

The Mayor's Fund to Advance New York City

(a component unit of the City of New York)

Financial Report and Supplementary Information
(in accordance with *Government Auditing Standards*
and Federal Single Audit Act)
June 30, 2020

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RSM US LLP

Independent Auditor's Report

To the 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, which comprise the statement of net position as of June 30, 2020, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2020, 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 Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 – 7 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2020, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purpose of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is 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 October 16, 2020, 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 the Fund's internal control over financial reporting and compliance.

RSM US LLP

New York, New York
October 16, 2020

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, 2020. 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, 2020. 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, 2020. 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, 2020.

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 Mayor's 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 2019-20 initiatives enhanced through private support include:

The Center for Youth Employment (the Center) is a joint collaboration of the Mayor's Fund, business leaders, philanthropy, and several City agencies and offices. The Center'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. Since its launch in 2015, the Center 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, the Center 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 FY20, while continuing to support the Center's programs with private funding, 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.

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Management's Discussion and Analysis (Unaudited)

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 June 2019, providers trained over 1,681 staff and reached 34,793 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 FY19, the RAND Corporation, the evaluator, released an interim implementation report, demonstrating that program delivery is on track. During FY19, and with the beginning of the fourth year of program implementation, public funding for program providers shifted from the Mayor's Fund to the Department of Health and Mental Hygiene (DOHMH), due to the elimination of the SIF at the federal level. C2C-related revenue and spending will decline in FY20 and FY21; expenses will largely include evaluation and oversight costs and some privately funded support to participating CBOs.

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 FY20, providing critical support to front-line workers during the COVID-19 pandemic.

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. Throughout FY20, the Mayor's Fund supported the continued work of both EmpoweredNYC and Empowered Cities as these programs continued to provide critical services in the City and fostered information and knowledge-sharing in other cities.

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. Thus far, the Mayor's Fund and its project partners have completed a build-out of 37 pitches.

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 have together garnered 9,500 donors from all around the country raising \$53.5 million, including more than \$5.4 million in in-kind donations.

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

Management's Discussion and Analysis (Unaudited)

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.

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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 June 30, 2020, the Fund's total net position increased by approximately \$11,700,000, or 6.57%, from the previous year due to the following changes in revenue and expenses:

- During the fiscal year ended June 30, 2020, total contributions and grants were approximately \$77.4 million, an increase of about \$48.1 million, or 164.65%, from fiscal year 2019.
- In fiscal year 2020, total expenses were approximately \$66.8 million, an increase of approximately \$37.5 million, or 128.14%, from the previous year.

Financial Analysis of the Fund

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

	2020	2019	Percentage Change
Total assets	\$ 34,367,356	\$ 18,970,962	81.16%
Total liabilities	(6,959,994)	(3,246,972)	114.35%
Net position	<u>\$ 27,407,362</u>	<u>\$ 15,723,990</u>	74.30%
Net position:			
Restricted expendable	\$ 25,614,750	\$ 14,650,819	9.30%
Unrestricted	1,792,612	1,073,171	(140.07)%
Total	<u>\$ 27,407,362</u>	<u>\$ 15,723,990</u>	6.57%

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

The following table summarizes the activities of the Fund for fiscal years ended June 30, 2020 and 2019:

	2020	2019	Percentage Change
Contributions and grants	\$ 77,411,865	\$ 29,250,633	164.65%
Operating expenses:			
Program services	65,728,912	28,334,657	131.97%
Management and general	493,681	394,711	25.07%
Fund-raising	572,950	548,594	4.44%
Total operating expenses	66,795,543	29,277,962	128.14%
Operating income (loss)	10,616,322	(27,329)	-38946.36%
Non-operating revenue	1,067,050	1,191,937	-10.48%
Change in net position	\$ 11,683,372	\$ 1,164,608	903.20%

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.

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, 2020

Assets

Current assets:

Cash	\$ 14,305,885
Contributions and grants receivable, net	8,047,633
Investments	12,006,512
Prepaid expenses	<u>7,326</u>

Total assets \$ 34,367,356

Liabilities

Current liabilities:

Accounts payable and accrued expenses	<u>\$ 6,959,994</u>
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Total liabilities \$ 6,959,994

Net position (deficit):

Restricted expendable	\$ 25,614,750
Unrestricted	<u>1,792,612</u>

Total net position \$ 27,407,362

See notes to financial statements.

**The Mayor's Fund to Advance New York City
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**Statement of Revenue, Expenses and Changes in Net Position
Year Ended June 30, 2020**

Operating activities:	
Support and revenue:	
Contributions and grants:	
Unrestricted	\$ 1,890,070
Restricted	75,521,795
Total operating support and revenue	<u>77,411,865</u>
Operating expenses:	
Program services	65,728,912
Management and general	493,681
Fund-raising	572,950
Total operating expenses	<u>66,795,543</u>
Surplus of operating support and revenue over expenses	<u>10,616,322</u>
Nonoperating revenue:	
City of New York contract	700,000
Investment gain	112,406
Interest income	254,644
Total nonoperating revenue	<u>1,067,050</u>
Change in net position	11,683,372
Net position:	
Beginning	<u>15,723,990</u>
Ending	<u>\$ 27,407,362</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, 2020

Cash flows from operating activities:	
Receipts from contributions and grants	\$ 66,578,271
Payments to vendors and grantees	(52,776,592)
Payments for salaries and related costs	(3,682,356)
Other payments	(224,888)
Net cash provided by operating activities	<u>9,894,435</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	10,024,977
Purchases of investments	(10,017,332)
Interest income	254,644
Net cash provided by investing activities	<u>262,289</u>
Net change in cash	10,856,724
Cash:	
Beginning	<u>3,449,161</u>
Ending	<u>\$ 14,305,885</u>
Reconciliation of surplus of operating support and revenue over expenses to net cash provided by operating activities:	
Surplus of operating support and revenue over expenses	\$ 10,616,322
Adjustments to reconcile surplus of operating support and revenue over expenses to net cash provided by operating activities:	
Bad debt expense	339,444
Changes in operating assets and liabilities:	
Increase in contributions and grants receivable	(4,775,242)
Decrease in prepaid expenses	889
Increase in accounts payable and accrued expenses	3,823,022
Decrease in contributions and grants received in advance	(110,000)
Net cash provided by operating activities	<u>\$ 9,894,435</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 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 (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, 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, 2020, 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.

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. A deficit will require future funding.

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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 accounting principles generally accepted in the United States of America 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, 2020 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.

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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 increased the allowance for uncollectible receivables by \$339,444 during the year ended June 30, 2020. As of June 30, 2020, the allowance for uncollectible receivables is \$447,245.

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, 2020 were \$155,010 for rent, facilities and other, \$205,036 for legal and other professional services and \$5,588,306 for various donations of goods and services for the COVID relief campaign. 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 are recognized as nonoperating revenue.

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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, 2020, 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 October 16, 2020 for these financial statements.

Note 3. Investments

As of June 30, 2020, the Fund had the following investments:

Mutual funds:

Short and intermediate duration bond fund	<u>\$ 12,006,512</u>
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All of the Fund's investments at June 30, 2020 were Level 1 in the fair value hierarchy. There were no transfers between levels during the year ended June 30, 2020.

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.

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

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

	Restricted Expendable Net Position Balance at June 30, 2019	Contributions and Grants	Program Services	Interfund Transfers ⁽²⁾	Restricted Expendable Net Position Balance at June 30, 2020
Unrestricted	\$ -	\$ -	\$ -	\$ (258)	\$ -
Building Healthy Communities	1,219,462	21,500	848,193	-	392,769
Center for Economic Opportunity ⁽¹⁾	178,634	487,100	368,320	-	297,414
Childrens Cabinet	185,432	162,021	99,727	-	247,726
Commission for Economic Opportunity	138,568	-	500	-	138,068
Center for Innovation Thru Data Intelligence	197,746	10,000	44,536	-	163,210
Civilian Complaint Review Board	1,625	-	1,600	-	25
Commission on Gender Equity	10,744	-	10,744	-	-
Connections to Care ⁽¹⁾	1,094,940	1,728,948	2,510,497	-	313,391
Creative Communications Conference	28	-	-	-	28
DCAS/Historic Preservation	4,806	5,155	281	-	9,680
Democracy NYC	-	328,200	134,044	-	194,156
Department of Consumer Affairs	1,350,099	617,675	1,442,971	-	524,803
Department of Corrections	40,305	1,050	-	-	41,355
Department of Cultural Affairs	169,013	1,173,400	30,178	-	1,312,235
Department of Design & Construction	9,826	-	2,650	-	7,176
Department of Education	3,410	1,298,499	998,555	-	303,354
Department of Environmental Protection	68,407	10,650	26,043	-	53,014
Department of Homeless Services	98,878	24,000	23,666	-	99,212
Department of Housing Pres and Dev	821,707	220,150	220,150	-	821,707
Department of Mental Health	82,607	97,000	139,181	-	40,426
Department of Parks and Recreation	11,071	1,144,762	49,012	-	1,106,821
Department of Probation	498,941	421,500	89,446	-	830,995
Department of Records & Information Services	1,105	-	-	-	1,105
Department of Transportation	244,606	89,281	83,898	-	249,989
Department of Youth & Comm Dev	1,280,521	4,965,558	1,920,482	(676,272)	3,649,325
Expanding Broadband In NYC	3,074	-	2,985	-	89
Food Justice Fund	536	-	-	-	536
Food Policy	336,003	98,087	150,718	-	283,372
Health and Hospitals	-	2,131,725	1,868,750	-	262,975
Health and Human Services	319,500	19,806,160	19,273,283	-	852,377
Human Resources Administration	-	530,000	-	-	530,000
Human Rights Commission	1,215	-	1,206	-	9
Mayor's Office of Chief Tech	228,858	186,000	76,416	-	338,442
Mayor's Office of Data Analytics	9,742	-	10,000	258	-
Minority & Women Owned Business	-	1,433,100	173,000	-	1,260,100
NYS Economic Dev Corp	373,250	-	-	-	373,250
NYC Housing Authority	25,000	-	-	-	25,000
NYC Service ⁽¹⁾	368,725	1,577,114	1,446,934	-	498,905
NYC Soccer Initiative	680,036	500,200	486,930	149,500	842,806
Office For People With Disabilities	426,569	982,966	479,908	-	929,627
Office of Criminal Justice	830,646	42,550	419,973	-	453,223
Office of Emergency Management	36,170	13,950	770	-	49,350
Office of Environmental Remediation	300	-	-	-	300
Office of Film Theatre Broadcasting	21,710	-	-	-	21,710
Office of Immigrant Affairs	208,039	19,885,625	19,609,366	-	484,298
Office of Spec Projects & Comm Events	22,166	306,575	223,506	-	105,235
Office of Sustainability	377,465	-	-	-	377,465
Office of Veterans Affairs	126,008	61,044	12,199	-	174,853
Office of Workforce Development	204,959	-	119,845	-	85,114
Office to Combat Dom Violence	381,890	882,326	1,153,591	-	110,625
Public Design Commission	168,080	-	9,960	-	158,120
Relief Efforts	135,820	12,198,391	7,243,013	-	5,091,198
Running Initiative	103,620	192,500	101,908	-	194,212
Small Business Services	920,046	1,175,350	1,282,350	-	813,046
Strategic Policy Initiatives	22,738	-	17,373	-	5,365
Victims Compensation Fund	-	55,000	53,114	-	1,886
Women's Soccer Parade	148,984	441,750	378,155	(149,500)	63,079
Young Men's Initiative	186,584	-	350	-	186,234
Center For Youth Employment ⁽¹⁾	378,406	214,933	578,401	676,272	691,210
Allowance for Doubtful Accounts	(107,801)	-	339,444	-	(447,245)
Total	\$ 14,650,819	\$ 75,521,795	\$ 64,558,122	\$ -	\$ 25,614,750

- (1) Direct program expenses shown above include direct personnel service/consultant costs of \$2,300,696. 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 \$258 transfer reflects a transfer in from the unrestricted net position.

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

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 2020, the Fund elected to treat the use of facilities as an in-kind contribution. The in-kind contribution was \$360,046 for the year ended June 30, 2020, 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 2% of the total contributions and grants for the year ended June 30, 2020. Two non-federal donor accounted for approximately 46% of total contributions and grants for the year ended June 30, 2020. Amounts due from various federal grant awards for reimbursable expenses incurred by the Fund represent approximately 7% of the contributions and grants receivable at June 30, 2020. Four non-federal donors account for approximately 47% of the Fund's contributions and grants receivable at June 30, 2020.

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	\$ 2,783,805	\$ 144,838	\$ 361,008	\$ 3,289,651
Payroll taxes and other employee benefits	453,971	42,651	106,307	602,929
Total personnel services	3,237,776	187,489	467,315	3,892,580
Direct program expenses	62,257,426	-	-	62,257,426
Accountant	12,540	3,135	-	15,675
Audit and tax preparation fees	-	74,676	-	74,676
In-kind rent	85,256	46,503	23,251	155,010
In-kind professional	112,770	51,259	41,007	205,036
Insurance	7,605	4,095	-	11,700
Other expenses	15,539	126,524	41,377	183,440
	<u>\$ 65,728,912</u>	<u>\$ 493,681</u>	<u>\$ 572,950</u>	<u>\$ 66,795,543</u>

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

Notes to Financial Statements

Note 9. Custodial Credit Risk – 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, 2020, \$14,055,885 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.

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

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Number Entity Identifying Number	Federal Expenditures	Subrecipient Expenditures
Corporation for National and Community Service: Social Innovation Fund/Connections to Care	94.019	N/A	\$ 376,208	\$ -
Pass-Through New York State Office of Children and Family Services: Civic Corps (AmeriCorps)	94.006	C027686/C028490	<u>1,006,874</u>	<u>1,006,874</u>
Total Corporation for National and Community Service			<u>1,383,082</u>	<u>1,006,874</u>
U.S. Department of Justice: Crime Victim Assistance/Discretionary Grants	16.582	N/A	<u>72,827</u>	<u>72,827</u>
Total U.S. Department of Justice			<u>72,827</u>	<u>72,827</u>
Total expenditures of federal awards			<u><u>\$ 1,455,909</u></u>	<u><u>\$ 1,079,701</u></u>

See notes to schedule of expenditures of federal awards.

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

Notes to Schedule of Expenditures of Federal Awards

Note 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, 2020. 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.

Note 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.

Note 3. Indirect Cost Rate

The Fund has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



RSM US LLP

**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***

Independent Auditor's Report

To 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, which comprise the statement of net position as of June 30, 2020, 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, and have issued our report thereon dated October 16, 2020.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-002 to be a significant deficiency.

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 Findings

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

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.

RSM US LLP

New York, New York
October 16, 2020



RSM US LLP

**Report on Compliance for the Major Federal Program and on
Internal Control Over Compliance Required by the Uniform Guidance**

Independent Auditor's Report

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

Report on Compliance for the Major Federal Program

We have audited The Mayor's Fund to Advance New York City's (the Fund), a component unit of The City of New York, compliance with the types of compliance requirements described 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, 2020. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Fund's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Fund's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Fund's compliance.

Opinion on the Major Federal Program

In our opinion, the Fund complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Fund is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Fund's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Fund's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

RSM US LLP

New York, New York
October 16, 2020

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

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?

 yes X no

Identification of major programs:

CFDA Number(s)

94.006

Name of Federal Program or Cluster

Civic Corps (AmeriCorp)

Dollar threshold used to distinguish between type A and type B programs:

 \$750,000

Auditee qualified as low-risk auditee?

 yes X no

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

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Section II - Financial Statement Findings

A. Internal Control Findings

2020-001 Revenue Recognition

Criteria: Government Accounting Standards Board requires revenue 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 transactions. Eligibility requirements comprise one or more of the following:

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

Condition: We identified four transactions out of 113 revenue transactions selected for testing during the audit resulting in adjustments booked by management to increase accounts receivable and revenue by approximately \$1,628,000.

Cause: One transaction was recorded at the incorrect amount due to a misunderstanding of the terms of the grant amendment. The remaining three transactions were related to grant agreements that were dated within the last weeks of the fiscal year that were not included in the year-end analysis for accounts receivable.

Effect or Potential Effect: This can result in an inaccurate amount 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 on a periodic basis.

View of Responsible Officials and Planned Corrective Action: Management recognizes and agrees with the findings and recommendations cited above.

2020-002 Conflict of Interest Annual Disclosure

Criteria: Under the New York Non-Profit Revitalization Act Section 715-A, all non-profits incorporated in New York must have a conflict of interest policy. Further, this policy must require that, prior to initial election and annually thereafter, each director submit to the secretary or a designated compliance officer a signed written statement identifying, to the best of the director's knowledge, (1) any entity of which the director is an officer, director, trustee, member, owner or employee, with which the organization has a relationship and (2) any transaction in which the organization is a participant and in which the director might have a conflicting interest. The policy must require that each director annually resubmit the written statement. The secretary or designated compliance officer must provide copies of all such statements to the chair of the Audit Committee or, if none, to the chair of the Board.

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

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Condition: The Fund has a Code of Ethics for Directors, Officers and Employees, adopted October 27, 2014, which includes the Fund's conflict of interest policy. A Disclosure Statement for Directors and Officers is included at the end of the policy which is required to be completed annually. A request is made at the June board meeting each year for the disclosure forms to be completed and submitted. The request was overlooked at the June 2020 board meeting and as a result, the Disclosure Statement for Directors and Officers was not completed until RSM requested the signed forms during the audit.

Cause: This occurred due to oversight at the June board meeting.

Effect or Potential Effect: In October 2020, all board members completed the Disclosure Statement for Directors and Officers in written form and submitted the forms to the Fund. There were no matters reported in the forms that required additional disclosure in the financial statements.

Recommendation: We recommend that the Fund ensure the Disclosure Statement for Directors and Officers is completed annually by all directors and officers.

View of Responsible Officials and Planned Corrective Action: Management recognizes and agrees with the findings and recommendations cited above.

B. Compliance Findings

No matters to report.

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

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Section III – Federal Award Findings and Questioned Costs

A. Internal Control

No matters to report.

B. Compliance Findings

No matters to report.

Summary Update of Prior Audit Findings
For The Year End 2019

253 Broadway, 6th Floor
New York, New York 10007
Main: 212.788.7794
Fax: 212.312.0930
www.nyc.gov/Fund

Bill de Blasio
Mayor, City of New York

Chirlane McCray
Chair, Board of Directors

Rob Speyer
Chair, Board of Advisors

Toya Williford
Executive Director

Identifying Number 2019 – 001

Audit Finding:

It was determined the financial statements ending June 30, 2019 required adjustments by Management to decrease accounts receivable by \$405,000, increase deferred revenue by \$110,000 and decrease revenue by approximately \$515,000.

In addition, an allowance for uncollectable receivables was not established even though certain balances had been deemed uncollectable by Management. This resulted in the write off of old receivables in the amount of \$278,500 and the establishment of an allowance for uncollectible receivables in the amount of \$107,800.

Corrective Action Plan:

Management continues to review the guidance in GASB 33 for revenue recognition. A more detailed analysis of each grant agreement, contract or donation continues as we determine if all eligibility requirements are met. Management has also engaged our auditor when complex grant agreements require additional guidance.

Management has established an allowance for uncollectible receivables. An evaluation of outstanding receivables occurs on a periodic basis throughout the fiscal year to determine the need to write off any uncollectible amounts.

Chris A. Kelsaw

Chris A. Kelsaw
Director of Finance and Operations

Date: 10/8/2020