Center for Innovation Thru Data Intelligence	98,696	73,000	109,467	-	62,229
City Hall Conservancy	1,418	-	1,410	(8)	-
Civic Innovation	87,022	1,038,928	17,543	(208,257)	900,150
9/11 Commemoration Fund	4,381	-	4,381	-	-
Commission on Women's Issues	78,904	-	20,012	(58,892)	-
Department of Citywide Administrative Services	23,600	-	9,000	(14,600)	-
Department of Consumer Affairs	706,165	250,000	422,161	(75,000)	459,004
Department of Cultural Affairs	560,565	111,029	671,594	-	-
Department of Education	49,063	1,071,419	1,688,468	582,486	14,500
Department of Environmental Protection	116,660	112,200	157,796	-	71,064
Department of Homeless Services	296,954	545,108	557,305	6,524	291,281
Department of Housing Preservation and Development	2,506,608	-	114,439	(4)	2,392,165
Department of Information Technology	-	912,000	844,230	-	67,770
Department of Parks and Recreation	1,560,161	50,000	1,610,161	-	-
Department of Probation	65,272	800	66,019	-	53
Department of Sanitation	3,551	9,000	12,503	-	48
Department of Transportation	126,540	-	125,954	(586)	-
Department of Youth and Community Development	313,357	1,392,962	1,169,729	(5,319)	531,271
Greater NY	539,471	15,000	553,726	-	745
Latin Media and Entertainment	13,785	-	8,000	(5,785)	-
Law Department	57,110	33,200	90,310	-	-
NYC Housing Authority	306,784	423,500	522,368	-	207,916
NYC Service ⁽¹⁾	680,808	1,933,851	2,164,106	-	450,553
Office For People With Disabilities	884	3,000	3,874	(10)	-
Office of Criminal Justice Coordinator	85,887	-	62,882	(23,005)	-
Office of Emergency Management	532,023	-	532,024	1	-
Office of Film Theatre & Broadcasting	145,579	56,473	236,264	45,684	11,472
Office of Immigrant Affairs	169,112	509,746	248,775	19,147	449,230
Office of International Affairs	-	15,000	15,000	-	-
Office of Operations	52,203	1,000	39,450	(13,753)	-
Office of Special Projects and Community Events	75,239	300,208	308,754	(34,450)	32,243
Office of Veterans' Affairs	132,225	189,164	223,632	-	97,757
Office to Combat Domestic Violence	729,271	390,044	996,438	-	122,877
PlaNYC	514,260	11,357	505,428	(20,189)	-
Public Design Commission	91,605	127,863	23,212	(85,632)	110,624
Relief Efforts - Hurricane Sandy	22,113,795	1,572,484	13,689,045	397	9,997,631
Relief Efforts - Other	-	513,117	472,699	-	40,418
Small Business Services	375,901	11,873	171,367	-	216,407
Voter Assistance Commission	26	5,000	5,026	-	-
Young Men's Initiative	16,723,790	1,604,995	7,365,470	-	10,963,315
Totals	\$ 63,677,664	\$ 26,223,024	\$ 51,732,393	\$ (104,930)	\$ 38,063,365

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

Note 4. Restricted Expendable Net Position (Continued)

- (1) Direct program expenses shown above include direct personnel service costs of \$1,691,807. Such amount is reported as personnel services costs in Note 8.
- (2) Interfund transfers represent authorized transfers between projects. The amount of \$104,930 represents net transfers to unrestricted projects.

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 2014 and 2013, the Fund elected to treat the use of facilities as an in-kind contribution. The in-kind contribution was \$50,044 and \$49,925 for the years ended June 30, 2014 and 2013, 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 \$1,572,484 and \$66,691,751 of grants and contributions and \$13,689,045 and \$44,577,956 of program expenses for Hurricane Sandy Relief Efforts for the years ended June 30, 2014 and 2013, respectively.

Note 7. Concentrations

Revenues from Federal grant awards and a significant donor accounted for approximately 48% and 25% of the total restricted contributions and grants for the years ended June 30, 2014 and 2013, respectively. Amounts due from various Federal grant awards for 2014 reimbursable expenses incurred by the Fund represent approximately 63% of the restricted contributions and grants receivable at June 30, 2014. At June 30, 2013, the amounts due from the significant donor accounted for approximately 62% of the restricted contributions and grants receivable. No amounts are owed to the Fund by this significant donor at June 30, 2014.

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

Note 8. Operating Expenses

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

	2014			
	Program Services	Management and General	Fund-Raising	Total
Salaries	\$ 1,903,558	\$ 116,768	\$ 36,461	\$ 2,056,787
Payroll taxes and other employee benefits	191,165	32,823	10,250	234,238
Total personnel services	2,094,723	149,591	46,711	2,291,025
Direct program expenses - restricted programs	50,040,586	-	-	50,040,586
Direct program expenses - unrestricted funds				
Accountant	42,240	10,560	-	52,800
Audit and tax preparation fees	-	44,180	-	44,180
In-kind legal and other professional services	-	29,400	-	29,400
In-kind facilities and tech support	-	50,044	-	50,044
Printing	-	18,218	-	18,218
Insurance	5,452	2,935	-	8,387
Other expenses	9,069	3,963	1,096	14,128
	\$ 52,192,070	\$ 308,891	\$ 47,807	\$ 52,548,768
	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

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

Notes to Financial Statements

Note 9. 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, 2014 and 2013, \$45,611,204 and \$49,545,224, respectively, were uninsured and uncollateralized.

The Fund's short-term investments at June 30, 2013 consist of U.S. Treasury and agency obligations and certificates of deposit insured by the Federal Deposit Insurance Corporation (the FDIC).

Note 10. 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
			<u>\$ 23,673,429</u>

Note 11. 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.