

**THE MAYOR'S FUND
FOR LOS ANGELES**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

THE MAYOR'S FUND FOR LOS ANGELES

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Mayor's Fund For Los Angeles

Report on the Financial Statements

We have audited the accompanying financial statements of The Mayor's Fund For Los Angeles which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Mayor's Fund For Los Angeles as of June 30, 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.

Report on Summarized Comparative Information

We have previously audited The Mayor's Fund For Los Angeles' 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 11, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Green Hasson & Janks LLP

December 7, 2019
Los Angeles, California

THE MAYOR'S FUND FOR LOS ANGELES

STATEMENT OF FINANCIAL POSITION

June 30, 2019

With Summarized Totals at June 30, 2018

ASSETS	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 7,140,989	\$ 9,281,379
Investments	1,650,999	1,606,101
Pledges Receivable (Net)	1,883,739	2,785,341
Property and Equipment (Net)	43,243	51,586
Other Assets	<u>16,076</u>	<u>20,371</u>
<i>TOTAL ASSETS</i>	<u>\$ 10,735,046</u>	<u>\$ 13,744,778</u>
 LIABILITIES AND NET ASSETS 		
LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$ 1,809,615	\$ 3,785,865
NET ASSETS:		
Without Donor Restrictions - Undesignated	1,916,976	2,687,990
Without Donor Restrictions - Board Designated	528,066	528,121
With Donor Restrictions	<u>6,480,389</u>	<u>6,742,802</u>
<i>TOTAL NET ASSETS</i>	<u>8,925,431</u>	<u>9,958,913</u>
<i>TOTAL LIABILITIES AND NET ASSETS</i>	<u>\$ 10,735,046</u>	<u>\$ 13,744,778</u>

The Accompanying Notes are an Integral Part of These Financial Statements

THE MAYOR'S FUND FOR LOS ANGELES

STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

With Summarized Totals for the Year Ended June 30, 2018

	2019			2018 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
PUBLIC SUPPORT AND OTHER INCOME:				
Contributions	\$ 2,960	\$ 4,283,500	\$ 4,286,460	\$ 5,756,475
In-Kind Contributions	44,619	-	44,619	86,000
Investment Return (Net)	43,804	-	43,804	7,072
Other Income	74,380	-	74,380	39,629
Net Assets Released from				
Purpose Restrictions	4,428,413	(4,428,413)	-	-
Time Restrictions	117,500	(117,500)	-	-
TOTAL PUBLIC SUPPORT AND OTHER INCOME	4,711,676	(262,413)	4,449,263	5,889,176
EXPENSES:				
Program Services	4,799,848	-	4,799,848	6,779,598
Supporting Services:				
Management and General	453,919	-	453,919	454,482
Fundraising	228,978	-	228,978	91,276
TOTAL EXPENSES	5,482,745	-	5,482,745	7,325,356
CHANGE IN NET ASSETS	(771,069)	(262,413)	(1,033,482)	(1,436,180)
Net Assets - Beginning of Year	3,216,111	6,742,802	9,958,913	11,395,093
NET ASSETS - END OF YEAR	\$ 2,445,042	\$ 6,480,389	\$ 8,925,431	\$ 9,958,913

The Accompanying Notes are an Integral Part of These Financial Statements

THE MAYOR'S FUND FOR LOS ANGELES

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2019

With Summarized Totals for the Year Ended June 30, 2018

	2019							2018
	Program Services			Total Program Services	Supporting Services		Total	Total
	Economic Prosperity	Quality of Life	Other		Management and General	Fundraising		
Salaries	\$ 98,468	\$ 100,247	\$ 51,963	\$ 250,678	\$ 192,316	\$ 161,364	\$ 604,358	\$ 802,783
Employee Benefits	27,353	38,253	13,020	78,626	31,689	27,193	137,508	157,535
TOTAL PERSONNEL COSTS	125,821	138,500	64,983	329,304	224,005	188,557	741,866	960,318
Program Costs	910,351	2,440,695	-	3,351,046	-	-	3,351,046	4,625,891
Event Expense	253,169	222,628	11,283	487,080	-	7,728	494,808	133,253
Contract Services	155,920	174,976	67,750	398,646	2,000	-	400,646	782,835
Other Expense	61,343	38,115	28,608	128,066	24,128	14,777	166,971	98,596
Communications	49,680	12,063	116	61,859	70,652	156	132,667	294,331
Professional Fees	6,742	-	-	6,742	124,091	-	130,833	162,018
Dues and Membership	9,588	7,592	811	17,991	2,807	12,409	33,207	35,027
Insurance	2,891	5,557	278	8,726	4,863	4,173	17,762	20,811
Marketing and Promotion	6,567	1,358	-	7,925	-	-	7,925	204,548
Office Expense	816	1,569	78	2,463	1,373	1,178	5,014	7,728
TOTAL 2019 FUNCTIONAL EXPENSES	\$ 1,582,888	\$ 3,043,053	\$ 173,907	\$ 4,799,848	\$ 453,919	\$ 228,978	\$ 5,482,745	
				88%	8%	4%	100%	
TOTAL 2018 FUNCTIONAL EXPENSES				\$ 6,779,598	\$ 454,482	\$ 91,276	\$ 545,758	\$ 7,325,356
				93%	6%	1%	7%	100%

The Accompanying Notes are an Integral Part of These Financial Statements

THE MAYOR'S FUND FOR LOS ANGELES

STATEMENT OF CASH FLOWS

Year Ended June 30, 2019

With Summarized Totals for the Year Ended June 30, 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (1,033,482)	\$ (1,436,180)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities:		
Depreciation	12,844	4,925
Net Realized and Unrealized Gains on Investments	(20,369)	(4,347)
Change in Present Value Discount on Pledges Receivable	(3,936)	13,237
Contributed Stock	(1,094)	(94,508)
(Increase)/Decrease in:		
Pledges Receivable	905,538	1,654,719
Other Assets	4,295	(6,317)
Increase (Decrease) in:		
Accounts Payable and Accrued Liabilities	<u>(1,976,250)</u>	<u>1,245,974</u>
 <i>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</i>	 <u>(2,112,454)</u>	 <u>1,377,503</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment	(4,501)	(53,273)
Interest and Dividends Reinvested	(23,435)	(2,725)
Purchase of Investments	<u>-</u>	<u>(1,000,000)</u>
 <i>NET CASH USED IN INVESTING ACTIVITIES</i>	 <u>(27,936)</u>	 <u>(1,055,998)</u>
 <i>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</i>	 <u>(2,140,390)</u>	 <u>321,505</u>
Cash and Cash Equivalents - Beginning of Year	<u>9,281,379</u>	<u>8,959,874</u>
 <i>CASH AND CASH EQUIVALENTS - END OF YEAR</i>	 <u><u>\$ 7,140,989</u></u>	 <u><u>\$ 9,281,379</u></u>

The Accompanying Notes are an Integral Part of These Financial Statements

THE MAYOR'S FUND FOR LOS ANGELES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1 - ORGANIZATION

The Mayor's Fund For Los Angeles (the Mayor's Fund) is dedicated to improving the lives of Los Angeles residents through public private partnerships that yield innovative, transformative and impact-driven solutions to the City's most pressing challenges.

The Mayor's Fund works throughout Los Angeles, enhancing economic prosperity, government efficiency, community resiliency and overall quality of life for residents. It sponsors programs that address both current and future needs, insisting on rigorous standards with measurable impact.

The Mayor's Fund was initially established under the California Community Foundation's Community Initiatives Fund and subsequently was incorporated on June 9, 2014, followed by the granting of its independent nonprofit status by the IRS under the 501(c)(3) public benefit designation on October 27, 2014.

As mayoral administrations change over time, the Mayor's Fund will maintain its independence and non-partisan nature, focusing on the long-term health of the City and its residents.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) NET ASSETS

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

- **Net Assets Without Donor Restrictions.** Net assets available for use in general operations and not subject to donor-imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.
- **Net Assets With Donor Restrictions.** Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

THE MAYOR'S FUND FOR LOS ANGELES

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) CASH AND CASH EQUIVALENTS AND CONCENTRATION OF CREDIT RISK

Cash and cash equivalents are short-term, highly liquid investments with maturities of three months or less at the time of purchase. The carrying value of cash and cash equivalents at June 30, 2019 approximates its fair value.

The Mayor's Fund maintains its cash and cash equivalents in bank deposit accounts and other investment accounts, which, at times, may exceed federally insured limits. The Fund has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

(d) INVESTMENTS

Investments in marketable securities with readily determinable fair values are reported at fair value. Interest and dividend income and gains and losses on investments are reported in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulations or by law.

Sales and purchases of securities are recorded on trade date, which results in receivables and payables on trades that have not yet settled at the financial statement date. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based upon the ex-dividend date. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Unrealized gains and losses are included in the statement of activities and represent the difference between the cost and current market quotations of investments held at the end of the fiscal year.

(e) CONTRIBUTIONS AND PLEDGES RECEIVABLE

Unconditional contributions, including pledges recorded at estimated fair value, are recognized as revenues in the period received. The Mayor's Fund reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. Discounts for pledges (pledges due over one year) are recorded as reductions to contribution revenue and pledges receivable. Present value discounts are amortized to contribution revenue as pledge payments are received.

At June 30, 2019, the Mayor's Fund evaluated the collectability of pledges receivable and no allowance for uncollectible pledges was considered necessary.

(f) PROGRAM COSTS

Program costs in the statement of functional expenses include contributions and grants approved by the Mayor's Fund's Board of Directors. For the year ended June 30, 2019, contributions and grants expense amounted to \$3,335,532.

(g) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets, generally three to five years. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$1,000 and the useful life is greater than one year.

THE MAYOR'S FUND FOR LOS ANGELES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) LONG-LIVED ASSETS

The Mayor's Fund reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized on long-lived assets during the year ended June 30, 2019.

(i) CONTRIBUTED GOODS AND SERVICES

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Mayor's Fund recognized \$44,619 of in-kind contribution revenue for the year ended June 30, 2019, which includes in-kind office and storage space of \$36,000 and in-kind donations of \$8,619.

(j) INCOME TAXES

The Mayor's Fund is exempt from federal taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

(k) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Mayor's Fund's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The Mayor's Fund uses salary dollars to allocate indirect costs.

(l) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(m) COMPARATIVE TOTALS

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Mayor's Fund's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

THE MAYOR'S FUND FOR LOS ANGELES

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) RECLASSIFICATIONS

Certain June 30, 2018 balances have been reclassified to conform to the presentation used at June 30, 2019.

(o) NEW ACCOUNTING PRONOUNCEMENTS

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, which is intended to reduce complexity in financial reporting. The ASU focuses on improving the current net asset classification requirements and information presented in financial statements that is useful in assessing a nonprofit's liquidity, financial performance, and cash flows. The Mayor's Fund implemented the ASU during the year ended June 30, 2019.

In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which improves and converges the revenue recognition requirements of U.S. GAAP and International Financial Reporting Standards. The ASU replaces the existing accounting standards for revenue recognition with a single comprehensive five-step model, which is intended to provide principles within a single framework for revenue recognition of transactions involving contracts with customers across all industries. The core principle of the guidance is that an entity should 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 guidance also requires more detailed disclosures to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The guidance has subsequently been amended through a series of ASU's between August 2015 and September 2017 to improve the operability and understandability of the implementation guidance on principal versus agent considerations, licensing implementation guidance, scope exceptions, and various other narrow aspects, as identified and addressed in such updates. For the Mayor's Fund, the ASU and subsequent amendments will be effective for the year ending June 30, 2020.

In June 2018, FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance. For the Mayor's Fund, the ASU will be effective for the year ending June 30, 2020.

(p) SUBSEQUENT EVENTS

The Mayor's Fund evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2019, for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through December 7, 2019, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

THE MAYOR'S FUND FOR LOS ANGELES

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Mayor's Fund has implemented the accounting standard for those assets that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements. The standard applies to fair value measurements already required or permitted by existing standards.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset and include situations where there is little, if any, market activity for the asset.

The following table presents information about the Mayor's Fund's assets that are measured at fair value on a recurring basis at June 30, 2019, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended June 30, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of Deposit	\$ 615,428	\$ -	\$ 615,428	\$ -
Bank Deposit Sweep Program	849	849	-	-
Money Market Funds	820,937	820,937	-	-
Mutual Fund-Short-Term Bonds	105,749	105,749	-	-
Mutual Fund-Bond Index	108,036	108,036	-	-
TOTAL INVESTMENTS	\$ 1,650,999	\$ 1,035,571	\$ 615,428	\$ -

The certificates of deposit within Level 2 were valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

The fair values of the equity securities and funds within Level 1 were obtained based on quoted market prices at the closing of the last business day of the fiscal year. These investments can be redeemed daily.

The bank deposit sweep program within Level 1 is an investment vehicle used to hold cash balances while awaiting reinvestment. At June 30, 2019, \$849 was held in an interest-bearing FDIC-insured program deposit account.

The Mayor's Fund recognizes transfers at the beginning of each reporting period. Transfers between Level 1 and 2 generally relate to whether a market becomes active or inactive. Transfers between Level 2 and 3 relate to whether significant relevant observable inputs are available for the fair value measurement in their entirety and when redemption rules become more or less restrictive. There were no transfers between levels during the year ended June 30, 2019.

THE MAYOR'S FUND FOR LOS ANGELES

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 4 - PLEDGES RECEIVABLE

At June 30, 2019, pledges receivable are due to be received as follows:

Within One Year	\$ 1,222,681
One to Five Years	<u>674,281</u>
TOTAL	1,896,962
Less: Present Value Discount at 2%	<u>(13,223)</u>
TOTAL PLEDGES RECEIVABLE (NET)	<u>\$ 1,883,739</u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2019 consist of the following:

Office Equipment	\$ 63,140
Less: Accumulated Depreciation	<u>(19,897)</u>
TOTAL PROPERTY AND EQUIPMENT (NET)	<u>\$ 43,243</u>

NOTE 6 - EMPLOYEE BENEFIT PLAN

The Mayor's Fund sponsors an Internal Revenue Code Section 403(b) qualified defined contribution retirement plan covering all of its employees, subject to eligibility requirements. The Mayor's Fund contributes up to a 5% match for employees contributing to the plan, in accordance with plan provisions. Employer contributions under this plan for the year ended June 30, 2019 were \$28,941.

NOTE 7 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of undesignated and Board designated amounts as follows at June 30, 2019:

Undesignated	\$ 1,916,976
Board Designated Operating Reserve	<u>528,066</u>
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 2,445,042</u>

THE MAYOR'S FUND FOR LOS ANGELES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2019:

Economic Prosperity	\$ 3,563,958
Quality of Life	2,662,314
Community Resiliency	115,913
Government Efficiency	62,791
Spark	75,413
	<hr/>
TOTAL NET ASSET WITH DONOR RESTRICTIONS	\$ 6,480,389

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2019:

Quality of Life	\$ 2,883,655
Economic Prosperity	1,399,858
Government Efficiency	70,258
Spark	74,642
Time Releases	117,500
	<hr/>
TOTAL NET ASSETS RELEASES FROM DONOR RESTRICTIONS	\$ 4,545,913

NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by the Mayor's Fund at June 30, 2019 and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the statement of financial position are summarized in the following table:

Financial Assets at June 30, 2019	
Cash and Cash Equivalents	\$ 7,140,989
Investments	1,650,999
Pledges Receivable (Net)	1,883,739
	<hr/>
TOTAL FINANCIAL ASSETS AT JUNE 30, 2019	10,675,727
Less Amounts Not Available to Be Used within One Year, Due to:	
Board Designations:	(528,066)
Donor-Imposed Restrictions:	
Funds Held with Purpose Restrictions	(4,5)96,650
Pledges Restricted by Purpose or Time	(1,883,739)
	<hr/>
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	\$ 3,667,272

THE MAYOR'S FUND FOR LOS ANGELES

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (continued)

The Mayor's Fund regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. As part of Mayor's Fund of Los Angeles's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Mayor's Fund has various sources of liquidity at its disposal, including cash and cash equivalents and marketable debt and equity securities. In addition, it has a Board designated operating reserve of \$528,066 that could be drawn upon for emergency liquidity needs.

To the Board of Directors
The Mayor's Fund For Los Angeles

In planning and performing our audit of the financial statements of The Mayor's Fund For Los Angeles (the Mayor's Fund) as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Mayor's 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 Mayor's Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Mayor's 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 over financial reporting, 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- **Reasonably possible.** The chance of the future event or events occurring is more than remote but less than likely.
- **Probable.** The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

We appreciate the courtesy and cooperation of your staff during the course of the audit.

This communication is intended solely for the information and use of management, the Board of Directors and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Green Hasson & Janks LLP

December 7, 2019
Los Angeles, California