

# **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 the Federal Single Audit Act)  
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 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, 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 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 – 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.

### **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, 2021, 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 February 25, 2022, 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  
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)**

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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)**

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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)**

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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)**

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#### **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  
(a component unit of The City of New York)**

**Management's Discussion and Analysis (Unaudited)**

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**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  
(a component unit of The City of New York)

Statement of Net Position  
June 30, 2021

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**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**

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

**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	<u>(518,561)</u>
<b>Net cash used in operating activities</b>	<u><u>(290,781)</u></u>
Cash flows provided by noncapital financing activities:	
Receipts from City of New York contract	<u>700,000</u>
<b>Net cash provided by noncapital financing activities</b>	<u><u>700,000</u></u>
Cash flows from investing activities:	
Proceeds from sale of investments	5,247
Purchases of investments	(6,002,069)
Interest income	<u>371,882</u>
<b>Net cash used in investing activities</b>	<u><u>(5,624,940)</u></u>
<b>Net change in cash</b>	(5,215,721)
Cash:	
Beginning	<u>14,305,885</u>
Ending	<u><u>\$ 9,090,164</u></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	<u>150,000</u>
<b>Net cash used in operating activities</b>	<u><u>\$ (290,781)</u></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

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#### 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  
(a component unit of The City of New York)**

**Notes to Financial Statements**

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**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  
(a component unit of The City of New York)**

**Notes to Financial Statements**

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**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  
(a component unit of The City of New York)**

**Notes to Financial Statements**

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**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>
-------------------------------------------	----------------------

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.

**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 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 <sup>(2)</sup>	at June 30, 2021	
Unrestricted	\$ -	\$ -	\$ -	\$ 970	\$ -	\$ -
Building Healthy Communities	392,769	190,200	393,164	-	-	189,805
Center for Economic Opportunity <sup>(1)</sup>	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 <sup>(1)</sup>	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 <sup>(1)</sup>	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 <sup>(1)</sup>	691,210	74,350	446,098	7,500	-	326,962
Allowance for Doubtful Accounts	(447,245)	-	-	245,000	-	(202,245)
<b>Total</b>	<b>\$ 25,614,750</b>	<b>\$ 16,722,481</b>	<b>\$ 26,234,344</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,101,917</b>

(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.

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

**Notes to Financial Statements**

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**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>

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

**Notes to Financial Statements**

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**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.

**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, 2021**

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Number Entity Identifying Number	Federal Expenditures	Subrecipient Expenditures
Corporation for National and Community Service: Passed through the New York State Office of Children and Family Services: AmeriCorps	94.006	C028490	\$ 968,426	\$ -
<b>Total Corporation for National and Community Service</b>			<u>968,426</u>	<u>-</u>
<b>Total expenditures of federal awards</b>			<u>\$ 968,426</u>	<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**

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**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, 2021. 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 not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. No indirect costs have been charged to the program.

**Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

**Independent Auditor's Report**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Mayor's Fund to Advance New York City (the Fund), a component unit of The City of New York, New York, which comprise the statement of net position as of June 30, 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, and have issued our report thereon dated February 25, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**The Fund's Response to Finding**

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

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RSM US LLP*

New York, New York  
February 25, 2022





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**

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, 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, 2021. 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, 2021.

## **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  
February 25, 2022

**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, 2021**

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**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?    \_\_\_ yes     X  none reported

Noncompliance material to financial statements noted?

\_\_\_ yes     X  no

***Federal Awards***

Internal control over major federal 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 federal programs:

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_ yes     X  no

Identification of major programs:

**CFDA Number(s)**

94.006

**Name of Federal Program or Cluster**

AmeriCorps

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, 2021**

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**Section II – Financial Statement Findings**

**A. Internal Control Findings**

**2021-001 Revenue and Expense Recognition**

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

- 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.

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

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

Revenue and Accounts Receivable: We identified three transactions totaling \$333,800 that were not recorded as revenue in the correct period based on the when all eligibility requirements were met. We identified one transaction in the amount of \$253,904 where management wrote off the receivable and erroneously reduced current year revenues, but the amount was still a valid receivable. Further, we identified two transactions totaling \$245,000 where management erroneously reduced current year revenue rather than appropriately adjusting bad debt expense and the allowance for uncollectible amounts.

Expenses: We identified five transactions totaling \$144,676 for expenses that were recorded during the year ended June 30, 2021 that were incurred during the year ended June 30, 2020. We also identified transactions totaling \$925,000 that were not appropriately recognized as expenses during the year ended June 30, 2021.

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

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

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

**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, 2021**

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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.

**Section III – Federal Award Findings and Questioned Costs**

**A. Internal Control**

No matters to report.

**B. Compliance Findings**

No matters to report.

MAYOR'S FUND  
TO ADVANCE  
NEW YORK CITY

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**Bill de Blasio**  
Mayor, City of New York

**Chirlane McCray**  
Chair, Board of Directors

**Rob Speyer**  
Chair, Board of Advisors

**Daniele Baierlein**  
Co-Executive Director

**Jorge Luis Paniagua Valle**  
Co-Executive Director

## Summary Schedule of Prior Audit Findings For the Year End June 30, 2021

### Identifying Number 2020-001

#### Audit Finding:

It was determined that four transactions out of 113 revenue transactions selected for testing during the audit resulted in adjustments. One was recorded at the incorrect amount due to a misunderstanding of the terms of the agreement while the other three were related to grants dated during the last weeks of the fiscal year.

#### Status:

This finding is repeated this year as finding 2021-001. 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.

### Identifying Number 2020-002

#### Audit Finding:

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.

#### Status:

Corrective action has been taken and this finding is considered closed.



Jill Price  
Director of Finance and Operations

Date: 01.25.2022