

THE MAYOR'S FUND TO ADVANCE NEW YORK CITY  
(a component unit of The City of New York)

Basic Financial Statements,  
Supplementary Information and  
Independent Auditors' Report

June 30, 2022 and 2021

THE MAYOR'S FUND TO ADVANCE NEW YORK CITY

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
The Mayor's Fund to Advance New York City:

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of the business-type activities of The Mayor's Fund to Advance New York City (the Fund), as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of The Mayor's Fund to Advance New York City, as of June 30, 2022, and the changes in its financial position 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 Fund'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 Fund'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.

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

#### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 13, 2023 on our consideration of the Fund'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 the Fund's 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 Fund's internal control over financial reporting and compliance.

#### Prior Period Financial Statements

The financial statements of The Mayor's Fund to Advance New York City, as of June 30, 2021, were audited by auditors whose report dated February 25, 2022, expressed an unmodified opinion on those statements.

EFPR Group, CPAs, PLLC

Williamsville, New York  
March 13, 2023

# THE MAYOR'S FUND TO ADVANCE NEW YORK CITY

## Management's Discussion and Analysis

June 30, 2022 and 2021

This section of The Mayor's Fund to Advance New York City's (the Fund) annual financial report presents management's discussion and analysis of the Fund's financial performance during the years ended June 30, 2022 and 2021. Please read it in conjunction with the Fund's financial statements and accompanying notes.

### Overview of the Financial Statements

This report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). The Fund follows enterprise fund reporting; therefore, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

The statements of net position presents the financial position of the Fund as of June 30, 2022 and 2021. It provides information about the nature and the amount of resources (assets), plus deferred outflows (as applicable), obligations (liabilities), plus deferred inflows (as applicable) and net position.

The statements of revenue, expenses and changes in net position presents the change in net position over the course of the years ended June 30, 2022 and 2021. The change in net position may be useful in assessing whether the financial position improved or deteriorated for the year.

The statements of cash flows presents the cash activities segregated by four major cash flow categories: operating activities, noncapital financing activities, capital and related financing activities and investing activities. This statement may be useful in determining the changes in liquidity and in understanding how cash was used during the years ended June 30, 2022 and 2021.

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

### Financial Highlights

The Fund works closely with many New York City (the City) agencies to support and strengthen innovative public programs serving the City's residents. Each initiative undertaken by the Mayor's 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 2021-22 initiatives enhanced through private support include:

## THE MAYOR'S FUND TO ADVANCE NEW YORK CITY

### Management's Discussion and Analysis, Continued

The **Mayor's Office of Youth Employment (MOYE)**, formerly the Center for Youth Employment, was launched in 2015 as a joint collaboration of the Mayor's Fund, business leaders, philanthropy, and several City agencies and offices. MOYE's mission is to better engage local employers in youth workforce programming, and to facilitate greater coordination and strategic thinking between the public and private groups already supporting college-and-career-readiness activities. MOYE has helped grow the overall number of City-supported jobs, internships, and related opportunities for youth from approximately 62,000 in FY2015 to over 109,000 in FY2019-exceeding its original goal of 100,000 slots per year across all programs two years ahead of schedule. In FY2020, the Mayor's Fund supported the transition of the Center's staff members to permanent City staff lines, thereby helping to ensure the Center's sustainability as an office within City government.

Over 100,000 slots were maintained in FY2022, within which MOYE has helped increase the number of summer jobs reserved for high-need young New Yorkers in the foster care, shelter, or juvenile justice systems from 1,000 to over 4,000. Working with its partners in the public, private, philanthropic and provider sectors, earlier this year the Center launched CareerReady NYC, a comprehensive effort to more closely link K-12 education, career exploration and work readiness, and postsecondary education and training.

Throughout FY2022, the Fund continued its partnership with MOYE, securing a \$1.5 million grant that will advance the goals of two STEM-related initiatives: **Exploring Futures** and **College Now for Careers**. Exploring Futures serves middle school students by helping them learn more about potential career paths and plan for success in the world of work. The grant will provide \$750,000 over the course of three years and help expand the program to 15 additional schools, supporting educational opportunities for 750 students. College Now for Careers - a partnership between the New York City Department of Education (DOE) and The City University of New York (CUNY) - enables New York City public high school students to earn college credits at CUNY by completing required courses for STEM majors.

The **Connections to Care (C2C)** program, a \$30 million, five-year public-private partnership, uses federal Social Innovation Fund (SIF) and private funds to test the integration of mental health support at community-based organizations (CBOs) serving low-income and at-risk populations. Through C2C, Mental Health Providers (MHPs) train staff at CBOs to use evidence-based mental health skills - such as screenings for common mental health and substance use disorders and mental health first aid. Between March 2016 and February 2021, providers trained over 1,950 staff and reached 51,171 program participants with C2C skills. The Mayor's Fund also supports an ongoing evaluation tracking the implementation of C2C and the impact of the program on those who receive services.

In FY2021, the RAND Corporation, the evaluator, released the final report which presents findings from an implementation, impact, and cost evaluation. RAND concluded that CBOs are capable and well-suited to integrate mental health support into their usual services. The impact evaluation showed us that while C2C participants' outcomes improved overall, they did not improve beyond what they might have experienced without C2C when they looked at all study participants. However, the study did detect encouraging impacts for certain subgroups, like young people and New Yorkers seeking

## THE MAYOR'S FUND TO ADVANCE NEW YORK CITY

### Management's Discussion and Analysis, Continued

employment services, that received support through C2C. Since the five-year program implementation period ended in February 2021, the program moved into the sustainability stage, with partners identifying strategies to spread and replicate the lessons of C2C and mental health integration. In FY2022, C2C partners identified strategies to sustain elements of the C2C model. All sites plan to sustain some C2C strategies. Many, but not all, plan to continue partnering with their C2C mental health partner. The launch of C2C at Jobs-Plus in FY 2022 will also advance toward the longer-term goals of improving mental health in communities by building capacity at ten providers. Partners will collaborate closely with the NYC Human Resources Administration and Jobs-Plus providers to leverage C2C lessons and evaluation findings to strengthen that program launch.

In response to the **Twin Parks Fire**, which occurred on January 9, 2022, in Bronx, New York, and impacted 158 households. The Mayor's Fund tapped the goodwill of New Yorkers, philanthropic organizations, and corporate partners to raise \$4.4 million to support victims of the fire. The Mayor's Fund contracted with trusted community partner BronxWorks for one year to distribute \$3 million in cash assistance as well as other needs of clients as they come up. BronxWorks was provided \$1 million for care management services that builds on the work they already provide to Bronx residents. The remaining funds are being used to support Bronx fire residents on other emergency needs, such as travel and medical services.

In FY2018, the Mayor's Fund, the Department of Consumer Affairs Office of Financial Empowerment, and the Mayor's Office for People with Disabilities launched **Empowered NYC** to strengthen the financial health of New Yorkers with disabilities. Empowered NYC uses broad engagement and education, revolutionized one-on-one financial counseling, and specialized support services for people transitioning to work in order to advance financial capability and counseling for people with disabilities and their families. In FY2019, the Mayor's Fund worked with its program partners to begin planning to expand the City's work on Empowered Cities, the nationwide initiative. In FY2022, the Mayor's Fund secured \$50,000 in additional funding from the Taft Foundation to extend the counseling services for an additional year. This funding would support the salary of an additional Empowered NYC financial counselor and technical assistance from the National Disability Institute.

The Mayor's Fund launched the **New York City Soccer Initiative** (NYCSI), a \$3 million, five-year partnership with Adidas, New York City Football Club, U.S. Soccer Foundation, and Etihad Airways to revamp under resourced public spaces into areas that promote physical health, youth development, and community engagement through soccer. Over the course of five years, the New York City Soccer Initiative is building, maintaining, and programming 50 mini soccer pitches in underserved neighborhoods across the five boroughs. Each calendar year, the Mayor's Fund and its partners are expected to complete ten fields across the five boroughs. In FY2022, the Mayor's Fund completed its fifth and final year of the initiative. The initiative finished with a surplus that is being re-allocated to different social impact programs like the first-ever NYCSI Community Cup, a celebratory 5v5 tournament that will bring together young people from all five boroughs to compete on the 50 blue mini-pitches that have been constructed by the partners all across the City in the last five years.



## THE MAYOR'S FUND TO ADVANCE NEW YORK CITY

### Management's Discussion and Analysis, Continued

At the end of FY2022 the Mayor's Fund launched **More than a Roof**, which provided funding for the following programs:

- In partnership with the NYC Human Resources Administration, the Mayor's Fund provided 460 Target gift cards to NYC HRA's Office of Domestic Violence clients. This funding provided families and individuals who are entering domestic violence shelters, along with those who are transitioning from emergency housing to permanency, with immediate financial support via gift cards for purchases ranging from everyday essentials like clothing, toiletries and self-care products to household supplies, educational materials, and technology.
- In partnership with the Unity Project, the Mayor's Fund worked with an LGBTQ+ serving vendor to provide direct cash assistance to vulnerable New Yorkers hardest hit by the economic crisis prompted by the COVID-19 pandemic, with a goal of supporting 80 New Yorkers.
- In partnership with the Mayor's Office of Criminal Justice, the Mayor's Fund provided grant funding to a nonprofit working to enhance workforce development and life skills programming that support successful reentry and success in the community for women with criminal legal system involvement. The grant will support an in-house entrepreneurship training for women, a technology literacy curriculum, and career mentorship.

During the year ended June 30, 2022, the Fund's total net position decreased by \$2,579,222, or 14%, from the previous year due to the following changes in revenue and expenses:

- During the year ended June 30, 2022, total contributions and grants were \$18,794,547, an increase of \$911,103, or 5%, from the year ended June 30, 2021.
- During the year ended June 30, 2022, total expenses were \$20,692,769, a decrease of \$7,522,710, or 27%, from the previous year.

During the year ended June 30, 2021, the Fund's total net position decreased by \$9,548,731 or 35%, from the previous year due to the following changes in revenue and expenses:

- During the year ended June 30, 2021, total contributions and grants were \$17,883,444, a decrease of \$59,528,421, or 77%, from the year ended June 30, 2020.
- During the year ended June 30, 2021, total expenses were \$28,215,479, a decrease of \$38,580,064, or 58%, from the previous year.

THE MAYOR'S FUND TO ADVANCE NEW YORK CITY  
Management's Discussion and Analysis, Continued

Financial Analysis of the Fund

Net position - The following table summarizes the net position at June 30, 2022, 2021 and 2020:

	<u>2022</u>	<u>2021</u>	<u>Percent change</u>
Total assets	\$ 17,518,316	28,518,749	(38.57%)
Total liabilities	<u>(2,238,907)</u>	<u>(10,660,118)</u>	(79.00%)
Net position	<u>15,279,409</u>	<u>17,858,631</u>	(14.44%)
Net position:			
Restricted expendable	14,949,346	16,101,917	(7.16%)
Unrestricted	<u>330,063</u>	<u>1,756,714</u>	(81.21%)
Total	<u>\$ 15,279,409</u>	<u>17,858,631</u>	(14.44%)
	<u>2021</u>	<u>2020</u>	<u>Percent change</u>
Total assets	\$ 28,518,749	34,367,356	(17.02%)
Total liabilities	<u>(10,660,118)</u>	<u>(6,959,994)</u>	53.16%
Net position	<u>17,858,631</u>	<u>27,407,362</u>	(34.84%)
Net position:			
Restricted expendable	16,101,917	25,614,750	(37.14%)
Unrestricted	<u>1,756,714</u>	<u>1,792,612</u>	(2.00%)
Total	<u>\$ 17,858,631</u>	<u>27,407,362</u>	(34.84%)

THE MAYOR'S FUND TO ADVANCE NEW YORK CITY

Management's Discussion and Analysis, Continued

Operating activities - The Fund receives contributions for programs that benefit the City. Grant revenue is earned when the Fund has complied with the terms and conditions of the grant agreements. The following tables summarizes the activities of the Fund for years ended June 30, 2022, 2021 and 2020:

	<u>2022</u>	<u>2021</u>	<u>Percent change</u>
Contributions and grants	\$ 18,794,547	17,883,444	5.09%
Operating expenses:			
Program services	19,835,443	27,347,797	(27.47%)
Management and general	566,310	535,655	5.72%
Fundraising	291,016	332,027	(12.35%)
Total operating expenses	<u>20,692,769</u>	<u>28,215,479</u>	(26.66%)
Operating loss	(1,898,222)	(10,332,035)	(81.63%)
Nonoperating revenue (expenses)	<u>(681,000)</u>	783,304	(186.94%)
Changes in net position	<u>\$ (2,579,222)</u>	<u>(9,548,731)</u>	(72.99%)
	<u>2021</u>	<u>2020</u>	<u>Percent change</u>
Contributions and grants	\$ 17,883,444	77,411,865	(76.90%)
Operating expenses:			
Program services	27,347,797	65,728,912	(58.39%)
Management and general	535,655	493,681	8.50%
Fundraising	332,027	572,950	(42.05%)
Total operating expenses	<u>28,215,479</u>	<u>66,795,543</u>	(57.76%)
Operating income (loss)	(10,332,035)	10,616,322	(197.32%)
Nonoperating revenue	<u>783,304</u>	1,067,050	(26.59%)
Changes in net position	<u>\$ (9,548,731)</u>	<u>11,683,372</u>	(181.73%)

THE MAYOR'S FUND TO ADVANCE NEW YORK CITY  
Management's Discussion and Analysis, Continued

General Outlook

The Fund 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, foundation and corporations, which play a crucial role in making the City safer, healthier, and an even more vibrant and dynamic place 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, 6<sup>th</sup> Floor, New York, NY 10007.

THE MAYOR'S FUND TO ADVANCE NEW YORK CITY  
 Statements of Net Position  
 June 30, 2022 and 2021

Assets:	<u>2022</u>	<u>2021</u>
Current assets:		
Cash	\$ 5,184,229	9,090,164
Contributions and grants receivable, net	1,187,887	1,507,367
Investments	11,140,785	17,714,756
Prepaid expenses	<u>5,415</u>	<u>206,462</u>
Total assets	<u>17,518,316</u>	<u>28,518,749</u>
Current liabilities:		
Accounts payable and accrued expenses	2,238,907	10,510,118
Contributions and grants received in advance	<u>-</u>	<u>150,000</u>
Total current liabilities	<u>2,238,907</u>	<u>10,660,118</u>
Net position:		
Restricted expendable	14,949,346	16,101,917
Unrestricted	<u>330,063</u>	<u>1,756,714</u>
Total net position	<u>\$ 15,279,409</u>	<u>17,858,631</u>

See accompanying notes to financial statements.

THE MAYOR'S FUND TO ADVANCE NEW YORK CITY  
 Statements of Revenue, Expenses and Changes in Net Position  
 Years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenue:		
Support and revenue - contributions and grants:		
Unrestricted	\$ 569,798	1,160,963
Restricted	<u>18,224,749</u>	<u>16,722,481</u>
Total operating revenue	<u>18,794,547</u>	<u>17,883,444</u>
Operating expenses:		
Program services	19,835,443	27,347,797
Management and general	566,310	535,655
Fundraising	<u>291,016</u>	<u>332,027</u>
Total operating expenses	<u>20,692,769</u>	<u>28,215,479</u>
Operating loss	<u>(1,898,222)</u>	<u>(10,332,035)</u>
Nonoperating revenue (expenses):		
City of New York contract	700,000	700,000
Net investment loss	(1,597,408)	(288,578)
Interest income	<u>216,408</u>	<u>371,882</u>
Total nonoperating revenue (expenses)	<u>(681,000)</u>	<u>783,304</u>
Change in net position	(2,579,222)	(9,548,731)
Net position at beginning of year	<u>17,858,631</u>	<u>27,407,362</u>
Net position at end of year	<u>\$ 15,279,409</u>	<u>17,858,631</u>

See accompanying notes to financial statements.

THE MAYOR'S FUND TO ADVANCE NEW YORK CITY  
 Statements of Cash Flows  
 Years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Receipts from contributions and grants	\$ 18,964,027	24,264,169
Payments to vendors and grantees	(27,700,336)	(21,711,129)
Payments for salaries and related costs	(1,062,597)	(2,325,260)
Other payments	<u>-</u>	<u>(518,561)</u>
Net cash used in operating activities	<u>(9,798,906)</u>	<u>(290,781)</u>
Cash flows from noncapital financing activities - receipts from City of New York contract	<u>700,000</u>	<u>700,000</u>
Cash flows from investing activities:		
Proceeds from sale of investments	5,219,250	5,247
Purchases of investments	(242,687)	(6,002,069)
Interest income	<u>216,408</u>	<u>371,882</u>
Net cash provided by (used in) investment activities	<u>5,192,971</u>	<u>(5,624,940)</u>
Net change in cash and equivalents	(3,905,935)	(5,215,721)
Cash at beginning of year	<u>9,090,164</u>	<u>14,305,885</u>
Cash at end of year	<u>\$ 5,184,229</u>	<u>9,090,164</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	(1,898,222)	(10,332,035)
Adjustments to reconcile operating loss to net cash used in operating activities - changes in:		
Contributions and grants receivable	319,480	6,540,266
Prepaid expenses	201,047	(199,136)
Accounts payable and accrued expenses	(8,271,211)	3,550,124
Contributions and grants received in advance	<u>(150,000)</u>	<u>150,000</u>
Net cash used in operating activities	<u>\$ (9,798,906)</u>	<u>(290,781)</u>

See accompanying notes to financial statements.

# THE MAYOR'S FUND TO ADVANCE NEW YORK CITY

## Notes to Financial Statements

June 30, 2022 and 2021

### (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 of New York's (the City) 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 the City's residents. The Fund is a component unit of the City, and the Mayor of the City 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 Corporation 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 (IRC).

### (2) Summary of Significant Accounting Policies

#### (a) Basis of Accounting

The Fund's accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and applicable Governmental Accounting Standards Board (GASB) pronouncements.

For financial reporting purposes, the Fund is considered to be a special-purpose entity engaged only in business-type activities. GASB defines business-type activities as activities financed in whole or in part by fees charged to external parties for goods or services. Accordingly, the accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP, as prescribed by GASB. For financial reporting purposes, the Fund is also considered to be a discretely presented component unit of the City of New York, as defined by GASB.

#### (b) Net Position

Net investment in capital assets - At June 30, 2022 and 2021, the Fund did not maintain any net investment in capital assets.

Restricted - Restricted net position represents the portion of net position subject to externally imposed stipulations by creditors, granters, contributors, or laws and regulations of other governments or are imposed by law through constitutional provision or enabling legislation. The Fund did not have any nonexpendable net position at June 30, 2022 and 2021. Nonexpendable net position represents the portion of net position that is required to be retained in perpetuity.



## THE MAYOR'S FUND TO ADVANCE NEW YORK CITY

### Notes to Financial Statements, Continued

#### (2) Summary of Significant Accounting Policies, Continued

##### (b) Net Position, Continued

Unrestricted - Unrestricted net position represents the portion of net position that is not included in the net investment in capital assets or the restricted component of net position. Unrestricted net position may be designated for specific purposes by action of management or the Board of Directors (the Board). The Fund's unrestricted net position includes contributions received for the Civic Innovation Program, as they are permitted to be used for the general purposes of the Fund. The Fund charges an administrative fee on most contributions, which is permitted to be used for the general purposes of the Fund. A deficit would require future funding.

##### (c) Use of Estimates

The preparation of financial statements in conformity with GAAP 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 period. Actual results could differ from those estimates.

##### (d) Cash

Cash and equivalents are comprised of highly liquid instruments with original maturities of 90 days or less.

##### (e) Concentration of Credit Risk

Custodial credit risk of deposits is the risk that the Fund's deposits may not be returned in the event of a bank failure. Cash on deposit is insured up to \$250,000 per bank under the Federal Deposit Insurance Corporation (FDIC). At June 30, 2022, \$4,935,828 of the Fund's bank balance was exposed to custodial credit risk, as it was uninsured and uncollateralized. At June 30, 2021, \$8,840,164 of the Fund's bank balance was exposed to custodial credit risk, as it was uninsured and uncollateralized.

##### (f) Investments

Investments are generally reported at fair value. The Fund uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. 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. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

## THE MAYOR'S FUND TO ADVANCE NEW YORK CITY

### Notes to Financial Statements, Continued

#### (2) Summary of Significant Accounting Policies, Continued

##### (f) Investments, Continued

The Fund's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. The three categories within the hierarchy are as follows:

- Level 1 - Quoted prices in active markets for identical assets.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.
- Level 3 - Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date. Level 3 assets include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment.

##### (g) Contributions and Grants Receivable

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. The Fund decreased the allowance for uncollectible receivables by \$139,725 and \$245,000 during the years ended June 30, 2022 and 2021, respectively. As of June 30, 2022 and 2021, the allowance for uncollectible receivables is \$62,520 and \$202,245, respectively.

##### (h) Prepaid Expenses

Payments made for expenses relating to events or projects that have not occurred as of the end of the fiscal year are considered prepaid expenses. As of June 30, 2022 and 2021, the Fund had \$5,415 and \$206,462 in prepaid expenses, respectively.

THE MAYOR'S FUND TO ADVANCE NEW YORK CITY

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(i) Revenue Recognition

GASB requires revenue recognition based on Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. This standard requires all eligibility requirements to be met before recognizing voluntary nonexchange revenue transactions. Eligibility requirements comprise one or more of the following:

- Required characteristics of recipients - the recipient has the characteristics specified by the provider.
- 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.
- Reimbursements - the provider offers resources on a reimbursement basis and the recipient has incurred allowable costs.
- 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 contract is recognized when all applicable eligibility requirements-required characteristics of recipient, time requirements, reimbursements, and contingencies are met.

The Fund seeks in-kind support from various sources in support of its projects. In-kind contributions are reported as operating revenue 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, 2022 were \$146,251 for rent, facilities and other, \$147,156 for legal and other professional services and \$49,736 for various goods for programs. In-kind contributions recorded in the financial statements for the year ended June 30, 2021 were \$164,541 for rent, facilities and other, \$179,305 for legal and other professional services, and \$145,000 for various goods for programs.

The Fund also receives donated items for the benefit of certain City agencies and the City itself. Such items that are not retained by the Fund have not been reflected in the financial statements.

## THE MAYOR'S FUND TO ADVANCE NEW YORK CITY

### Notes to Financial Statements, Continued

#### (2) Summary of Significant Accounting Policies, Continued

##### (j) Nonoperating Revenue (Expenses)

The Fund includes in its definition of operations all revenue and expenses that are an integral part of its programs and supporting activities. Revenue from the City contract, net change in fair value of investments (investment income) and interest income, is recognized as nonoperating revenue (expenses).

##### (k) Functional Expenses

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.

##### (l) Subsequent Events

The Fund has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

##### (m) Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences on a national, regional and local level are unknown, but have the potential to result in a significant economic impact. The impact of this situation on the Fund and its future results and financial position is not presently determinable.

##### (n) Income Taxes

The Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the financial statements. The Fund has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Fund presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Fund has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Fund are subject to examination by taxing authorities.

#### (3) Investments

The Fund had investments in mutual funds - short and intermediate duration bond fund amounting to \$11,140,785 and \$17,714,756 as of June 30, 2022 and 2021, respectively. All of the Fund's investments at June 30, 2022 and 2021 were Level 1 in the fair value hierarchy. There were no transfers between levels during the years ended June 30, 2022 and 2021.

## THE MAYOR'S FUND TO ADVANCE NEW YORK CITY

### Notes to Financial Statements, Continued

#### (3) Investments, Continued

##### (a) Credit Risk

The Fund's investment policy is designed to protect principal and minimize exposure to credit risk by limiting investments to certain types of assets that are backed or fully collateralized by the United States government, certificates of deposit and corporate debt obligations. The short duration bond fund is not rated by credit agencies.

##### (b) Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments that are in the possession of an outside party. Mutual funds are not subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

##### (c) Concentration of Credit Risk

The Fund should provide information about the concentration of credit risk associated with its investments by disclosing, by amount and issuer, investments in any one issuer that represent five percent or more of total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

##### (d) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund's investment is a short duration bond fund with average maturities of a year and a half and therefore there is limited exposure to fair value losses arising from increasing interest rates.

#### (4) Contributions and Grants Receivable

Contributions and grants are due to be collected within one year or less. Contributions and grants, net of the allowance for uncollectible receivables, amounted to \$1,187,877 and \$1,507,367 of June 30, 2022 and 2021, respectively.

#### (5) 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 following tables summarize support received from donors and expenditures made for such projects for the years ended June 30, 2022 and 2021:

THE MAYOR'S FUND TO ADVANCE NEW YORK CITY  
Notes to Financial Statements, Continued

(5) Restricted Expendable Net Position, Continued

	Restricted Expendable				Restricted Expendable
	Net Position Balance	Contributions	Program	Interfund	Net Position Balance
	<u>at June 30, 2021</u>	<u>and Grants</u>	<u>Services</u>	<u>Transfers (1)</u>	<u>at June 30, 2022</u>
Unrestricted	\$ -	-	-	(179,611)	(179,611)
Baby Bonds	-	42,901	-	-	42,901
Bronx Fire 22	-	4,503,735	4,093,272	-	410,463
Building Healthy Communities	189,805	-	138,899	105,000	155,906
Center for Economic Opportunity	343,361	-	88,610	-	254,751
Childcare	-	400,000	72,825	-	327,175
Childrens Cabinet	301,488	-	275,224	-	26,264
Commission for Economic Opportunity	138,068	-	-	-	138,068
Center for Innovation Thru Data Intelligence	89,195	103,250	52,030	-	140,415
Civilian Complaint Review Board	25	-	-	-	25
Connections to Care	288,930	-	248,865	-	40,065
Creative Communications Conference	28	-	-	-	28
DCAS/Historic Preservation	14,679	5,124	-	-	19,803
Democracy NYC	6,768	-	-	-	6,768
Department of Consumer Affairs	97,943	-	295,000	197,057	-
Department of Corrections	41,355	200,000	-	-	241,355
Department of Cultural Affairs	1,290,145	500,400	19,940	-	1,770,605
Department of Design & Construction	7,176	-	-	-	7,176
Department of Education	150,854	850,000	926,474	-	74,380
Department of Environmental Protection	47,991	18,000	30,194	-	35,797
Department of Homeless Services	99,264	-	624	-	98,640
Department of Housing Pres and Dev	821,707	5,000	3,779	-	822,928
Department of Mental Health	77,426	-	21,512	-	55,914
Department of Parks and Recreation	850,641	79,638	901,878	-	28,401
Department of Probation	806,877	500,000	225,740	-	1,081,137
Department of Records & Information Services	1,105	-	-	-	1,105
Department of Transportation	249,800	-	5,975	-	243,825
Department of Youth & Comm Dev	112,286	897,966	388,319	-	621,933
Expanding Broadband In NYC	89	-	-	-	89
Food Justice Fund	536	-	-	-	536
Food Policy	226,391	1,123,500	963,490	-	386,401
Health and Hospitals	350,350	4,467,750	4,036,131	-	781,969
Health and Human Services	232,350	100,000	51,616	-	280,734
Human Resources Administration	530,000	21,587	1,521,587	970,000	-
Human Rights Commission	9	-	-	-	9
Mayors Office of Chief Tech	769,042	-	(24,000)	-	793,042
Minority & Women Owned Business	517,000	-	223,050	-	293,950
NYS Economic Dev Corp	373,250	-	-	-	373,250
NYC Housing Authority	25,000	-	-	-	25,000
NYC Service	769,365	1,176,713	1,053,147	-	892,931
NYC Soccer Initiative	1,053,383	-	328,664	56,922	781,641
NYCFC	-	255,270	272,602	17,332	-
Office For People With Disabilities	699,076	5,000	368,404	(88,100)	247,572
Office of Criminal Justice	539,525	-	266,264	-	273,261
Office of Emergency Management	44,600	7,500	7,725	-	44,375
Office of Environmental Remediation	300	-	-	-	300
Office of Film Theatre Broadcasting	21,768	129	-	-	21,897
Office of Immigrant Affairs	-	48,170	48,170	-	-
Office of Spec Projects & Comm Events	88,209	181,410	173,098	-	96,521
Office of Sustainability	377,465	-	-	-	377,465
Office of Veterans Affairs	136,971	22,018	57,863	-	101,126
Office of Workforce Development	73,494	-	-	-	73,494
Office lo Combat Dom Violence	77,852	49,736	49,736	-	77,852
Public Design Commission	151,020	-	20,985	-	130,035
Relief Efforts	1,901,857	1,130,227	1,749,928	(1,088,600)	193,556
Running Initiative	100,000	-	-	(100,000)	-
Science, Tech, Eng, Math	-	1,500,000	75,000	-	1,425,000
Small Business Services	703,896	-	-	-	703,896
Strategic Policy Initiatives	5,365	-	-	-	5,365
Victims Compensation Fund	1,886	-	-	-	1,886
Young Men's Initiative	180,234	-	62,999	-	117,235
Center For Youth Employment	326,962	-	281,701	-	45,261
Allowance for Doubtful Accounts	(202,245)	29,725	-	110,000	(62,520)
	<u>\$ 16,101,917</u>	<u>18,224,749</u>	<u>19,377,320</u>	<u>-</u>	<u>14,949,346</u>

(1) Interfund transfers represent authorized transfers between projects or from unrestricted net position. The \$179,611 transfer reflects a transfer in from the unrestricted net position.

THE MAYOR'S FUND TO ADVANCE NEW YORK CITY

Notes to Financial Statements, Continued

(5) Restricted Expendable Net Position, Continued

	Restricted Expendable				Restricted Expendable
	Net Position Balance	Contributions	Program	Interfund	Net Position Balance
	at June 30, 2020	and Grants	Services	Transfers (2)	at June 30, 2021
Unrestricted	\$ -	-	-	970	-
Building Healthy Communities	392,769	190,200	393,164	-	189,805
Center for Economic Opportunity (1)	297,414	427,399	381,452	-	343,361
Childrens Cabinet	247,726	53,762	-	-	301,488
Commission for Economic Opportunity	138,068	-	-	-	138,068
Center for Innovation Thru Data Intelligence	163,210	-	74,015	-	89,195
Civilian Complaint Review Board	25	-	-	-	25
Connections to Care (1)	313,391	623,000	647,461	-	288,930
Creative Communications Conference	28	-	-	-	28
DCAS/Historic Preservation	9,680	4,999	-	-	14,679
Democracy NYC	194,156	-	187,388	-	6,768
Department of Consumer Affairs	524,803	46,500	492,524	19,164	97,943
Department of Corrections	41,355	-	-	-	41,355
Department of Cultural Affairs	1,312,235	382	(1,000)	(23,472)	1,290,145
Department of Design & Construction	7,176	-	-	-	7,176
Department of Education	303,354	-	-	(152,500)	150,854
Department of Environmental Protection	53,014	7,650	12,673	-	47,991
Department of Homeless Services	99,212	35,550	35,498	-	99,264
Department of Housing Pres and Dev	821,707	-	-	-	821,707
Department of Mental Health	40,426	37,000	-	-	77,426
Department of Parks and Recreation	1,106,821	-	256,180	-	850,641
Department of Probation	830,995	391,504	415,622	-	806,877
Department of Records & Information Services	1,105	-	-	-	1,105
Department of Transportation	249,989	1,000	1,189	-	249,800
Department of Youth & Comm Dev	3,649,325	3,859,400	7,396,439	-	112,286
Expanding Broadband In NYC	89	-	-	-	89
Food Justice Fund	536	-	-	-	536
Food Policy	283,372	700,117	757,098	-	226,391
Health and Hospitals	262,975	2,667,441	3,080,066	500,000	350,350
Health and Human Services	852,377	96,500	926,527	210,000	232,350
Human Resources Administration	530,000	110,000	110,000	-	530,000
Human Rights Commission	9	-	-	-	9
Mayors Office of Chief Tech	338,442	558,100	127,500	-	769,042
Minority & Women Owned Business	1,260,100	-	743,100	-	517,000
NYS Economic Dev Corp	373,250	-	-	-	373,250
NYC Housing Authority	25,000	-	-	-	25,000
NYC Service (1)	498,905	1,610,810	1,340,350	-	769,365
NYC Soccer Initiative	842,806	780,000	632,502	63,079	1,053,383
Office For People With Disabilities	929,627	49,462	355,013	75,000	699,076
Office of Criminal Justice	453,223	200,000	113,698	-	539,525
Office of Emergency Management	49,350	-	4,750	-	44,600
Office of Environmental Remediation	300	-	-	-	300
Office of Film Theatre Broadcasting	21,710	58	-	-	21,768
Office of Immigrant Affairs	484,298	1,615,050	2,125,851	26,503	-
Office of Spec Projects & Comm Events	105,235	5,500	15,026	(7,500)	88,209
Office of Sustainability	377,465	-	-	-	377,465
Office of Veterans Affairs	174,853	17,725	60,607	5,000	136,971
Office of Workforce Development	85,114	-	11,620	-	73,494
Office to Combat Dom Violence	110,625	488,550	521,323	-	77,852
Public Design Commission	158,120	-	7,100	-	151,020
Relief Efforts	5,091,198	2,051,716	4,427,604	(813,453)	1,901,857
Running Initiative	194,212	-	2,000	(92,212)	100,000
Small Business Services	813,046	18,756	127,906	-	703,896
Strategic Policy Initiatives	5,365	-	-	-	5,365
Victims Compensation Fund	1,886	-	-	-	1,886
Women's Soccer Parade	63,079	-	-	(63,079)	-
Young Men's Initiative	186,234	-	6,000	-	180,234
Center For Youth Employment (1)	691,210	74,350	446,098	7,500	326,962
Allowance for Doubtful Accounts	(447,245)	-	-	245,000	(202,245)
	<u>\$ 25,614,750</u>	<u>16,722,481</u>	<u>26,234,344</u>	<u>-</u>	<u>16,101,917</u>

(1) Direct program expenses shown above include direct personnel service/consultant costs of \$775,884. Such amount is reported as personnel service costs in Note 8.

(2) Interfund transfers represent authorized transfers between projects or from unrestricted net position. The \$970 transfer reflects a transfer in from the unrestricted net position.

## THE MAYOR'S FUND TO ADVANCE NEW YORK CITY

### Notes to Financial Statements, Continued

#### (6) 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 must be approved by the donor. 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. During the years ended June 30, 2022 and 2021, the Fund elected to treat the use of facilities as an in-kind contribution. The in-kind contribution for the years ended June 30, 2022 and 2021 was \$146,251 and \$164,541, respectively, which is considered to be the fair value of such rent, facilities and other (see note 2 for additional discussion on in-kind contributions).

#### (7) Revenue Concentrations

Revenue from federal grant awards accounted for approximately 4.3% and 6.1% of the total contributions and grants for the years ended June 30, 2022 and 2021, respectively. Two and three non-federal donors accounted for approximately 33% and 53% of total contributions and grants for the years ended June 30, 2022 and 2021, respectively. Amounts due from various federal grant awards for reimbursable expenses incurred by the Fund represent approximately 70% and 51% of the contributions and grants receivable at June 30, 2022 and 2021, respectively. Three non-federal donors account for approximately 15% of the Fund's contributions and grants receivable at June 30, 2021. There was no significant concentrations in non-federal donor contributions and grants receivable at June 30, 2022.



THE MAYOR'S FUND TO ADVANCE NEW YORK CITY

Notes to Financial Statements, Continued

(8) Operating Expenses

Expenses as shown in the accompanying statements of revenue, expenses and changes in net position consisted of the following for the years ended June 30, 2022 and 2021:

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>2022 Total</u>
Personnel services:				
Salaries	\$ 662,739	254,559	159,250	1,076,548
Payroll taxes and other employee benefits	<u>241,755</u>	<u>93,036</u>	<u>58,203</u>	<u>392,994</u>
Total personnel services	904,494	347,595	217,453	1,469,542
Direct program expenses	18,564,058	-	-	18,564,058
Accountant	60,615	15,154	-	75,769
Audit and tax preparation fees	-	93,347	-	93,347
In-kind rent	80,438	43,875	21,938	146,251
In-kind professional	80,936	36,789	29,431	147,156
Insurance	9,462	5,095	-	14,557
Other expenses	<u>135,440</u>	<u>24,455</u>	<u>22,194</u>	<u>182,089</u>
Total	<u>\$ 19,835,443</u>	<u>566,310</u>	<u>291,016</u>	<u>20,692,769</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>2021 Total</u>
Personnel services:				
Salaries	\$ 1,354,198	179,366	226,393	1,759,957
Payroll taxes and other employee benefits	<u>391,430</u>	<u>52,638</u>	<u>69,028</u>	<u>513,096</u>
Total personnel services	1,745,628	232,004	295,421	2,273,053
Direct program expenses	25,458,460	-	-	25,458,460
Accountant	18,744	4,686	-	23,430
Audit and tax preparation fees	-	59,830	-	59,830
In-kind rent	90,498	49,362	24,681	164,541
In-kind professional	-	179,305	-	179,305
Insurance	10,328	5,561	-	15,889
Other expenses	<u>24,139</u>	<u>4,907</u>	<u>11,925</u>	<u>40,971</u>
Total	<u>\$ 27,347,797</u>	<u>535,655</u>	<u>332,027</u>	<u>28,215,479</u>

THE MAYOR'S FUND TO ADVANCE NEW YORK CITY

Notes to Financial Statements, Continued

(9) Contingencies

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, would not have a material impact on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such contingency.

(10) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 15, 2023.

Statement No. 101 - Compensated Absences. Effective fiscal years beginning after December 15, 2023.

THE MAYOR'S FUND TO ADVANCE NEW YORK CITY  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2022

<u>Federal Grantor/Pass-through Grantor Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or pass-through number</u>	<u>Expenditures</u>	<u>Expenditures to Subrecipients</u>
Corporation for National and Community service - passed through the New York State Office of Children and Family Services - AmeriCorps	94.006	C028490	\$ <u>775,176</u>	<u>775,176</u>

See accompanying notes to schedule of expenditures of federal awards.

THE MAYOR'S FUND TO ADVANCE NEW YORK CITY

Notes to Schedule of Expenditures of Federal Awards

June 30, 2022

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Fund under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (2 CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Fund, it is not intended to and does not present the financial position, changes in financial position or cash flows of the Fund.

(2) Summary of Significant Accounting Policies

Expenditures recognized on the Schedule are recognized on the accrual basis of accounting. Such expenditures are reported following the cost principles contained in 2 CFR Part 230, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

(3) Indirect Cost Rate

The Fund has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. No indirect costs have been charged to the program.

**INDEPENDENT AUDITORS' 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**

The Board of Directors  
The Mayor's Fund to Advance New York City:

We have audited, 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, the financial statements of The Mayor's Fund to Advance New York City (the Fund), a component unit of The City of New York, New York, which comprise the statement of net position as of June 30, 2022, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated March 13, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing 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 Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund'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 financial statements. 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.

#### The Fund's Response to Finding

The Fund's responses to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Fund's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### 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.

EFPR Group, CPAs, PLLC

Williamsville, New York  
March 13, 2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors  
The Mayor's Fund to Advance New York City:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Mayor's Fund to Advance New York City's (the Fund) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the Fund's major federal program for the year ended June 30, 2022. The Fund's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Fund complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for its major federal program. Our audit does not provide a legal determination of the Fund's compliance with the compliance requirements referred to above.

## Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Fund's federal programs.

## Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Fund's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Fund's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Fund's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Fund's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



## Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York  
March 13, 2023

THE MAYOR'S FUND TO ADVANCE NEW YORK CITY  
 Schedule of Findings and Questioned Costs  
 Year ended June 30, 2022

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the basic financial statement audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

1. Material weakness(es) identified?

Yes  No

2. Significant deficiency(ies) identified?

Yes  None reported

3. Noncompliance material to financial statements noted?

Yes  No

Federal Awards:

Internal control over major programs:

4. Material weakness(es) identified?

Yes  No

5. Significant deficiency(ies) identified?

Yes  None reported

Type of auditors' report issued on compliance for major programs:

Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)?

Yes  No

7. The Fund's major program audited was:

Assisted Listing  
Number

Name of Federal Program

AmeriCorps

94.006

8. Dollar threshold used to distinguish between Type A and Type B programs.

\$750,000

9. Auditee qualified as low-risk auditee?

Yes  No

Part II - FINANCIAL STATEMENT FINDINGS SECTION

See page 33.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings.

THE MAYOR'S FUND TO ADVANCE NEW YORK CITY  
Schedule of Findings and Questioned Costs, Continued

FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

Finding: 2022-001

Criteria - Government Accounting Standards Board requires revenue and expense recognition based on Statement No. 33 - "Accounting and Financial Reporting for Nonexchange Transactions" (GASB 33). This standard requires all eligibility requirements to be met before recognizing voluntary nonexchange revenue or expense transactions. Eligibility requirements comprise one or more of the following:

- Required characteristics of recipients - The recipient (and secondary recipients, if applicable) has the characteristics specified by the provider.
- Time requirements - Time requirements specified by enabling legislation or the provide have been met.
- Reimbursements - The provider offers resources on a reimbursement (expenditure-driven) basis and the recipient has incurred allowable costs under the applicable program.
- Contingencies - The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred.

Further, all receivables should be measured net of estimated uncollectible amounts.

Condition - Management records revenue and expenses during the year based on cash receipts. There is inadequate tracking of the agreements in line with required reporting under accounting principles generally accepted in the United States of America (GAAP). Further, management did not have adequate knowledge of the GAAP requirements for establishing and adjusting its allowance for uncollectible amounts.

Effect - This can result in an inaccurate amount of revenues, accounts receivable and expenses reported in the financial statements.

Recommendation - We recommend that an analysis of each grant agreement, contract or donation be performed to determine if all eligibility requirements (including time requirements) have been met. When all requirements have been met, the revenue and receivable, if applicable, should be recognized. We recommend that management evaluate outstanding receivables and payables on a periodic basis.

Condition - We identified several transactions where management did not record revenue or expenses in the correct period or where the allowance for uncollectible amounts was not appropriately adjusted.

THE MAYOR'S FUND TO ADVANCE NEW YORK CITY  
Status of Prior Audit Findings  
Year ended June 30, 2022

Finding: 2021-001

Condition - Management records revenue and expenses during the year based on cash receipts. There is inadequate tracking of the agreements in line with required reporting under accounting principles generally accepted in the United States. Further, management did not have adequate knowledge of the GAAP requirements for establishing and adjusting its allowance for uncollectible amounts.

Status - This finding is repeated in 2022 as finding 2022-001.