

# **The Mayor's Fund to Advance New York City**

(a component unit of the City of New York)

Financial Report

June 30, 2011

## Contents

---

Independent Auditor's Report	1
Management's Discussion and Analysis	2 - 4
Financial Statements:	
Balance Sheets	5
Statements of Revenue, Expenses and Changes in Net Assets	6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 13

---



## Independent Auditor's Report

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

We have audited the accompanying balance sheets of The Mayor's Fund to Advance New York City (the "Fund"), a component unit of the City of New York, as of June 30, 2011 and 2010, and the related statements of revenue, expenses and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Mayor's Fund to Advance New York City as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 2 through 4 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of supplementary information. However, we did not audit the information and express no opinion on it.

*McGladrey & Pullen, LLP*

New York, New York  
March 30, 2012

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

**Management's Discussion and Analysis**

---

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, 2011. 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 2010-2011 initiatives enhanced through private support include:

- Social Innovation Fund, a five-year initiative to replicate effective anti-poverty programs of the Center for Economic Opportunity in New York City and seven other cities.
- Financial Empowerment Centers, providing one-on-one free, confidential financial counseling services. The Centers offer direct assistance to help New Yorkers stabilize and manage their finances and plan for their future.
- NYC Service, which promotes volunteerism and is helping to drive volunteer activity to aid the City's most pressing needs.
- MillionTreesNYC, an ambitious program to plant and care for one million new trees throughout the City's five boroughs by 2017. This urban greening and tree planting initiative will result in a multitude of benefits to residents, communities and the environment.

At June 30, 2011, the Fund's total net assets decreased by approximately \$2.26 million, or 6.85%, from the previous year due to the following changes in revenue and expenses:

- During the fiscal year ended June 30, 2011, total contributions and grants were approximately \$29.37 million, an increase of \$800,000, or 2.80%, from fiscal year 2010.
- In fiscal year 2011, total expenses were approximately \$32.14 million, an increase of approximately \$2.17 million, or 7.23%, from the previous year. The increase in expenses is based on the needs of the programs.

At June 30, 2010, the Fund's total net assets decreased by approximately \$909,000, or 2.68%, from the previous year due to the following changes in revenue and expenses:

- During the fiscal year ended June 30, 2010, total contributions and grants were approximately \$28.57 million, a decrease of about \$6.38 million, or 18.26%, from fiscal year 2009.
- In fiscal year 2010, total expenses were approximately \$29.97 million, a decrease of approximately \$5.80 million, or 16.21%, from the previous year. The decrease in expenses is based on the needs of the programs.

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

**Management's Discussion and Analysis**

**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 Assets: The following table summarizes the changes in net assets between June 30, 2011, 2010 and 2009:

	2011	2010	2009	Percentage Change	
				2011	2010
Total assets	\$ 34,989,443	\$ 36,628,518	\$ 34,700,613	(4.47)%	5.56 %
Total liabilities	4,279,234	3,659,408	822,443	16.94 %	344.94 %
<b>Net assets</b>	<b>\$ 30,710,209</b>	<b>\$ 32,969,110</b>	<b>\$ 33,878,170</b>	<b>(6.85)%</b>	(2.68)%
Net assets:					
Restricted expendable	\$ 29,514,010	\$ 31,458,857	\$ 32,106,799	(6.18)%	(2.02)%
Unrestricted	1,196,199	1,510,253	1,771,371	(20.79)%	(14.74)%
<b>Total</b>	<b>\$ 30,710,209</b>	<b>\$ 32,969,110</b>	<b>\$ 33,878,170</b>	<b>(6.85)%</b>	(2.68)%

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 changes in operating and nonoperating income between fiscal years ended June 30, 2011, 2010 and 2009:

	2011	2010	2009	Percentage Change	
				2011	2010
Contributions and grants	\$ 29,369,393	\$ 28,569,342	\$ 34,949,803	2.80 %	(18.26)%
Operating expenses:					
Program services	31,772,828	29,603,861	35,455,699	7.33 %	(16.50)%
Management and general	275,341	268,296	226,551	2.63 %	18.43 %
Fund-raising	87,822	96,561	83,649	(9.05)%	15.44 %
<b>Total operating expenses</b>	<b>32,135,991</b>	<b>29,968,718</b>	<b>35,765,899</b>	<b>7.23 %</b>	(16.21)%
<b>Operating loss</b>	<b>(2,766,598)</b>	<b>(1,399,376)</b>	<b>(816,096)</b>	<b>(97.70)%</b>	(71.47)%
Nonoperating revenue	507,697	490,316	948,967	3.54 %	(48.33)%
<b>Change in net assets</b>	<b>\$ (2,258,901)</b>	<b>\$ (909,060)</b>	<b>\$ 132,871</b>	<b>(148.49)%</b>	(784.17)%

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

**Management's Discussion and Analysis**

---

**General Outlook**

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

**Contacting the Fund's Financial Management**

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

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

**Balance Sheets  
June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents (Notes 2 and 6)	\$ 22,125,969	\$ 26,813,149
Short-term investments (Notes 2, 6, and 7)	8,378,323	7,854,200
Restricted contributions and grants receivable, due within 1 year	4,479,597	1,956,582
Prepaid expenses	<u>5,554</u>	<u>4,587</u>
<b>Total assets</b>	<b><u>\$ 34,989,443</u></b>	<b><u>\$ 36,628,518</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities - accounts payable and accrued expenses	<u>\$ 4,279,234</u>	<u>\$ 3,659,408</u>
Contingency (Note 8)		
Net Assets:		
Restricted expendable (Note 3)	29,514,010	31,458,857
Unrestricted	<u>1,196,199</u>	<u>1,510,253</u>
<b>Total net assets</b>	<b><u>30,710,209</u></b>	<b><u>32,969,110</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 34,989,443</u></b>	<b><u>\$ 36,628,518</u></b>

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 Assets  
Years Ended June 30, 2011 and 2010**

	2011	2010
Operating Activities:		
Support and revenue:		
Contributions and grants:		
Unrestricted	\$ 79,980	\$ 72,871
Restricted (Note 3)	<u>29,289,413</u>	<u>28,496,471</u>
<b>Total operating support and revenue</b>	<b><u>29,369,393</u></b>	<b><u>28,569,342</u></b>
Operating Expenses (Note 5):		
Program services	31,772,828	29,603,861
Management and general	275,341	268,296
Fund-raising	<u>87,822</u>	<u>96,561</u>
<b>Total operating expenses</b>	<b><u>32,135,991</u></b>	<b><u>29,968,718</u></b>
<b>Deficiency of operating support and revenue over expenses</b>	<b><u>(2,766,598)</u></b>	<b><u>(1,399,376)</u></b>
Nonoperating Revenue:		
City of New York contract (Note 4)	374,510	374,510
Interest income - unrestricted	130,261	110,709
Interest income - restricted (Note 3)	<u>2,926</u>	<u>5,097</u>
<b>Total nonoperating revenue</b>	<b><u>507,697</u></b>	<b><u>490,316</u></b>
<b>Change in net assets</b>	<b>(2,258,901)</b>	<b>(909,060)</b>
Net Assets:		
Beginning	<u>32,969,110</u>	<u>33,878,170</u>
Ending	<b><u>\$ 30,710,209</u></b>	<b><u>\$ 32,969,110</u></b>

See Notes to Financial Statements.

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

**Statements of Cash Flows  
Years Ended June 30, 2011 and 2010**

	2011	2010
<b>Cash Flows From Operating Activities:</b>		
Receipts from contributions and grants	\$ 26,766,398	\$ 27,481,286
Payments for project and program expenses	(28,124,613)	(26,138,336)
Payments to project consultants	(255,000)	(205,000)
Payments for salaries and related costs	(2,951,642)	(630,581)
Other payments	(105,897)	(94,488)
	<u>(4,670,754)</u>	<u>412,881</u>
<b>Net cash (used in) provided by operating activities</b>		
<b>Cash Flows Provided by Noncapital Financing Activity:</b>		
Receipts from City of New York contract	<u>374,510</u>	<u>374,510</u>
<b>Cash Flows From Investing Activities:</b>		
Purchase of short-term investments	(524,123)	(5,059,250)
Interest income	<u>133,187</u>	<u>115,806</u>
	<u>(390,936)</u>	<u>(4,943,444)</u>
<b>Net cash used in investing activities</b>		
<b>Net decrease in cash and cash equivalents</b>		
	<u>(4,687,180)</u>	<u>(4,156,053)</u>
<b>Cash and Cash Equivalents:</b>		
Beginning	<u>26,813,149</u>	<u>30,969,202</u>
Ending	<u>\$ 22,125,969</u>	<u>\$ 26,813,149</u>
<b>Reconciliation of Deficiency of Operating Support and Revenue Over Expenses to Net Cash (Used in) Provided by Operating Activities:</b>		
Deficiency of operating support and revenue over expenses	\$ (2,766,598)	\$ (1,399,376)
Adjustments to reconcile deficiency of operating support and revenue over expenses to net cash provided by (used in) operating activities:		
Changes in operating assets and liabilities:		
Increase in contributions and grants receivable	(2,523,015)	(1,023,336)
Increase in prepaid expenses	(967)	(1,372)
Increase in accounts payable and accrued expenses	<u>619,826</u>	<u>2,836,965</u>
	<u>(2,766,598)</u>	<u>(1,399,376)</u>
<b>Net cash (used in) provided by operating activities</b>		
	<u>\$ (4,670,754)</u>	<u>\$ 412,881</u>

See Notes to Financial Statements.

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

**Notes to Financial Statements**

---

**Note 1. The Fund**

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

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

**Note 2. Summary of Significant Accounting Policies**

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

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

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

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

- a. Required characteristics of recipients - the recipient has the characteristics specified by the provider.
- b. Time requirements - time requirements specified by the provider have been met. For example, the time period when the resources are required to be used has begun.
- c. Reimbursements - the provider offers resources on a reimbursement basis and the recipient has incurred allowable costs.

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

**Notes to Financial Statements**

---

**Note 2. Summary of Significant Accounting Policies (Continued)**

- 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 as restricted net asset 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.

Revenues from federal grants and the City of New York contract are recognized when reimbursable expenses are incurred under the terms of the grant or contract. Qualified expenses in excess of cash received are accounted for as receivables. Cash received in excess of qualified expenses is accounted for as refundable advances (see Note 4).

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 assets at their estimated fair value at the date of donation. The Fund also receives donated items for the benefit of certain City agencies and the City of New York. Such items that are not retained by the Fund have not been reflected in the financial statements. In-kind contributions recorded in the financial statements for the year ended June 30, 2011 were \$26,120 for rent and facilities and \$53,860 for legal and other professional services. For the year ended June 30, 2010, in-kind contributions were \$26,120 for rent and facilities and \$46,750 for legal and other professional services.

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

The Fund maintains cash and cash equivalents in accounts in financial institutions which, at times, exceed federally insured limits. The Fund has not experienced any losses on these accounts to date. Approximately 78% of the total cash and cash equivalents at June 30, 2011 is held by one financial institution.

Short-term investments consist of U.S. Treasury and agency notes and certificates of deposit with terms exceeding 90 days, and are stated at fair value. Approximately 97% of these short-term investments are held by one financial institution at June 30, 2011.

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. At June 30, 2011 and 2010, all receivables were determined to be collectible within one year and no allowance for uncollectible receivables was deemed necessary.

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

The Fund is subject to unrelated business income tax ("UBIT"), if applicable. For the years ended June 30, 2011 and 2010, the Fund did not owe any UBIT. During the year ended June 30, 2011, management evaluated the Fund's income tax positions and concluded that the Fund had taken no uncertain income tax positions that require adjustments to the financial statements. With a few exceptions, the Fund is no longer subject to income tax examinations by U.S. federal, state or local tax authorities for years before 2007, which is the standard statute of limitations look-back period.

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

**Notes to Financial Statements**

**Note 2. Summary of Significant Accounting Policies (Continued)**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

**Note 3. Restricted Expendable Net Assets**

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

The following table summarizes support received from donors and expenditures made for such projects for the year ended June 30, 2011:

	Restricted Expendable Net Asset Balance at June 30, 2010	Support Received and Income Earned	Expenses Incurred	Interfund Transfers	Restricted Expendable Net Asset Balance at June 30, 2011
Center for Economic Opportunity*	\$ 12,249,173	\$ 13,764,582	\$ 12,901,388	\$ -	\$ 13,112,367
City Hall Conservancy	1,793	-	375	-	1,418
Civic Innovation	63,869	152,718	197,919	(1,300)	17,368
Civilian Complaint Review Board	-	40,000	831	-	39,169
Commemoration Fund	808,766	250,848	500,648	-	558,966
Commission on Women's Issues	246,338	100,000	48,000	(87,500)	210,838
Community Assistance Unit	1,690	-	-	(1,690)	-
Criminal Justice Coordinator	22,303	265,778	102,505	-	185,576
Department of Buildings	47,804	-	47,804	-	-
Department of Citywide Administrative Services	23,600	-	-	-	23,600
Department of Consumer Affairs	1,562,199	1,075,830	1,999,677	-	638,352
Department of Cultural Affairs	344,001	71,000	75,000	-	340,001
Department of Education	188,723	188,226	279,252	-	97,697
Department of Environmental Protection	132,631	101,000	24,849	-	208,782
Department of Health and Mental Hygiene	619,785	-	500,976	-	118,809
Department of Homeless Services	2,950	665,200	337,489	-	330,661
Department of Housing Preservation and Development	394,863	1,074,329	352,221	-	1,116,971
Department of Information Technology and	215	30,000	30,000	-	215
Department of Parks and Recreation	1,851,885	30,433	118,396	-	1,763,922
Department of Probation	-	20,000	-	-	20,000
Department of Sanitation	11,105	12,665	1,625	-	22,145
Department of Transportation	291,850	605,450	116,500	-	780,800
Department of Youth and Community Development	2,239,304	2,764,427	3,916,050	87,500	1,175,181
Fete de Swifty	63,678	495,146	149,454	(409,370)	-
Friends of Special Events	71,895	382,042	423,041	1,300	32,196
Greater NY	915,729	15,000	128,445	-	802,284
Human Resources Administration	150	-	-	-	150
Human Rights Commission	10,114	250	719	-	9,645
Latin Media and Entertainment	-	10,000	5,133	-	4,867
Law Department	24,829	-	19,366	-	5,463
Memorial Park	64,819	-	4,000	-	60,819
New York City Housing Authority	35,000	90,900	107,676	204,685	222,909
NYC Libraries	-	14,760	14,760	-	-
NYC Service*	2,612,776	3,062,681	3,702,259	1,690	1,974,888
Office for People With Disabilities	806	35,500	24,675	-	11,631
Office of Emergency Management	648,295	-	35,856	-	612,439
Office of Film, Theatre and Broadcasting	317,669	164,462	125,735	-	356,396
Office of Immigrant Affairs	16,286	105,000	46,514	-	74,772
Office of Operations	19,573	500,000	106,216	-	413,357
Office of Veterans' Affairs	159,849	13,500	121,333	-	52,016
Office to Combat Domestic Violence	494,528	905,241	631,105	204,685	973,349
PlaNYC	4,309,167	1,297,440	3,314,658	-	2,291,949
Public Design Commission	520,555	80,234	11,202	-	589,587
Relief Efforts	67,928	512,697	574,655	-	5,970
Small Business Services	-	385,000	129,079	-	255,921
Voter Assistance Commission	364	10,000	9,800	-	564
	<u>\$ 31,458,857</u>	<u>\$ 29,292,339</u>	<u>\$ 31,237,186</u>	<u>\$ -</u>	<u>\$ 29,514,010</u>

\* Direct program expenses shown above include direct personnel services costs of \$2,428,744. Such amount is reported as personnel services costs in Note 5.

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

**Notes to Financial Statements**

**Note 3. Restricted Expendable Net Assets (Continued)**

Interfund transfers represent authorized transfers between projects.

Approximately 30% of the Fund's restricted contributions and grants for the year ended June 30, 2011 were provided by three significant donors.

**Note 4. 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 2011 and 2010, the Fund elected to treat the use of facilities as an in-kind contribution. In each fiscal year, the in-kind contribution was \$26,120, which is considered to be the fair value of such facilities (see Note 2).

**Note 5. Operating Expenses**

Expenses as shown in the accompanying statements of revenue, expenses and changes in net assets for the years ended June 30, 2011 and 2010 consisted of the following:

	2011			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Total</u>
Salaries	\$ 2,482,764	\$ 102,617	\$ 64,648	\$ 2,650,029
Payroll taxes and other employee benefits	<u>300,524</u>	<u>28,190</u>	<u>22,346</u>	<u>351,060</u>
<b>Total personnel services</b>	<b>2,783,288</b>	<b>130,807</b>	<b>86,994</b>	<b>3,001,089</b>
Direct program expenses - restricted programs	<b>28,808,442</b>	-	-	<b>28,808,442</b>
Direct program expenses paid from unrestricted funds	<b>141,550</b>	-	-	<b>141,550</b>
Accountant	<b>30,380</b>	<b>13,020</b>	-	<b>43,400</b>
Audit and tax preparation fees	-	<b>43,060</b>	-	<b>43,060</b>
In-kind legal and other professional services	-	<b>53,860</b>	-	<b>53,860</b>
In-kind rent	-	<b>26,120</b>	-	<b>26,120</b>
Printing	-	<b>2,903</b>	-	<b>2,903</b>
Insurance	<b>5,328</b>	<b>2,868</b>	-	<b>8,196</b>
Other expenses	<u>3,840</u>	<u>2,703</u>	<u>828</u>	<u>7,371</u>
	<u><b>\$ 31,772,828</b></u>	<u><b>\$ 275,341</b></u>	<u><b>\$ 87,822</b></u>	<u><b>\$ 32,135,991</b></u>

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

**Notes to Financial Statements**

**Note 5. Operating Expenses (Continued)**

	2010			
	Program Services	Management and General	Fund- Raising	Total
Salaries	\$ 315,662	\$ 107,587	\$ 73,257	\$ 496,506
Payroll taxes and other employee benefits	84,316	27,756	22,003	134,075
<b>Total personnel services</b>	399,978	135,343	95,260	630,581
Direct program expenses - restricted programs	29,101,311	-	-	29,101,311
Direct program expenses paid from unrestricted funds	56,134	-	-	56,134
Accountant	30,380	13,020	-	43,400
Audit and tax preparation fees	-	39,602	-	39,602
In-kind legal and other professional services	-	46,750	-	46,750
In-kind rent	-	26,120	-	26,120
Travel and meetings	538	154	77	769
Insurance	5,394	2,905	-	8,299
Other expenses	10,126	4,402	1,224	15,752
	<u>\$ 29,603,861</u>	<u>\$ 268,296</u>	<u>\$ 96,561</u>	<u>\$ 29,968,718</u>

**Note 6. 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, 2011, \$21,301,695 were uninsured and uncollateralized.

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

**Note 7. 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.

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

**Notes to Financial Statements**

---

**Note 7. Interest Rate and Credit Risks (Continued)**

At June 30, 2011, the Fund's short-term investments consist of the following:

	Credit Rating		Amount
	Moody's Investor Services	Standard & Poor's	
U.S. Government Obligations			
FHLB	Aaa	AAA	\$ 3,667,853
Treasury Notes	N/A	N/A	2,011,190
Certificates of Deposits	N/A	N/A	<u>2,699,280</u>
			<u>\$ 8,378,323</u>

**Note 8. 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.

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.