

The Mayor's Fund to Advance New York City

(a component unit of The City of New York)

Financial Report
June 30, 2021

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RSM US LLP

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying 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, 2021, 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 the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of June 30, 2021 and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 – 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

RSM US LLP

New York, New York
February 25, 2022

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

Management's Discussion and Analysis (Unaudited)

This section of The Mayor's Fund to Advance New York City's (the Fund) annual financial report presents our discussion and analysis of the Fund's financial performance during the fiscal year ended June 30, 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 statement of net position presents the financial position of the Fund as of June 30, 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 statement of revenue, expenses and changes in net position presents the change in net position over the course of the year ended June 30, 2021. The change in net position may be useful in assessing whether the financial position improved or deteriorated for the year.

The statement 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 and cash equivalents were used during the year ended June 30, 2021.

The notes to the 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 2020-21 initiatives enhanced through private support include:

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. Within that overall figure, 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. In FY20, 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.

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

Management's Discussion and Analysis (Unaudited)

Throughout FY21, the Fund continued its partnership with MOYE, securing new funding to aid its continued work.

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 FY21, 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 employment services, that received support through C2C. Since the five-year program implementation period ended in February 2021, the program is now in the sustainability stage, with partners identifying strategies to spread and replicate the lessons of C2C and mental health integration.

The Mayor's Fund and New York City Health + Hospitals (H+H) launched Arts in Medicine in FY19 to foster the emotional well-being of patients, families, employees, and the greater H+H community and to improve the healthcare experience by integrating the arts and humanities throughout the H+H system. When frontline staff in healthcare are overworked and burnt out, patients experience negative outcomes that, when multiplied, can lead to larger community disengagement with the healthcare system. Arts in Medicine brings H+H patients, families, employees, and communities together through the arts, arts programs, and education for enrichment. The program's work continued through FY21, providing critical support to front-line workers during the COVID-19 pandemic, and the Mayor's Fund secured new funding to support the continuation and expansion of two of the program's major initiatives

In FY18, the Mayor's Fund, the Department of Consumer Affairs Office of Financial Empowerment, and the Mayor's Office for People with Disabilities launched EmpoweredNYC to strengthen the financial health of New Yorkers with disabilities. EmpoweredNYC 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 FY19, 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 FY21, the Mayor's Fund secured additional funding to extend the counseling services for an additional year.

The Mayor's Fund launched the New York City Soccer Initiative, 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. FY21 began the fifth and final year of the initiative.

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

Management's Discussion and Analysis (Unaudited)

The Mayor's Fund launched the COVID-19 Emergency Relief Fund in early March 2020 to support priority areas including: healthcare workers and essential staff; local small businesses; displaced hourly workers, including immigrant workers; and families, youth, and other vulnerable New Yorkers. The expansive fundraising efforts have included large-scale public-private partnerships, as well as a grassroots campaign that has together garnered 9,500 donors from all around the country raising \$53.5 million, including more than \$5.4 million in in-kind donations. Programs and efforts supported with these funds include:

Support for Frontline Workers

To ensure that New York City's healthcare professionals and essential workers on the front lines of the COVID-19 pandemic stay nourished, supported, and protected, the Mayor's Fund:

- Partnered with the Debra and Leon Black Family, Aramark, Robin Hood, and the American Red Cross to launch NYC Healthcare Heroes. The program is providing more than 400,000 packages of shelf-stable food, fresh produce, and household cleaning and personal care products to staff at hospitals across the five boroughs. These deliveries alleviate the burden on workers who often do not have access to supplies or time to shop after working back-to-back shifts caring for COVID-19 patients in hospitals and facilities across The City.
- Developed and launched Food for Heroes, which will deliver 169,400 nutritious meals to healthcare professionals and EMS, morgue, and sanitation and other essential workers across New York City to fuel them during their shifts.
- Supported H+H with a \$400,000 donation to purchase critical personal protective equipment. The donation was made possible through Peg's Cure, an initiative created by Cedar Mills LLC in honor of Peg Broadbent, former CFO of Jeffries Group LLC, who died due to complications from COVID-19.

Aid for Restaurants in Hardest-Hit Communities

To support the owners and employees of restaurants in neighborhoods that have suffered disproportionately during the pandemic, the Mayor's Fund:

- Collaborated with One Fair Wage, NYC Opportunity, and the Human Resources Administration to launch the Restaurant Revitalization Program. The program is providing short-term payroll support to an initial 100 restaurants committed to paying full minimum wage with tips on top, in addition to providing hardest-hit communities with approximately 53,000 meals over 6-12 weeks.

Services for Immigrant Communities

To support New York City's immigrant communities, many of whom are disproportionately impacted by COVID-19, the Mayor's Fund:

- Partnered with the Mayor's Office of Immigrant Affairs and the Open Society Foundations to create the Immigrant Emergency Relief Program. The program works with community-based organizations to provide direct, one-time emergency relief payments to up to 20,000 immigrant New York City families who are hardest hit financially by the crisis, yet excluded from the reach of the federal relief program.
- Launched the Immigrant COVID-19 Burial Assistance Program with funding support from Trinity Church Wall Street, Amalgamated Bank, and thousands of grassroots donations. The program provides up to \$1,700 toward burial expenses for immigrant families—regardless of legal status—who are unable to pay for the funeral expenses of relatives who died during the pandemic.

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

Management's Discussion and Analysis (Unaudited)

Supporting Youth in Hardest-Hit Communities with Summer Opportunities

To ensure that youth and families are safe and supported, the Mayor's Fund:

- Raised \$3.4 million in philanthropic support for SYEP Summer Bridge 2020, a public-private partnership that leverages an additional \$40 million in public dollars to provide constructive engagement and enrichment activities to keep 35,000 New York City youth active and productive this summer.
- Partnered with the Mayor's Office to End Domestic and Gender-Based Violence and Sanctuary for Families to launch a pilot program to deliver micro-grants to survivors. The first-of-its-kind initiative helps mitigate safety, economic, and housing challenges exacerbated by the COVID-19 pandemic.

At the end of 2020, 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 to End Domestic and Gender-Based Violence, the Mayor's Fund provided 200 Target gift cards to be distributed by ENDGBV's Family Justice Centers in each borough and contracted with New Destiny Housing, a New York City nonprofit provider of permanent affordable housing and services to low-income households, to distribute gift cards to clients.
- 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.

At June 30, 2021, the Fund's total net position decreased by approximately \$9.5 million, or 6.57%, from the previous year due to the following changes in revenue and expenses:

- During the fiscal year ended June 30, 2021, total contributions and grants were approximately \$17.9 million, a decrease of about \$59.5 million, or 76.90%, from fiscal year 2020.
- In fiscal year 2021, total expenses were approximately \$28.2 million, a decrease of approximately \$38.6 million, or 57.76%, from the previous year.

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

Management's Discussion and Analysis (Unaudited)

Financial Analysis of the Fund

Net position: The following table summarizes the net position at June 30:

	2021	2020	Percentage Change
Total assets	\$ 28,518,749	\$ 34,367,356	-17.02%
Total liabilities	(10,660,118)	(6,959,994)	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	1,756,714	1,792,612	-2.00%
Total	<u>\$ 17,858,631</u>	<u>\$ 27,407,362</u>	-34.84%

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 table summarizes the activities of the Fund for fiscal years ended June 30, 2021 and 2020:

	2021	2020	Percentage Change
Contributions and grants	<u>\$ 17,883,444</u>	<u>\$ 77,411,865</u>	-76.90%
Operating expenses:			
Program services	27,347,797	65,728,912	-58.39%
Management and general	535,655	493,681	8.50%
Fund-raising	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%
Non-operating revenue	783,304	1,067,050	-26.59%
Change in net position	<u>\$ (9,548,731)</u>	<u>\$ 11,683,372</u>	-181.73%

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, foundations 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.

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

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, 6th Floor, New York, NY 10007.

**The Mayor's Fund to Advance New York City
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**Statement of Net Position
June 30, 2021**

Assets

Current assets:

Cash	\$ 9,090,164
Contributions and grants receivable, net	1,507,367
Investments	17,714,756
Prepaid expenses	<u>206,462</u>

Total assets \$ 28,518,749

Liabilities

Current liabilities:

Accounts payable and accrued expenses	\$ 10,510,118
Contributions and grants received in advance	<u>150,000</u>

Total liabilities \$ 10,660,118

Net position:

Restricted expendable	\$ 16,101,917
Unrestricted	<u>1,756,714</u>

Total net position \$ 17,858,631

See notes to financial statements.

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

**Statement of Revenue, Expenses and Changes in Net Position
Year Ended June 30, 2021**

Operating activities:	
Support and revenue:	
Contributions and grants:	
Unrestricted	\$ 1,160,963
Restricted	16,722,481
Total operating support and revenue	<u>17,883,444</u>
Operating expenses:	
Program services	27,347,797
Management and general	535,655
Fund-raising	332,027
Total operating expenses	<u>28,215,479</u>
Surplus of operating expenses over operating support and revenue	<u>(10,332,035)</u>
Nonoperating revenue:	
City of New York contract	700,000
Net investment loss	(288,578)
Interest income	371,882
Total nonoperating revenue	<u>783,304</u>
Change in net position	(9,548,731)
Net position:	
Beginning	<u>27,407,362</u>
Ending	<u>\$ 17,858,631</u>

See notes to financial statements.

**The Mayor's Fund to Advance New York City
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**Statement of Cash Flows
Year Ended June 30, 2021**

Cash flows from operating activities:	
Receipts from contributions and grants	\$ 24,264,169
Payments to vendors and grantees	(21,711,129)
Payments for salaries and related costs	(2,325,260)
Other payments	(518,561)
Net cash used in operating activities	<u>(290,781)</u>
Cash flows provided by noncapital financing activities:	
Receipts from City of New York contract	700,000
Net cash provided by noncapital financing activities	<u>700,000</u>
Cash flows from investing activities:	
Proceeds from sale of investments	5,247
Purchases of investments	(6,002,069)
Interest income	371,882
Net cash used in investing activities	<u>(5,624,940)</u>
Net change in cash	(5,215,721)
Cash:	
Beginning	<u>14,305,885</u>
Ending	<u>\$ 9,090,164</u>
Reconciliation of surplus of operating expenses over operating support and revenue to net cash used in operating activities:	
Surplus of operating expenses over operating support and revenue	\$ (10,332,035)
Adjustments to reconcile surplus of operating expenses over operating support and revenue to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Decrease in contributions and grants receivable	6,540,266
Increase in prepaid expenses	(199,136)
Increase in accounts payable and accrued expenses	3,550,124
Increase in contributions and grants received in advance	150,000
Net cash used in operating activities	<u>\$ (290,781)</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 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).

Note 2. Summary of Significant Accounting Policies

Accounting and reporting standards: These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by Governmental Accounting Standards Board (GASB) codification Section 2100, which establishes standards for defining and reporting on a financial reporting entity.

The GASB defines the basic financial statements of a business-type activity as the statement of net position, statement of revenue, expenses and changes in net position, and the statement of cash flows. The statement of net position is presented to illustrate both the current and noncurrent balances of each asset and liability. All revenue and expenses are classified as either operating or nonoperating activities in the statement of revenue, expenses and changes in net position. Operating activities are those that support the mission and purpose of the Fund. Nonoperating activities represent transactions that are capital, investing or legislative in nature.

The GASB requires that resources be classified into three categories of net position. Net position represents the residual interest in the Fund's assets plus deferred outflows (as applicable) of resources after liabilities plus deferred inflows (as applicable) of resources are deducted and consist of: net investment in capital assets, restricted and unrestricted, as follows:

Net investment in capital assets: At June 30, 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, grantors, contributors, or laws and regulations of other governments or are imposed by law through constitutional provision or enabling legislation. The Fund does not have any nonexpendable net position at June 30, 2021. Nonexpendable net position represents the portion of net position that is required to be retained in perpetuity.

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.

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

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of accounting: The financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with GAAP. Under the accrual basis, revenue is recognized when earned and expenses are recognized when obligations are incurred or when benefits are received.

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.

Cash: The Fund maintains cash in accounts in financial institutions which, at times, exceed federally insured limits. The Fund has not experienced any losses on these accounts to date. Cash at June 30, 2021 is held by one financial institution. Please see Note 9 for additional disclosure regarding custodial credit risk.

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 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.

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

Note 2. Summary of Significant Accounting Policies (Continued)

Contributions and grants receivable, net: 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 \$245,000 during the year ended June 30, 2021. As of June 30, 2021, the allowance for uncollectible receivables is \$202,245.

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.

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:

- a. Required characteristics of recipients – the recipient has the characteristics specified by the provider.
- b. Time requirements – time requirements specified by the provider have been met. For example, the time period when the resources are required to be used has begun.
- c. Reimbursements – the provider offers resources on a reimbursement basis and the recipient has incurred allowable costs.
- d. Contingencies – the provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred.

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

Revenue from federal grants and The City 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 statement 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, 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.

Nonoperating revenue: 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.

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

Note 2. Summary of Significant Accounting Policies (Continued)

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

Income taxes: The Fund is exempt from federal income tax under Section 501(c)(3) of the IRC. The Fund is subject to unrelated business income tax (UBIT), if applicable. For the year ended June 30, 2021, the Fund did not owe any UBIT. Management evaluated the Fund's income tax positions and concluded that the Fund had taken no uncertain income tax positions that require adjustments or disclosure to the accompanying financial statements.

Subsequent events: The Fund evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected or disclosed in the financial statements. Such evaluation is performed through the date the financial statements are available for issuance, which was February 25, 2022 for these financial statements.

Note 3. Investments

As of June 30, 2021, the Fund had the following investments:

Mutual funds:

Short and intermediate duration bond fund	<u>\$ 17,714,756</u>
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All of the Fund's investments at June 30, 2021 were Level 1 in the fair value hierarchy. There were no transfers between levels during the year ended June 30, 2021.

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.

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.

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.

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.

Note 4. Contributions and Grants Receivable

Contributions and grants receivable are due to be collected within one year or less.

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Notes to Financial Statements

Note 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 table summarize support received from donors and expenditures made for such projects for the year ended June 30:

	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
Mayor's 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)
Total	\$ 25,614,750	\$ 16,722,481	\$ 26,234,344	\$ -	\$ -	\$ 16,101,917

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

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Notes to Financial Statements

Note 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. In fiscal year 2021, the Fund elected to treat the use of facilities as an in-kind contribution. The in-kind contribution was \$164,541 for the year ended June 30, 2021, which is considered to be the fair value of such rent, facilities and other (see Note 2 for additional discussion on in-kind contributions).

Note 7. Revenue Concentrations

Revenue from federal grant awards accounted for approximately 5.5% of the total contributions and grants for the year ended June 30, 2021. Three non-federal donor accounted for approximately 53% of total contributions and grants for the year ended June 30, 2021. Amounts due from various federal grant awards for reimbursable expenses incurred by the Fund represent approximately 51% of the contributions and grants receivable at June 30, 2021. Three non-federal donors account for approximately 15% of the Fund’s contributions and grants receivable at June 30, 2021.

Note 8. Operating Expenses

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

	Program Services	Management and General	Fund- Raising	Total
Salaries	\$ 1,354,198	\$ 179,366	\$ 226,393	\$ 1,759,957
Payroll taxes and other employee benefits	391,430	52,638	69,028	513,096
Total personnel services	<u>1,745,628</u>	<u>232,004</u>	<u>295,421</u>	<u>2,273,053</u>
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	24,139	4,907	11,925	40,971
	<u>\$ 27,347,797</u>	<u>\$ 535,655</u>	<u>\$ 332,027</u>	<u>\$ 28,215,479</u>

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Notes to Financial Statements

Note 9. Custodial Credit Risk – Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Fund's deposits may not be returned to the entity. The Fund does not have a deposit policy for custodial credit risk. Of the Fund's total cash held by one financial institution at June 30, 2021, \$8,840,164 was uninsured and uncollateralized.

Note 10. 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.

Note 11. COVID-19 Pandemic

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic. It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the Fund.