

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

**Financial Statements, Audit Reports and
Supplementary Information in Accordance
With the Uniform Guidance
For the Year Ended September 30, 2020
(With Summarized Information for 2019)
With Independent Auditor's Report**



MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
Financial Statements and Additional Information
Year Ended September 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To Management and the Board of Directors
Fund for Public Health in New York, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Fund for Public Health in New York, Inc. (the Organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of operations and changes in net assets, functional expenses 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; and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fund for Public Health in New York, Inc. as of September 30, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated _____, 2021 on our consideration of the Organization'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 Organization'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 Organization's internal control over financial reporting and compliance.



Report on Summarized Comparative Information

We have previously audited the Organization's September 30, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 12, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

_____, 2021

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
 Statements of Financial Position
 As of September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	\$ 20,068,959	\$ 22,240,918
Grants and contributions receivables, net	15,613,407	14,080,738
Investments	5,930,642	6,278,543
Prepaid expenses	187,154	48,614
Total current assets	<u>41,800,162</u>	<u>42,648,813</u>
<i>Other assets</i>		
Property and equipment net of accumulated depreciation (\$357,654 in 2020 and \$332,438 in 2019)	23,123	48,339
Contributions receivables, net	228,323	1,444,063
Beneficial interest in assets held by others	922,204	916,911
Other assets	84,620	71,302
Total other assets	<u>1,258,270</u>	<u>2,480,615</u>
Total assets	<u>\$ 43,058,432</u>	<u>\$ 45,129,428</u>
LIABILITIES AND NET ASSETS		
<i>Current liabilities</i>		
Accounts payable and accrued expenses	\$ 4,357,552	\$ 3,986,850
Accrued payroll and benefits	543,562	363,460
Other liabilities	110,746	110,746
Total current liabilities	<u>5,011,860</u>	<u>4,461,056</u>
<i>Other liabilities</i>		
Endowment advance	867,547	867,547
Deferred rent	33,236	42,962
Total other liabilities	<u>900,783</u>	<u>910,509</u>
Total liabilities	<u>5,912,643</u>	<u>5,371,565</u>
<i>Net assets</i>		
Without donor restrictions	5,284,010	4,707,797
With donor restrictions	31,861,779	35,050,066
Total net assets	<u>37,145,789</u>	<u>39,757,863</u>
Total liabilities and net assets	<u>\$ 43,058,432</u>	<u>\$ 45,129,428</u>

The accompanying notes are an integral part of these financial statements.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
Statement of Operations and Changes in Net Assets
For the Year Ended September 30, 2020
(With Summarized Financial Information for 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND RECLASSIFICATIONS				
Support from federal government	\$ 7,665,394	\$ -	\$ 7,665,394	\$ 6,457,865
Contributed services	24,590	-	24,590	945,396
Other grants and contributions	16,993,993	8,888,397	25,882,390	35,234,085
Program fees	148,637	-	148,637	-
Other	245,971	-	245,971	238,239
Net assets released from restrictions	12,076,684	(12,076,684)	-	-
Total revenue and reclassifications	<u>37,155,269</u>	<u>(3,188,287)</u>	<u>33,966,982</u>	<u>42,875,585</u>
EXPENSES				
Program services	31,530,506	-	31,530,506	36,720,956
Management and general	5,048,550	-	5,048,550	4,373,327
Total expenses	<u>36,579,056</u>	<u>-</u>	<u>36,579,056</u>	<u>41,094,283</u>
Change in net assets	576,213	(3,188,287)	(2,612,074)	1,781,302
Net assets, at beginning of year	<u>4,707,797</u>	<u>35,050,066</u>	<u>39,757,863</u>	<u>37,976,561</u>
Net assets, at end of year	<u>\$ 5,284,010</u>	<u>\$ 31,861,779</u>	<u>\$ 37,145,789</u>	<u>\$ 39,757,863</u>

The accompanying notes are an integral part of these financial statements.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
Statement of Functional Expenses
For the Year Ended September 30, 2020
(With Summarized Financial Information for 2019)

	2020			2019
	Program Services Expenses	Management and General Expenses	Total Expenses	Total Expenses
Salaries and wages	\$ 10,378,223	\$ 2,958,392	\$ 13,336,615	\$ 13,493,509
Fringe benefits	2,894,031	1,009,899	3,903,930	3,713,882
Contracted program expense	7,675,912	81,000	7,756,912	11,080,092
Professional fees and other services	9,897,351	451,445	10,348,796	10,034,798
Supplies	150,531	10,628	161,159	595,074
Occupancy expenses	1,192	452,924	454,116	418,914
Donated services	24,590	-	24,590	945,396
Equipment	-	52,955	52,955	16,549
Travel	117,734	1,541	119,275	157,287
Staff expenses	227,835	15,477	243,312	268,040
Meetings	73,864	16,423	90,287	175,561
Printing and materials	89,243	6,321	95,564	167,509
Other expenses	-	(33,672)	(33,672)	-
Depreciation and amortization	-	25,217	25,217	27,672
Total expenses	\$ 31,530,506	\$ 5,048,550	\$ 36,579,056	\$ 41,094,283

The accompanying notes are an integral part of these financial statements.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
 Statements of Cash Flows
 For the Years Ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ (2,612,074)	\$ 1,781,302
<i>Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities</i>		
Depreciation and amortization	25,217	27,672
Realized (gain)/loss on sales of investments	(74,170)	(91,355)
Decrease in beneficial interest in assets held by others	(5,293)	(18,355)
<i>Change in operating assets and liabilities</i>		-
Change in grants and contributions receivable	(316,929)	6,482,381
Change in prepaid expenses	(138,541)	(3,689)
Change in other assets	(13,318)	(12,272)
Change in accounts payable and accrued expenses	370,702	(920,078)
Change in accrued payroll and benefits	180,102	12,890
Change in deferred rent	(9,726)	(9,727)
Net cash (used in) provided by operating activities	<u>(2,594,030)</u>	<u>7,248,769</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,506,929)	(2,498,014)
Sale of Investments	1,929,000	2,440,000
Net cash provided by (used in) investing activities	<u>422,071</u>	<u>(58,014)</u>
Net change in cash	(2,171,959)	7,190,755
Cash and cash equivalents, at beginning of year	<u>22,240,918</u>	<u>15,050,163</u>
Cash and cash equivalents, at end of year	<u>\$ 20,068,959</u>	<u>\$ 22,240,918</u>

The accompanying notes are an integral part of these financial statements.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2020 and 2019

NOTE 1 ORGANIZATION

Fund for Public Health in New York, Inc. (the Organization) addresses pressing public health needs, fosters private sector support to enhance health and healthcare, and helps to educate the public regarding the protection of individual, family, and community health. The Organization administers programs across the health spectrum, including programs focused on both chronic and communicable diseases. Its programs heighten emergency preparedness, enhance individual and healthcare sector efforts to prevent disease, and support innovation and excellence in public health and healthcare programs.

The Commissioner of the City of New York Department of Health and Mental Hygiene (DOHMH) (Commissioner) recommends 12 members of the Organization's Board of Directors (the Board) following a proposal by the Board's nominating committee and ratification by a majority of the entire Board. In addition, the Commissioner and the Executive Deputy Commissioner of the DOHMH and one member of the City of New York Board of Health, who is selected by the Commissioner, serve ex-officio as members of the Board.

The U.S. Department of Health and Human Services (DHHS) was a significant source of financial support to the Organization during the fiscal year, largely through grants from the Centers for Disease Control and Prevention. The Organization is obligated under the terms of the DHHS's grants to comply with specified conditions and program requirements set forth by the grantor agency.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Financial Statement Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) using the accrual basis of accounting.

Net Assets

The Organization's net assets are classified into two categories as follows:

Without Donor Restrictions

Net assets without donor restrictions are expendable for the general operations of the Organization. Such net assets reflect the revenues and expenses associated with the principal operating activities of the Organization and are not subject to donor-imposed stipulations.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2020 and 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Net Assets *(continued)*

With Donor Restrictions

Net assets with donor restrictions are limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of the Organization pursuant to those stipulations or include donor-imposed stipulations requiring such resources to be maintained in perpetuity and the income to be utilized for operating or other donor-restricted purposes. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of operations and changes in net assets as net assets released from restrictions. At September 30, 2020 and 2019, net assets with donor restrictions only included purpose restrictions.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Summarized Financial Information for Fiscal 2019

The accompanying financial statements include certain prior year summarized comparative information in total, but not by net asset classification or functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2019 from which the summarized information was derived.

Cash and Cash Equivalents

The Organization maintains its cash in bank deposit accounts that may exceed federally insured limits. The Organization has not experienced any losses in such accounts. All highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents.

The Organization is required by an anonymous donor to maintain a separate bank account for funds donated for the purpose of establishing an endowment. Conditions made by the donor regarding changes to the status, structure or programmatic nature of the Organization could result in the funds being returned to the donor. Therefore, the Organization has classified the gift as an asset (beneficial interest in assets held by others) and a liability. As of September 30, 2020, and 2019, the Organization held such funds totaling \$ 922,204 and \$916,911, respectively.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2020 and 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments

Investments are certificates of deposit from several banks, which do not exceed federally insured limits. Certificates of deposit are mainly rolled over when due. Maturity dates are 12 months or less. Interest rates range from 1.50% to 3.05% for 2020 and 2019. The Organization has not experienced any losses in such accounts. Fair value was \$5,930,642 and \$6,278,543 at September 30, 2020 and 2019, respectively.

Beneficial Interest in Assets Held by Others

The Organization has a beneficial interest in assets held by others, which is administered by a third party (see Note 7). The Organization measures its beneficial interest in the trust at fair value of the underlying investments, which are in money market funds (see Note 6 for more information related to the determination of fair value). The amount of the Organization's beneficial interest in assets held by others is offset by a related liability since the agreement from the donor allows for the possibility of the Organization having to return the funds held in beneficial interest. Interest income earned on the beneficial interest in assets held by others is reflected in other income in the accompanying statement of operations and changes in net assets.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the fair value at the date of donation. Depreciation is recorded on a straight-line basis over the three- to-10-year estimated useful lives of the assets. Leasehold improvements are amortized on a straight-line basis over the estimated useful life of the improvement or the term of the lease, whichever is less. The Organization capitalizes all purchases of property and equipment in excess of \$5,000.

Certain property and equipment are acquired through funds received under Federal grant agreements. According to Federal regulations, any equipment item obtained through Federal funds is subject to a lien by the Federal government. As long as the Organization maintains its tax-exempt status, and so long as the equipment is used for its intended purpose, the Organization is not required to reimburse the Federal funding source. If the stated requirements are not met, the Organization would be obligated to the Federal government in an amount equal to the fair value of the equipment. There were no reimbursements made in 2020 or 2019.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2020 and 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Grants Revenue and Receivable

Grants are recognized as revenue when earned.

Expense-driven grants are recognized as revenue when the qualifying expenses have been incurred and all other grant requirements have been met.

Grants based on meeting performance measures or other deliverables are recorded as revenue as the terms or deliverables are met and accepted by the funder. For such grants, grant funds received prior to the incurrence of the qualifying expenses are recorded as revenue with donor restrictions when milestones are achieved.

The EP2 (Extension to Medicaid Eligible Professional Expansion Program) Squared grant provided by the New York State Department of Health (NYSDOH), is a core deliverables-based grant. Ultimately, it is funded via pass-through funds provided to New York State from the Federal government (DHHS). Core is defined as work done which serves the target population as a whole and falls under the following categories:

- 1) Develop and manage a practice adoption curriculum for Meaningful Use achievement as part of provider education and assistance across New York State, including the development of content and management of various methods for communicating to providers and practices.
- 2) Provide in-person, phone-, and web-based support to eligible providers within New York City. These activities directly assist providers to demonstrate their capabilities for achieving Meaningful Use measures and objectives.
- 3) Report performance metrics for eligible providers to NYSDOH on a quarterly basis

As part of the grant proposal, the Organization and the DOHMH developed a framework based on its experience with electronic health care record implementation that in turn determined the specific activities under the three major areas listed above that would account for the core deliverables.

Quarterly, the DOHMH submits documentation to the NYSDOH. Upon review and approval by the NYSDOH, the Organization submits an invoice to the NYSDOH to substantiate that the core activities have been met. The core activities, when complete and approved by the NYSDOH, represent completed deliverables at which point the Organization recognizes revenue as specified in the grant award.

The total amount of revenue recognized for the core deliverables for the year ended September 30, 2020 was \$4,589,828. The total amount of revenue recognized for the core deliverables for the year ended September 30, 2019 was \$5,928,537.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2020 and 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Grants Revenue and Receivable *(continued)*

At September 30, 2020 and 2019, the Organization had received grants from governmental entities in the aggregate amounts of \$9,960,658 and \$4,705,307, respectively. These grants have not been recorded in the financial statements as they have not been earned.

Contribution Revenue and Receivable

Contributions, including contributed goods and services, are recorded at fair value when received or pledged. Amounts are recorded as revenue with donor restrictions if they have donor stipulations that limit the use of the donated asset. Unconditional contributions that are expected to be collected within one year are recorded at their net realizable value. Unconditional contributions that are expected to be collected beyond one year are recorded at the fair value, using a present value technique, of the estimated future cash flows, discounted at rates adjusted for risk and applicable to the years in which the promises were received. Fair value adjustments of \$2,699 and \$25,937 for the years ended September 30, 2020 and 2019, respectively, were recorded to reflect with donor restrictions contribution receivables in excess of one year at fair value (see Note 5). Amortization of the discount is credited to contributions revenue. Conditional contributions are recognized as revenue when the conditions on which they depend have substantially been met. There were no conditional contributions received for the years ended September 30, 2020 and 2019, respectively.

Allowance for Uncollectible Accounts

The carrying value of grants receivable and contributions receivable is reduced by an appropriate allowance for uncollectible accounts, which approximates net realizable value. The Organization determines its allowance by considering several factors, including the length of time receivables are past due, the Organization's previous loss history, the donor's current ability to pay its obligation, and the condition of the general economy and the industry as a whole. Receivables outstanding longer than the payment terms are considered past due. The Organization writes off accounts receivables when they become uncollectible, and payments subsequently received on such receivables are recorded as income in the period received.

It was determined that all grants and contributions receivable as of September 30, 2020 and 2019 will be collected; therefore, no allowance has been established.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2020 and 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed Goods and Services

Contributed services totaled \$0 and \$298,811 in 2020 and 2019, respectively. In addition, contributed goods totaled \$24,589 and \$646,585 in 2020 and 2019, respectively. Contributed goods and services are reflected as revenue and the corresponding program expense in the accompanying statement of operations and changes in net assets. Contributed goods were in the form of “healthbucks” to be used at farmers’ markets. Contributed services consists of salaries and fringe benefits. The fair value of the “healthbucks” was determined based on consideration of cash payments typically made by buyers receiving similar goods.

Contributed goods and services do not reflect support received from DOHMH staff in their roles as supervisors and others providing general expertise and oversight on grant funded work, since the grants support work that enhances the work of the DOHMH.

Expense Allocations

Expenses that are not specifically attributable to program services or management and general expenses are allocated by management based on variable allocation factors.

Program Management

Salary expenses of \$52,540 and \$112,410 were allocated to programs based on Central Office staff time spent working on the program for the fiscal years ended September 30, 2020 and 2019, respectively.

Tax Status

The Organization was incorporated as a not-for-profit corporation under the laws of the State of New York and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, there is no provision for income taxes.

Management has analyzed the tax positions taken by the Organization and has concluded that as of September 30, 2020 and 2019, there are no uncertain tax positions taken or to be taken. Accordingly, no interest or penalties related to uncertain tax positions have been accrued in the accompanying financial statements.

The Organization is no longer subject to income tax examinations by U.S. Federal, state or local tax authorities for years before 2016, which is the standard statute of limitations look-back period.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2020 and 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Advertising Expenses

As part of its program activity, the Organization incurred advertising expenses of \$22,993 and \$61,446 for the years ended September 30, 2020 and 2019, respectively. Advertising expenses are reflected in the statement of functional expenses under professional fees and other services. Advertising expenses incurred at the time of invoicing are direct expenses to grants and are recorded in accordance with the grant terms and grant period. Advertising expenses are not capitalized.

NOTE 3 NEW ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*. The ASU requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also expands the footnote disclosure requirements related to contracts with customers. In August 2015, the effective date of the ASU was deferred for the Organization to year ending September 30, 2021. The Organization is currently evaluating the impact of the adoption of the ASU on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). The ASU requires an entity to recognize all lease assets and lease liabilities on the balance sheet and disclose key information about leasing arrangements. The effective date of the ASU for the Organization is year ending September 30, 2023. The Organization is currently evaluating the impact of the adoption of the ASU on the Organization's financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU provides clarifying guidance on accounting for the grants and contracts of nonprofit organizations as they relate to the new revenue standard (ASU 2014-09 *Revenue from Contracts with Customers*). The ASU also aims to minimize diversity in the classification of grants and contracts that exists under current guidance with regards to exchange transactions and unconditional and conditional contributions. The ASU is to be applied by the Organization on a modified prospective basis and is effective for contributions received for the fiscal year ending September 30, 2020. The ASU did not have an effect on its financial statements. The ASU is effective for contributions made for the fiscal year ending September 30, 2021. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial statements.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
Notes to Financial Statements
Years Ended September 30, 2020 and 2019

NOTE 4 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	September 30, 2020
Cash and cash equivalents	\$ 20,068,959
Grants receivable	13,495,197
Contribution receivable	2,120,909
Investments	5,930,642
Total	\$ 41,615,707

As part of its liquidity management, the Organization actively manages operating cash balances to ensure that sufficient cash is available to fund general expenditures as they come due. The Organization is typically able to generate enough operating cash from its ongoing operations to fund general expenditures, but it has procedures in place to utilize other financial assets if necessary. The Organization invests a portion of its cash in excess of daily requirements in certificates of deposit that can be converted to cash in a short period of time in the event of projected shortfall in operating cash or unanticipated cash need.

NOTE 5 GRANTS AND CONTRIBUTIONS RECEIVABLE

As of September 30, 2020 and 2019, contributions receivable, net, are due as follows:

	2020	2019
Less than one year	\$ 2,120,909	\$ 3,947,777
One to five years	228,323	1,470,000
Less: Fair value adjustment	(2,699)	(25,937)
Total	\$ 2,346,533	\$ 5,391,840

Management made an assessment of donor risk on contributions receivable outstanding over one year. A risk premium of 0.5% was determined to be appropriate as of September 30, 2020 and 2019, respectively, considering the nature and financial integrity of the organizations included in the assessment.

The discount rate applied to contributions receivable in excess of one year consisted of the application of a current two-year Treasury bill rate at that time. Amounts due in more than one year were adjusted to fair value using present value techniques that assumed discount rates of 2.10% for 2020 and 2.71% in 2019, depending on the length of discount time.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2020 and 2019

NOTE 5 GRANTS AND CONTRIBUTIONS RECEIVABLE (continued)

Grants receivable represented contractual expenses incurred and reimbursable under Federal, state and local grants at September 30, 2020 and 2019 and consisted of the following:

	<u>2020</u>	<u>2019</u>
<i>U.S. Department of Health and Human Services</i>		
Health Resources and Services		
Administration	\$ 393,062	\$ 326,717
Centers for Disease Control	1,301,045	2,024,936
State and City of New York		
Departments of Health	10,060,252	7,450,526
Other	<u>1,740,838</u>	<u>330,782</u>
Total	<u>\$ 13,495,197</u>	<u>\$ 10,132,961</u>

NOTE 6 FAIR VALUE MEASUREMENTS

The Organization is subject to the provisions of the authoritative guidance issued by the FASB for fair value measurements. The authoritative guidance establishes a framework that provides a fair value hierarchy to prioritize the inputs to valuation techniques used for fair value measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include: (1) quoted prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in inactive markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2020 and 2019

NOTE 6 FAIR VALUE MEASUREMENTS *(continued)*

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Changes in valuation techniques may result in transfers in or out of an assigned level within the hierarchy.

The following describes the valuation methodologies used for assets measured at fair value:

Certificates of deposit and money market accounts (including beneficial interest in assets held by others) – Valuation is derived based on the closing price reported by the investment manager.

The methods used may produce a fair value calculation that may not indicate net realizable value or reflect future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

There were no assets or liabilities measured at fair value on a nonrecurring basis as of September 30, 2020 and 2019. There were no transfers between levels of the fair value hierarchy.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 819,920	\$ -	\$ -	\$ 819,920
Cerificates of deposit	-	5,930,642	-	5,930,642
<i>Beneficial interest in assets held by others</i>				
Money market funds	-	-	922,204	922,204
Total	<u>\$ 819,920</u>	<u>\$ 5,930,642</u>	<u>\$ 922,204</u>	<u>\$ 7,672,766</u>

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
Notes to Financial Statements
Years Ended September 30, 2020 and 2019

NOTE 6 FAIR VALUE MEASUREMENTS *(continued)*

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 813,087	\$ -	\$ -	\$ 813,087
Cerificates of deposit	-	6,278,543	-	6,278,543
<i>Beneficial interest in assets held by others</i>				
Money market funds	-	-	898,556	898,556
Total	<u>\$ 813,087</u>	<u>\$ 6,278,543</u>	<u>\$ 898,556</u>	<u>\$ 7,990,186</u>

The beneficial interest in assets held by others contains no liquidity restrictions and is available for withdrawal upon written notice.

The table below sets forth a summary of changes in the fair value of the Organization's Level 3 assets for the years ended September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Balance, beginning of the year	\$ 916,911	\$ 898,556
Interest income	5,293	18,355
Balance, end of year	<u>\$ 922,204</u>	<u>\$ 916,911</u>

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements.

The following table represents Level 3 financial instruments, the valuation technique used to measure the fair value of the financial instrument, and the significant unobservable inputs and the ranges of values for those inputs:

<u>Instrument</u>	<u>Fair Value</u>	<u>Principal Valuation Technique</u>	<u>Significant Unobservable Inputs</u>	<u>Ranges of Input Values</u>
Donor-advised fund	\$922,204	Value as reflected in the investment statements from the financial institution holding the beneficial interest instruments	<ul style="list-style-type: none"> ▪ Changes in donor stipulations ▪ Possible withdrawal amount ▪ Possible withdrawal date 	<ul style="list-style-type: none"> ▪ \$0 - \$922,904 ▪ \$0 - \$922,904 ▪ October 1, 2020 and thereafter

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2020 and 2019

NOTE 7 BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization received funds from a certain donor to establish an endowment fund. The funds are held and managed by FJC, a Foundation of Philanthropic Funds, as an FJC Earmarked Fund Account, which earns interest quarterly. Under the terms of the agreement, the Organization may spend 5% of the net asset value of the fund annually for general support. The donor reserves the right to designate another Section 501(c)(3) organization to receive this endowment fund if there are changes in the status, structure, or programmatic direction of the Organization that are not satisfactory to the donor. As such, the amount of the beneficial interest is also reported as a liability (endowment advance) in the accompanying statements of financial position. The amount of the endowment advance was \$867,547 at both September 30, 2020 and 2019.

The donor has complete authority and responsibility regarding the investment of the funds. As such, these funds are not subject to any endowment investment policies of the Organization. Furthermore, there is no established fair value regarding the level of the assets to be maintained or stipulations required by the donor concerning the investment.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2020 and 2019

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions held by the Organization are summarized below, and are available for the following various program services for the years ended September 30:

Purpose Restrictions

	<u>2020</u>	<u>2019</u>
Brownbag Lecture Series	\$ 45,539	\$ 48,310
COVID-19	613,528	-
Data Analysis	-	50,000
Epidemics	12,500	-
Foodborne Disease	27,234	103,367
Healthy Eating	125,105	297,727
Healthy Neighborhoods	416,561	657,690
Hepatitis C	2,811	50,373
HIV Testing	55	30,754
Honoraria	47,314	144,743
Maternal Health	426,204	654,092
Mental Health	117,339	567,495
Nurse Family Partnership	119,056	120,063
Other	42,418	42,418
Primary Care Information Project	24,868,563	25,577,758
Quickie Lab	733,473	-
Racial Justice and Health Equity	118,939	-
School Based Health	3,832,218	6,354,512
ThriveNYC	310,540	348,372
Tuberculosis	2,392	2,392
Total	\$ 31,861,789	\$ 35,050,066

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2020 and 2019

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS *(continued)*

Net assets released from donor restrictions because of expenses incurred satisfying the restricted purposes during the years ended September 30 were as follows:

Released from Restrictions

	<u>2020</u>	<u>2019</u>
Asthma Care	\$ -	\$ 2,620
Breastfeeding	-	102,202
Brownbag Lecture Series	2,771	1,691
COVID-19	96,472	-
Data Analysis	50,000	-
Electronic Case Reporting	-	81,746
Foodborne Disease	76,134	138,460
Health and Nutrition Examination Survey	-	3,883
Healthy Eating	206,034	376,384
Healthy Neighborhoods	291,884	621,762
Hepatitis C	47,562	231,465
HIV Testing	30,710	132,924
Honoraria	98,579	19,765
Maternal Health	540,387	728,090
Mental Health	450,324	887,231
Mural Arts Project	-	10,349
Nurse Family Partnership	1,007	10,283
Primary Care Information Project	7,252,743	5,917,436
Public Health Laboratory	-	14,379
Quickie Lab	29,260	-
Racial Justice and Health Equity	74,723	-
School Based Health	2,528,941	2,421,223
Senior Falls Prevention	-	29,096
ThriveNYC	299,153	201,628
Tuberculosis	-	7,608
Vision Screening	-	110
Total	<u>\$ 12,076,684</u>	<u>\$ 11,940,335</u>

NOTE 9 PENSION PLAN

The Organization has a defined contribution pension plan covering substantially all full-time employees who meet certain eligibility requirements. The amount contributed to the plan is a fixed percentage of participants' compensation. Net pension expense amounted to \$562,994 and \$577,395 for the years ended September 30, 2020 and 2019, respectively.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2020 and 2019

NOTE 10 CONTINGENCIES

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in adjustments to reimbursements claimed by the Organization for the various programs conducted for or on behalf of the funding sources. In management's opinion, any potential adjustments resulting from such audits would not have a material effect on the accompanying financial statements.

NOTE 11 LEASE COMMITMENT

In May 2011, the Organization leased new office space in New York City. In May 2015, the Organization extended the term of the lease from July 31, 2016 to February 2024. Rent through July 2016 was charged in accordance to the original agreement and after July 2016 rent will be in accordance to the extended agreement.

The lease includes three months of free rent totaling \$52,662, which is being amortized over the life of the original lease.

The office lease provides for the minimum annual payments as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 369,891
2022	377,236
2023	384,780
2024	162,718
	<u>\$ 1,294,625</u>

These amounts reflect rent credits previously discussed.

Rent expense for fiscal years ended 2020 and 2019 was \$360,877 and \$346,777, respectively.

NOTE 12 CONCENTRATION OF CREDIT/REVENUE RISKS

Cash is exposed to various risks, such as interest rate, market and credit risks. To minimize such risks, the Organization maintains its cash in various bank deposit accounts that may exceed federally insured limits. At September 30, 2020 and 2019, the Organization's cash was placed into high credit quality financial institutions and, accordingly, the Organization does not anticipate any losses with respect to these depository accounts.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2020 and 2019

NOTE 12 CONCENTRATION OF CREDIT/REVENUE RISKS *(continued)*

The Organization's mission is to provide fiscal management and support for public health programs in New York City through its partnership with the DOHMH. Therefore, all program activity is concentrated within the New York City geographic region. During the fiscal years ended 2020 and 2019, the Organization received 88% and 94%, respectively, of its Federal funding from the DHHS. Such funding accounted for 41% and 30% of the Organization's total revenue, respectively. The Organization also received a significant portion of its funding from the NYSDOH and NYCDOH. Funding from the state accounted for 9% and 3% and funding from the city accounted for 42% and 43% of the Organization's total revenue for fiscal years ended 2020 and 2019, respectively.

Due to the concentration of funds from Federal, New York State and New York City sources, there is a risk that the Organization would not be able to continue in its current capacity or support certain programs if this source of funding was to be lost. Management is confident that the Organization would continue to be able to perform its functions through reductions and cost-cutting measures as a result of the unique nature of its partnership with the DOHMH.

NOTE 13 PROPERTY AND EQUIPMENT

Property and equipment, net, at September 30, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Leasehold improvements	\$ 48,429	\$ 48,429
Furniture and fixtures	216,440	216,440
Computer software and hardware	<u>115,908</u>	<u>115,908</u>
Total cost	380,777	380,777
Less:		
Accumulated depreciation	<u>357,654</u>	<u>332,438</u>
Property and equipment, net	<u>\$ 23,123</u>	<u>\$ 48,339</u>

NOTE 14 SUBSEQUENT EVENTS

The Organization evaluates events occurring after the date of the financial statements to consider whether the impact of such events needs to be reflected or disclosed in the financial statements. Such evaluation was performed through XXX, 2021, the date these financial statements were available for issuance.

**SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITOR'S REPORTS**

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services				
Centers for Disease Control and Prevention				
Environmental Public Health and Emergency Response (09/30/19-09/29/20)	93.070	N/A	\$ -	\$ 199,796
Environmental Public Health and Emergency Response (09/30/20-09/29/21)	93.070	N/A	-	428
Environmental Public Health and Emergency Response (09/01/18-08/31/20)	93.070	N/A	-	201,919
Environmental Public Health and Emergency Response (09/01/20-08/31/21)	93.070	N/A	-	8,462
Total Environmental Public Health and Emergency Response			-	410,605
Sodium Reduction in Communities (9/30/2019-9/29/2020)	93.082	N/A	-	288,084
Sodium Reduction in Communities (9/30/2020-9/29/2021)	93.082	N/A	-	720
Total Sodium Reduction in Communities			-	288,804
Injury Prevention and Control Research and State and Community Based Programs (9/1/2019-08/31/2020)	93.136	N/A	-	1,362,460
Injury Prevention and Control Research and State and Community Based Programs (9/1/2020-08/31/2021)	93.136	N/A	-	120,657
Total Injury Prevention and Control Research and State and Community Based Programs			-	1,483,117
Improving the Health of Americans Through Prevention and Management of Diabetes and Heart Disease and Stroke (9/30/2019-09/29/2020)	93.426	N/A	67,125	1,831,816
Innovative State and Local Public Health Strategies to prevent and Manage Diabetes and Heart Disease and Stroke (9/30/2020-3/29/2021)	93.426	N/A	-	4,838
Total State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)			67,125	1,836,654
Passed through Health Research, Inc.				
Organized Approaches to Increase Colorectal Cancer Screening (06/30/19-06/29/20)	93.800	5205-05	-	40,076
Total Organized Approaches to Increase Colorectal Cancer Screening			-	40,076
Office of the Assistant Secretary for Health				
Teenage Pregnancy Prevention Program (7/1/2019-6/30/2021)	93.297	N/A	-	1,491,102
Teenage Pregnancy Prevention Program (7/1/2020-6/30/2021)	93.297	N/A	-	32,346
Total Teenage Pregnancy Prevention Program			-	1,523,448
Health Resources and Services Administration				
Healthy Start Initiative (4/1/2019-3/31/2020)	93.926	N/A	63,188	399,688
Healthy Start Initiative (4/1/2020-3/31/2021)	93.926	N/A	47,240	488,998
Total Healthy Start Initiative			110,428	888,686
Centers for Medicare and Medicaid Services				
Passed through New York State Department of Health				
Medical Assistance Program (10/1/2014-9/30/2017)	93.778	C029355	-	3,041,452
Medical Assistance Program (7/1/2015-12/31/2020)	93.778	C030130	-	450,156
Total Medical Assistance Program			-	3,491,608

See accompanying notes.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
Schedule of Expenditures of Federal Awards (continued)
For the Year Ended September 30, 2020

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. Department of Health and Human Services (continued)				
Centers for Medicare and Medicaid Services (continued)				
Passed through Health Research, Inc.				
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance (2/1/2019-1/31/2020)	93.624	5900-02	\$ -	\$ 160,925
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance (2/1/2019-1/31/2020)	93.624	N/A	-	396,529
Total ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance			-	557,454
Passed through NYU Practice School of Medicine				
ACA - Transforming Clinical Practice Initiative: Practice Transformation Network YR4 (9/29/18-12/28/2019)	93.638	15-A0-00-004358-01	-	43,812
Passed through NYS Practice Transformation Network				
ACA - Transforming Clinical Practice Initiative: Practice Transformation Network (09/28/2015-09/29/2019)	93.638	15-PCIP NYS PTN TA-01 SOW 4	-	2,244
Total ACA - Transforming Clinical Practice Initiative: Practice Transformation Network			-	46,056
National Institute of Health				
Passed through New York University				
National Center for Advancing Translational Sciences (07/01/2019-06/30/2020)	93.350	16-A0-00-007000-01	-	66,910
National Center for Advancing Translational Sciences (07/01/2020-06/30/2021)	93.350	16-A0-00-007000-01	-	11,112
Total National Center for Advancing Translational Sciences			-	78,022
Research and Development Cluster				
Passed through Einstein College of Medicine				
Diabetes, Digestive, and Kidney Diseases Extramural Research (4/1/2019-3/31/2020)	93.847	16-A1-00-004933-01	-	26,718
Total Diabetes, Digestive, and Kidney Diseases Extramural Research			-	26,718
Total Research and Development Cluster			-	26,718
Total U.S. Department of Health and Human Services			177,553.00	10,671,248
United States Department of Agriculture				
National Institute of Food and Agriculture				
Food Insecurity Nutrition Incentive Grants Program (5/1/2016-4/30/2021)	10.331	N/A	-	1,306,318
			-	1,306,318
Food and Nutrition Service				
Passed through New York Department of Health				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (10/01/2019-09/30/2020)	10.561	C30361GG	-	84,428
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (10/01/2019-09/30/2020)	10.561	C30363GG	-	99,576
Total U.S. Department of Agriculture			-	1,490,322
Total Federal Awards Passed Through to Subrecipients			\$ 177,553	
Total Federal Awards				\$ 12,161,570

See accompanying notes.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the Federal grant and contract activity of the Organization under the programs of the federal government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to, and it does not, present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Expenditures reported on the Schedule are on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 SUBRECIPIENTS

The Organization provided Federal awards to subrecipients, as follows:

Program Title	Federal Assistance Listing Number	Subrecipient	Amount Provided to Subrecipient
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke (9/30/2019-09/29/2020)	93.426	Health People, Inc.	\$ 21,125
	93.426	Korean Community Services of Metropolitan New York, Inc.	23,000
	93.426	Mexican Coalition for the Empowerment of Youth and Families, Inc.	23,000
		Subtotal	<u>67,125</u>
Healthy Start Initiative (4/1/2019-3/31/2020)	93.926	Brooklyn Perinatal Network, Inc.	16,108
	93.926	Caribbean Women's Health Association, Inc.	28,080
	93.926	Excellence Baby Academy	19,000
		Subtotal	<u>63,188</u>
Healthy Start Initiative (4/1/2020-3/31/2021)	93.926	Brooklyn Perinatal Network, Inc.	8,658
	93.926	Caribbean Women's Health Association, Inc.	19,582
	93.926	Excellence Baby Academy	19,000
			<u>47,240</u>
		Grand Total	<u><u>\$ 177,553</u></u>

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
Notes to Schedule of Expenditures of Federal Awards (*continued*)
For the Year Ended September 30, 2020

NOTE 4 RECONCILIATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO AUDITED FINANCIAL STATEMENTS

The total expenditures, as reflected in the Schedule, vary from the amount reported in the statement of operations and changes in net assets as Federal revenue due to the inclusion of several pass-through contracts as well as Federal expenditures that were paid for via program revenue or other matching funds. The revenue related to these reconciling items is reflected in other grants and contributions revenue in the accompanying statement of operations and changes in net assets. The reconciling items are listed below:

Total Expenses Per SEFA Schedule			\$ 12,161,570
<i>Less: Pass Throughs:</i>			
Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	Pass Through Grant #	Amount
Passed through Health Research, Inc.:			
Organized Approaches to Increase Colorectal Cancer Screening (06/30/19-06/29/20)	93.800	5205-05	\$ 40,076
Passed through New York State Department of Health:			
Medical Assistance Program (10/1/2014-9/30/2017)	93.778	C029355	3,041,452
Medical Assistance Program (7/1/2015-12/31/2020)	93.778	C030130	450,156
Passed through Health Research, Inc.:			
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance (2/1/2019-1/31/2020)	93.624	5900-02	160,925
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance (2/1/2019-1/31/2020)	93.624	N/A	396,529
Passed through NYU Practice School of Medicine			
ACA - Transforming Clinical Practice Initiative: Practice Transformation Network YR4 (9/29/18-12/28/2019)	93.638	15-A0-00-004358-01	43,812
Passed through NYS Practice Transformation Network			
ACA - Transforming Clinical Practice Initiative: Practice Transformation Network (09/28/2015-09/29/2019)	93.638	15-PCIP NYS PTN TA-01 SOW 4	2,244
Passed through New York University			
National Center for Advancing Translational Sciences (07/01/2019-06/30/2020)	93.350	16-A0-00-007000-01	66,910
National Center for Advancing Translational Sciences (07/01/2020-06/30/2021)	93.350	16-A0-00-007000-01	11,112
Passed through Einstein College of Medicine			
Diabetes, Digestive, and Kidney Diseases Extramural Research (4/1/2019-3/31/2020)	93.847	16-A1-00-004933-01	26,718
Passed through New York Department of Health			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (10/01/2019-09/30/2020)	10.561	C30361GG	84,428
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (10/01/2019-09/30/2020)	10.561	C30363GG	99,576
Subtotal adjustments			<u>4,423,938</u>
Add: Other Adjustments			
CDC - Food Safety Y1			(1)
CDC - Food Safety Y5			(156)
CDC - RFA-CE19-1904: Overdose Data to Action Y2			(46,506)
HRSA - Healthy Start C4 Y1			44
NIFA - Food Insecurity Nutrition Incentive			(25,615)
Misc. ADJ			(4)
Subtotal Other Adjustments			<u>(72,238)</u>
SEFA Federal Revenue Adjusted			<u>7,665,394</u>
Federal Revenue Per Financial Statement			\$ 7,665,394



**INDEPENDENT AUDITOR'S 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**

To Management and the Board of Directors
Fund for Public Health in New York, Inc.

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 Fund for Public Health in New York, Inc. (the Organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of operations and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated _____, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free of 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 determination of financial statement amounts. 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*.

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.

_____, 2021



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To Management and the Board of Directors
Fund for Public Health in New York, Inc.

Report on Compliance for Each Major Federal Program

We have audited Fund for Public Health in New York, Inc.'s (the Organization) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2020. The Organization's major federal programs are 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 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 each of the Organization's major federal programs 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* (CFR) 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 Organization'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 each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

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Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of the Organization 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 Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 Organization'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

_____, 2021

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
 Schedule of Findings and Questioned Costs
 For the Year Ended September 30, 2020

SECTION I—SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued (unmodified, qualified, adverse, or disclaimer):

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X 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, qualified, adverse, or disclaimer):

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 federal programs:

<u>Federal Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.331	Food Insecurity Nutrition Incentive Grants Program
93.136	Injury Prevention and Control Research and State and Community Based Programs
93.778	Medical Assistance Program

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

 \$750,000

Auditee qualified as low-risk auditee?

 X Yes No

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
Schedule of Findings and Questioned Costs *(continued)*
For the Year Ended September 30, 2020

SECTION II—FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

