

**MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.**

***FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS***

**DECEMBER 31, 2019**

# MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**Board of Directors**  
**Mayor's Alliance for NYC's Animals, Inc.**  
**New York, New York**

We have audited the accompanying financial statements of Mayor's Alliance for NYC's Animals, Inc. (the "*Alliance*"), which comprise the statement of financial position as of December 31, 2019 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### *Management Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization'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 organization'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 Alliance as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Board of Directors  
Mayor's Alliance for NYC's Animals, Inc.  
New York, New York**

***Report on Summarized Comparative Information***

We have previously audited the Alliance's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 2, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Tait, Weller & Baker LLP*

**Philadelphia, Pennsylvania  
August 6, 2020**

# MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.

## STATEMENTS OF FINANCIAL POSITION

December 31, 2019 And 2018

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	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash	\$ 425,425	\$ 357,949
Contributions and accounts receivable	10,440	100,000
Security deposit and other assets	19,333	30,980
Fixed assets, net of accumulated depreciation of \$131,951 in 2018	<u>-</u>	<u>14,774</u>
<b>Total assets</b>	<b><u>\$455,198</u></b>	<b><u>\$503,703</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accrued expenses	<u>\$ 2,740</u>	<u>\$ 5,220</u>
<b>Total liabilities</b>	<u>2,740</u>	<u>5,220</u>
Net assets		
Without restrictions	<u>452,458</u>	<u>498,483</u>
<b>Total liabilities and net assets</b>	<b><u>\$455,198</u></b>	<b><u>\$503,703</u></b>

# MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2019 With Summarized Information For 2018

	<u>Year Ended December 31, 2019</u>			<u>Year Ended</u>
	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>	<u>December 31,</u>
	<u>Restrictions</u>	<u>Restrictions</u>		<u>2018</u>
				<u>Total</u>
<b>Support and Revenue</b>				
Contributions				
Foundations	\$ 214,000	\$ -	\$ 214,000	\$ 302,500
Individuals and others	499,039	-	499,039	1,506,401
Other	<u>58,497</u>	<u>-</u>	<u>58,497</u>	<u>736</u>
<b>Total support and revenue</b>	<u>771,536</u>	<u>-</u>	<u>771,536</u>	<u>1,809,637</u>
<b>Expenses</b>				
Program expense	530,024	-	530,024	1,098,589
Management and general	91,357	-	91,357	96,596
Fundraising	<u>196,180</u>	<u>-</u>	<u>196,180</u>	<u>213,081</u>
<b>Total expenses</b>	<u>817,561</u>	<u>-</u>	<u>817,561</u>	<u>1,408,266</u>
<b>Change in net assets</b>	(46,025)	-	(46,025)	401,371
<b>Net assets</b>				
Beginning of year	<u>498,483</u>	<u>-</u>	<u>498,483</u>	<u>97,112</u>
End of year	<u>\$452,458</u>	<u>\$ -</u>	<u>\$452,458</u>	<u>\$ 498,483</u>

# MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019 With Summarized Information For 2018

	<u>Year Ended December 31, 2019</u>			<u>Year Ended</u>	
	<u>Program</u>	<u>Management And General</u>	<u>Fund- Raising</u>	<u>December 31, 2018 Total Expenses</u>	
Salaries and benefits	\$171,164	\$40,127	\$134,744	\$ 346,035	\$ 501,087
Consultants	3,545	31,138	315	34,998	49,623
Insurance	2,761	2,511	2,173	7,445	9,013
Equipment and software	1,295	304	1,019	2,618	1,253
Printing and supplies	3,754	880	2,955	7,589	15,354
Telephone and communications	9,606	2,252	7,562	19,420	21,993
Postage and shipping	2,002	469	1,575	4,046	4,145
Travel and entertainment	2,610	612	2,055	5,277	6,180
Rent	43,814	10,271	34,490	88,575	78,802
Storage	2,045	479	1,610	4,134	4,634
Adoption/events	-	-	-	-	78,577
Media expense	43,534	-	7,682	51,216	70,520
Emergency medical expense	15,613	-	-	15,613	24,887
Depreciation	6,566	-	-	6,566	11,678
Boarding	14,517	-	-	14,517	26,857
Animal transport program	167,628	-	-	167,628	416,392
Feral cat initiative	37,320	-	-	37,320	80,799
Miscellaneous	<u>2,250</u>	<u>2,314</u>	<u>-</u>	<u>4,564</u>	<u>6,472</u>
<b>Total expenses</b>	<b><u>\$530,024</u></b>	<b><u>\$91,357</u></b>	<b><u>\$196,180</u></b>	<b><u>\$817,561</u></b>	<b><u>\$ 1,408,266</u></b>

# MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.

## STATEMENTS OF CASH FLOWS

Years Ended December 31, 2019 And 2018

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	<u>2019</u>	<u>2018</u>
<i>Cash flows from operating activities</i>		
<i>Change in net assets</i>	\$ (46,025)	\$ 401,371
<i>Adjustments to reconcile net change in net assets to net cash used for operating activities</i>		
Depreciation	6,566	11,678
Loss on disposal of vehicles	8,208	-
(Increase) decrease in contribution and accounts receivable	89,560	(100,000)
Decrease in security deposit and other assets	11,647	3,651
Decrease in accrued expense	<u>(2,480)</u>	<u>(14,505)</u>
<b>Net cash provided by operating activities</b>	<u>67,476</u>	<u>302,195</u>
<b>Increase in cash</b>	67,476	302,195
<i>Cash</i>		
Beginning of year	<u>357,949</u>	<u>55,754</u>
End of year	<u>\$425,425</u>	<u>\$ 357,949</u>



# MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **ORGANIZATION**

The Mayor's Alliance for NYC's Animals, Inc. (the "*Alliance*"), a 501(c)(3) non-profit charity, is the sole umbrella organization for animal welfare in New York City. Since 2003, the Alliance has been working with a coalition of 150+ rescue groups and shelters to find homes for thousands of New York City's dogs and cats. Our original goal was to transform New York City into a no-kill community by 2015, where no dogs or cats of reasonable health or temperament are killed simply because they do not have homes. When we achieved that goal in 2015, our challenge was to maintain that achievement going forward.

Having accomplished our mission to transform New York City into a no-kill city and to help our shelter and rescue partners increase their capacity in order to maintain the successes we achieved together over the past 17 years, we reevaluated our programming to reflect the realities of the evolving landscape of animal welfare in New York City. In 2019, we thoughtfully and carefully transitioned our key programming to other nonprofit partners who possess the capacity, both fiscally and organizationally, to take the programs to the next level. Going forward, the Alliance will focus on its role as a capacity-builder, a connector, and hub for New York City animal welfare. Among our areas of focus will be connecting pet owners and those interested in helping pets with more in-depth resources; advocating for pet adoption, spay/neuter and responsible pet ownership; providing limited services and guidance to local animal rescue organizations; consulting with other communities seeking to develop lifesaving programs similar to those we created in New York City; and working with the City of New York to address animal welfare related issues and challenges.

While the Alliance works collaboratively with the City of New York, it is a 501(c)(3) charity and does not receive any government funding, nor is it a city agency.

#### **ACCOUNTING ESTIMATES**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

#### **CONCENTRATION OF CREDIT RISK**

The Alliance occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification ("*ASC*") 825, "*Financial Instruments*" identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

#### **FIXED ASSETS**

Fixed assets are recorded at cost less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, generally three to seven years.

# MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2019

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### **REVENUE RECOGNITION**

The Alliance recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and right of return – are not recognized until the condition on which they depend have been met. Unconditional contributions are classified as without donor restrictions unless there are donor stipulations that limit the use of the donated assets.

### **NET ASSETS**

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Alliance are classified and reported as follows:

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary mission of the Alliance.

*Net assets with donor restrictions* – Net assets that are subject to donor-imposed stipulations.

### **FUNCTIONAL ALLOCATION OF EXPENSES**

The expenses for staff personnel, facilities and related costs incurred in the operations for the Alliance are allocated to program, general administration, and fund-raising activities based on the level of effort in the respective categories.

### **TAXES**

The Alliance is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Internal Revenue Service has classified the Alliance as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code.

Management has reviewed the tax positions for each of the open tax years (2016 – 2018) or expected to be taken in the Alliance's 2019 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

### **PRIOR YEAR INFORMATION**

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Alliance's audited financial statements for the year ended December 31, 2018, from which the summarized information was derived.

### **NEW ACCOUNTING PRONOUNCEMENTS ADOPTED**

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*. The amendments in this update will assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as an exchange (reciprocal transactions) and determining whether a transaction is conditional. ASU 2018-08 is effective for fiscal years beginning after December 15, 2018. The ASU should be applied using a modified prospective basis. The Alliance adopted the new ASU in 2019 which did not have a material effect on the financial statements.

# MAYOR'S ALLIANCE FOR NYC'S ANIMALS, INC.

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2019

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### (2) COMMITMENTS

The Alliance extended its lease for office space for an additional three years effective January 1, 2016 with monthly rent of \$5,958 for the first year and increasing each subsequent year. The lease terminated on December 31, 2019. Rent expense for the years ended December 31, 2019 and 2018 was \$88,575 and \$78,802, respectively.

### (3) RETIREMENT PLAN

The Alliance has a qualified 403(b) defined contribution retirement plan covering all full-time employees. Under the plan, employees may contribute up to the IRS elective deferral limit. The plan provides for discretionary contributions by the Alliance as a percentage of the elective deferrals. There were no employer contributions made to the plan in 2019 and 2018.

### (4) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The following table reflects the Alliance's financial assets as of December 31, 2019 and 2018, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal Board designations:

Financial Assets	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$425,425	\$ 357,949
Contributions and accounts receivable	<u>10,440</u>	<u>100,000</u>
Total financial assets available to meet current obligations	<u>\$435,865</u>	<u>\$ 457,949</u>

As part of the Alliance's liquidity-management plan, it structures its financial assets to be available as its obligations come due.

### (5) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, August 6, 2020, have been evaluated in the preparation of the financial statements. In March 2020, it was increasingly evident that the outbreak of the novel strain of coronavirus (COVID-19) was beginning to disrupt global economic activity. By way of federal, state and local authority mandates there were significant constraints on and/or required closures of business. The ultimate impact on the Alliance's overall operations is not reasonably estimable at this time.

On April 19, 2020, the Alliance received a \$28,700 loan under the Paycheck Protection Program ("PPP") which was established as a result of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). PPP loans are eligible for forgiveness if the Alliance incurs qualifying expenses over a period of time not to exceed 24 weeks as provided under the PPP. The period of time in which qualifying expenses may be incurred commences upon receipt of the loan. Any portion of the loan not forgiven is payable over a 2-year period at an interest rate of 1%.