

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

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

THE MAYOR’S FUND FOR LOS ANGELES

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

CONTENTS

	Page
Independent Auditor’s Report.....	1
Statement of Financial Position.....	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



WE ARE AN INDEPENDENT MEMBER OF
THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK

**AUDIT
AND
ASSURANCE**

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of The Mayor's Fund For Los Angeles, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Mayor's Fund For Los Angeles as of June 30, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Mayor's Fund For Los Angeles and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As disclosed in Note 8 to the financial statements, beginning net assets have been restated to correct the omission of certain grants payable at June 30, 2023. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Mayor's Fund For Los Angeles' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Mayor's Fund For Los Angeles' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Mayor's Fund For Los Angeles' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited The Mayor's Fund For Los Angeles' June 30, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 6, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Green Hasson & Janks LLP

December 12, 2024
Los Angeles, California

THE MAYOR'S FUND FOR LOS ANGELES

STATEMENT OF FINANCIAL POSITION

June 30, 2024

With Summarized Totals at June 30, 2023

		2024	2023 As Restated
ASSETS			
Cash	\$	3,815,806	\$ 2,656,081
Investments		2,196,040	2,088,440
Pledges Receivable		465,685	1,056,613
Other Assets		34,644	39,343
TOTAL ASSETS	\$	<u>6,512,175</u>	<u>\$ 5,840,477</u>
LIABILITIES AND NET ASSETS			
LIABILITIES:			
Accounts Payable and Accrued Liabilities	\$	1,298,144	\$ 2,409,907
NET ASSETS:			
Without Donor Restrictions - Undesignated		1,420,610	552,054
Without Donor Restrictions - Board Designated		789,046	500,000
With Donor Restrictions		<u>3,004,375</u>	<u>2,378,516</u>
TOTAL NET ASSETS		<u>5,214,031</u>	<u>3,430,570</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>6,512,175</u>	<u>\$ 5,840,477</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, 2024

With Summarized Totals for the Year Ended June 30, 2023

	2024			2023 Total As Restated
	Without Donor Restrictions	With Donor Restrictions	Total	
PUBLIC SUPPORT AND OTHER INCOME:				
Contributions	\$ 1,281,660	\$ 6,461,407	\$ 7,743,067	\$ 1,738,256
In-Kind Contributions	6,486	-	6,486	27,000
Investment Return (Net)	225,200	-	225,200	142,176
Donor Reclassifications	1,079,993	(1,079,993)	-	-
Net Assets Released from Donor Restrictions	4,755,555	(4,755,555)	-	-
TOTAL PUBLIC SUPPORT AND OTHER INCOME	7,348,894	625,859	7,974,753	1,907,432
EXPENSES:				
Program Services	5,001,482	-	5,001,482	7,635,343
Supporting Services:				
Management and General	737,618	-	737,618	1,024,047
Fundraising	452,192	-	452,192	253,185
TOTAL EXPENSES	6,191,292	-	6,191,292	8,912,575
CHANGE IN NET ASSETS	1,157,602	625,859	1,783,461	(7,005,143)
Net Assets - Beginning of Year - As Restated	1,052,054	2,378,516	3,430,570	10,435,713
NET ASSETS - END OF YEAR	\$ 2,209,656	\$ 3,004,375	\$ 5,214,031	\$ 3,430,570

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, 2024

With Summarized Totals for the Year Ended June 30, 2023

	2024								2023 Total As Restated
	Program Services			Total Program Services	Supporting Services				
	Expiring Programs	Homelessness Prevention	Short Term Programs		Management and General	Fundraising	Total		
Salaries	\$ 218,059	\$ 336,958	\$ -	\$ 555,017	\$ 198,616	\$ 162,689	\$ 916,322	\$ 1,203,653	
Employee Benefits	55,291	59,140	-	114,431	24,285	19,890	158,606	205,915	
TOTAL PERSONNEL COSTS	273,350	396,098	-	669,448	222,901	182,579	1,074,928	1,409,568	
Program Costs	226,079	2,454,679	-	2,680,758	-	-	2,680,758	6,070,466	
Contract Services	318,372	1,092,462	-	1,410,834	40,781	240,000	1,691,615	650,882	
Professional Fees	14,205	12,515	-	26,720	206,493	-	233,213	254,562	
Communications	34,929	1,230	-	36,159	192,985	-	229,144	220,466	
Travel	58,006	2,296	-	60,302	9,812	-	70,114	79,150	
Event Expense	17,864	20,790	4,580	43,234	-	13,839	57,073	20,052	
Office Expense	8,052	21,634	21	29,707	7,913	6,465	44,085	8,128	
Dues and Membership	6,138	13,365	-	19,503	14,828	-	34,331	49,351	
Other Expense	(4,532)	12,637	10	8,115	21,401	2,988	32,504	74,416	
Insurance	2,981	12,110	15	15,106	5,398	4,421	24,925	26,716	
Bank Charges	682	914	-	1,596	10,520	-	12,116	6,318	
In-Kind Expense	-	-	-	-	4,586	1,900	6,486	27,000	
Marketing and Promotion	-	-	-	-	-	-	-	15,500	
TOTAL	\$ 956,126	\$ 4,040,730	\$ 4,626	\$ 5,001,482	\$ 737,618	\$ 452,192	\$ 6,191,292	\$ 8,912,575	

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, 2024

With Summarized Totals for the Year Ended June 30, 2023

	2024	2023 As Restated
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 1,783,461	\$ (7,005,143)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities:		
Net Realized and Unrealized Gain on Investments	(14,335)	(6,527)
Change in Present Value Discount on Pledges Receivable	-	(9,129)
Contributed Stock	-	(1,034)
Decrease in:		
Pledges Receivable (Net)	590,928	564,072
Other Assets	4,699	17,975
Increase (Decrease) in:		
Accounts Payable and Accrued Liabilities	(1,111,763)	807,914
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,252,990	(5,631,872)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Dividends Reinvested	(93,265)	(124,909)
Proceeds on Sale of Investments	-	2,720,745
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(93,265)	2,595,836
NET INCREASE (DECREASE) IN CASH	1,159,725	(3,036,036)
Cash - Beginning of Year	2,656,081	5,692,117
CASH - END OF YEAR	<u>\$ 3,815,806</u>	<u>\$ 2,656,081</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, 2024

NOTE 1 - ORGANIZATION

A 501(c)(3) organization overseen by an independent board of directors, The Mayor's Fund For Los Angeles (the Mayor's Fund) brings together business, philanthropy, the nonprofit sector, and local government to address the most urgent needs of all Angelenos. The Mayor's Fund is currently developing and supporting programs to help prevent Angelenos from falling into homelessness through outreach, case management and expanded legal services.

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. Where the donor has, at the request of the Mayor's Fund, reclassified or released restrictions, those reclassifications are presented separately in the statement of activities.

(c) CASH

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

THE MAYOR'S FUND FOR LOS ANGELES

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) INVESTMENTS

Investments in equity and debt securities with readily determinable market values are reported at fair value. Securities are generally held in custodial investment accounts administered by financial institutions. Investment purchases and sales are accounted for on a trade-date basis. 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 investment return in the statement of activities and represent the change in the difference between the cost and fair value of investments held at the end of the fiscal year.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility.

(e) CONTRIBUTIONS AND PLEDGES RECEIVABLE

Contributions, including endowment gifts and pledges, as well as unconditional promises to give, are recognized as revenue in the period promised. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not included as revenue until the conditions on which they depend have been met. 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. There were no conditional promises to give at June 30, 2024.

Pledges receivable of \$465,685 at June 30, 2024 are expected to be collected in their entirety within one year. An allowance for uncollectible pledges was not 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.

(g) IN-KIND CONTRIBUTIONS

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. For the year ended June 30, 2024, in-kind contributions totaling \$6,486 were received, consisting of \$1,900 of catering services valued based on standard industry pricing and \$4,586 in legal services valued using standard hourly rates charged by the attorney.

THE MAYOR'S FUND FOR LOS ANGELES

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) IN-KIND CONTRIBUTIONS (continued)

A substantial number of volunteers have donated significant amounts of their time, including pro bono legal services, to programs and community initiatives funded by the Mayor's Fund. The services that these individuals rendered, however, do not meet the above criteria and, as such, are not recognized in the accompanying financial statements.

(h) 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.

In accordance with the Financial Accounting Standards Board's (FASB's) Accounting Standards Codification Topic No. 740, *Uncertainty in Income Taxes*, the Mayor's Fund recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. During the year ended June 30, 2024, the Mayor's Fund performed an evaluation of uncertain tax positions and did not note any matters that would require recognition in the financial statements or which might have an effect on its tax-exempt status.

(i) 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.

(j) 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.

(k) 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, 2023, from which the summarized information was derived.

THE MAYOR'S FUND FOR LOS ANGELES

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) RECLASSIFICATIONS

For comparability, certain June 30, 2023 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used at June 30, 2024.

(m) SUBSEQUENT EVENTS

The Mayor's Fund evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2024, for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through December 12, 2024, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

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, 2024, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended June 30, 2024	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)
Cash	\$ 1,545	\$ 1,545	\$ -	\$ -
U.S. Treasury Bills	1,061,182	-	1,061,182	-
Bond Mutual Funds	221,590	221,590	-	-
Money Market Mutual Fund	911,723	911,723	-	-
TOTAL				
INVESTMENTS	\$ 2,196,040	\$ 1,134,858	\$ 1,061,182	\$ -

THE MAYOR'S FUND FOR LOS ANGELES

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

The fair values of investments 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 fair values of investments within Level 2 were obtained based on data points that are observable, such as quoted prices in active markets, interest rates and yield curves.

NOTE 4 - EMPLOYEE BENEFIT PLAN

The Mayor's Fund sponsors an Internal Revenue Code Section 403(b) qualified defined contribution retirement plan covering all 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, 2024 were \$26,224.

NOTE 5 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of undesignated and Board designated amounts as follows at June 30, 2024:

Undesignated	\$ 1,420,610
Board Designated Operating Reserve	<u>789,046</u>
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 2,209,656</u>

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2024:

Homelessness Prevention	\$ 1,514,213
Expiring Programs	959,907
Pledges Receivable Restricted by Time	465,685
Short Term Programs	<u>64,570</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 3,004,375</u>

THE MAYOR'S FUND FOR LOS ANGELES

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS (continued)

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, 2024:

Homelessness Prevention	\$ 3,812,575
Expiring Programs	938,400
Short Term Programs	<u>4,580</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 4,755,555</u>

NOTE 7 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by the Mayor's Fund at June 30, 2024 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, 2024:	
Cash and Cash Equivalents	\$ 3,815,806
Investments	2,196,040
Pledges Receivable	<u>465,685</u>
TOTAL FINANCIAL ASSETS AT JUNE 30, 2024	6,477,531
Less Amounts Not Available to Be Used within One Year, Due to:	
Board Designations	(789,046)
Donor-Imposed Restrictions:	
Funds Held with Purpose Restrictions	(2,538,688)
Pledges Receivable Restricted by Purpose and Time	<u>(465,685)</u>
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 2,684,110</u>

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 the Mayor's Fund'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 \$789,046 that could be drawn upon for emergency liquidity needs.

THE MAYOR'S FUND FOR LOS ANGELES

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 8 - PRIOR YEAR RESTATEMENT

During the year ended June 30, 2024, the Mayor's Fund became aware that two unconditional grant commitments executed during the year ended June 30, 2023 were treated as conditional. This was corrected and the effect of the restatement on beginning net assets for the year ended June 30, 2024, and the summarized comparative totals for the year ended June 30, 2023 are as follows:

	As Originally Reported	Adjustment	As Restated
2024			
Net Assets -			
Beginning of Year:			
With Donor Restrictions	\$ 4,095,227	\$ (1,716,711)	\$ 2,378,516
Total Net Assets	5,147,281	(1,716,711)	3,430,570
2023 Summarized Totals			
Accounts Payable and			
Accrued Liabilities	\$ 693,196	\$ 1,716,711	\$ 2,409,907
Program Services	5,918,632	1,716,711	7,635,343
Change in Net Assets	(5,288,432)	(1,716,711)	(7,005,143)
Program Costs	4,353,755	1,716,711	6,070,466