

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, 2019
(With Summarized Information for 2018)
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, 2019

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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, 2019, 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, 2019, 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, the Organization adopted new accounting guidance, Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

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 June 12, 2020 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.



MITCHELL TITUS

Report on Summarized Comparative Information

We have previously audited the Organization's September 30, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 11, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mitchell Titus, LLP

June 12, 2020

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
 Statements of Financial Position
 As of September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	\$ 22,240,918	\$ 15,050,163
Grants and contributions receivable, net	14,080,738	19,950,678
Investments	6,278,543	6,129,174
Prepaid expenses	48,614	44,925
Total current assets	<u>42,648,813</u>	<u>41,174,940</u>
<i>Other assets</i>		
Property and equipment, net of accumulated depreciation (\$332,438 in 2019 and \$304,766 in 2018)	48,339	76,011
Contributions receivable, net	1,444,063	2,056,504
Beneficial interest in assets held by others	916,911	898,556
Other assets	71,302	59,030
Total other assets	<u>2,480,615</u>	<u>3,090,101</u>
Total assets	<u>\$ 45,129,428</u>	<u>\$ 44,265,041</u>
LIABILITIES AND NET ASSETS		
<i>Current liabilities</i>		
Accounts payable and accrued expenses	\$ 3,986,850	\$ 4,906,928
Accrued payroll and benefits	363,460	350,570
Other liabilities	110,746	110,746
Total current liabilities	<u>4,461,056</u>	<u>5,368,244</u>
<i>Other liabilities</i>		
Endowment advance	867,547	867,547
Deferred rent	42,962	52,689
Total other liabilities	<u>910,509</u>	<u>920,236</u>
Total liabilities	<u>5,371,565</u>	<u>6,288,480</u>
<i>Net assets</i>		
Without donor restrictions	4,707,797	3,550,907
With donor restrictions	35,050,066	34,425,654
Total net assets	<u>39,757,863</u>	<u>37,976,561</u>
Total liabilities and net assets	<u>\$ 45,129,428</u>	<u>\$ 44,265,041</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, 2019
(With Summarized Financial Information for 2018)

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND RECLASSIFICATIONS				
Support from Federal government	\$ 6,457,865	\$ -	\$ 6,457,865	\$ 10,019,260
Contributed goods and services	945,396	-	945,396	1,316,506
Other grants and contributions	22,669,338	12,564,747	35,234,085	50,545,061
Program fees	-	-	-	45,208
Other	238,239	-	238,239	93,180
Net assets released from restrictions	11,940,335	(11,940,335)	-	-
Total revenue and reclassifications	42,251,173	624,412	42,875,585	62,019,215
EXPENSES				
Program services	36,720,956	-	36,720,956	44,996,572
Management and general	4,373,327	-	4,373,327	4,061,775
Total expenses	41,094,283	-	41,094,283	49,058,347
Change in net assets	1,156,890	624,412	1,781,302	12,960,868
Net assets, at beginning of year	3,550,907	34,425,654	37,976,561	25,015,693
Net assets, at end of year	\$ 4,707,797	\$ 35,050,066	\$ 39,757,863	\$ 37,976,561

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, 2019
(With Summarized Financial Information for 2018)

	2019			2018
	Program Services Expenses	Management and General Expenses	Total Expenses	Total Expenses
Salaries and wages	\$ 11,094,941	\$ 2,398,568	\$ 13,493,509	\$ 13,864,011
Fringe benefits	3,007,220	706,662	3,713,882	3,950,362
Contracted program expense	11,080,092	-	11,080,092	9,843,157
Professional fees and other	9,432,777	602,021	10,034,798	16,419,208
Supplies	464,243	130,831	595,074	1,343,245
Occupancy expenses	2,027	416,887	418,914	385,591
Donated services	945,396	-	945,396	1,316,506
Equipment	-	16,549	16,549	22,609
Travel	156,209	1,078	157,287	174,117
Staff expenses	209,659	58,381	268,040	653,050
Meetings	164,415	11,146	175,561	184,303
Printing and materials	163,977	3,532	167,509	22,997
Other expenses	-	-	-	851,096
Depreciation and amortization	-	27,672	27,672	28,095
Total expenses	\$ 36,720,956	\$ 4,373,327	\$ 41,094,283	\$ 49,058,347

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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,781,302	\$ 12,960,868
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities</i>		
Depreciation and amortization	27,672	28,095
Realized (gain)/loss on sales of investments	(91,355)	39,099
Increase in beneficial interest in assets held by others	(18,355)	(8,518)
<i>Change in operating assets and liabilities</i>		
Grants and contributions receivable	6,482,381	(7,806,873)
Prepaid expenses	(3,689)	(420)
Other assets	(12,272)	-
Accounts payable and accrued expenses	(920,078)	(996,131)
Accrued payroll and benefits	12,890	31,233
Deferred rent	(9,727)	5,659
Net cash provided by operating activities	<u>7,248,769</u>	<u>4,253,012</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	(2,498,014)	(2,891,114)
Sale of investments	2,440,000	2,791,000
Purchase of property and equipment	-	(5,514)
Net cash used in investing activities	<u>(58,014)</u>	<u>(105,628)</u>
Net change in cash	<u>7,190,755</u>	<u>4,147,384</u>
Cash and cash equivalents, at beginning of year	<u>15,050,163</u>	<u>10,902,779</u>
Cash and cash equivalents, at end of year	<u>\$ 22,240,918</u>	<u>\$ 15,050,163</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, 2019 and 2018

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, 2019 and 2018

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, 2019 and 2018, 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 2018

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, 2018 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, 2019 and 2018, the Organization held such funds totaling \$916,911 and \$898,556, respectively.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2019 and 2018

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 2019 and 1.00% to 2.80% for 2018. The Organization has not experienced any losses in such accounts. Fair value was \$6,278,543 and \$6,129,174 at September 30, 2019 and 2018, 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 2019 or 2018.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2019 and 2018

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 Federal Financial Participation (FFP) 90/10 grant provided by the New York State Department of Health (NYSDOH), in connection with the electronic health records project, is a core and two-phase milestone-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 entire population served in the areas of:

- 1) Outreach and recruitment
- 2) Education

As part of the grant proposal, the Organization and the DOHMH developed a milestone framework based on its experience with electronic health care records implementation that determines the activities associated with each milestone, and concluded that the milestones were substantive in nature.

These phases are completed by practice sites. The sites submit documentation to the DOHMH that is reviewed, forwarded to the Organization and submitted to the NYSDOH to substantiate that the milestone has been met. The phases, when complete and approved by the NYSDOH, represent achieved milestones at which point the Organization recognizes revenue as specified in the grant award.

The phases or milestones are:

- 1) Implementation of electronic health care records; and
- 2) Attestation to Adoption, Implementation and Upgrade (AIU) of certified electronic health care records.

There is no contingent consideration associated with the milestones established under the FFP 90/10 grant.

There was no revenue recognized for Phase 1 or Phase 2 for the year ended September 30, 2019. Total revenue for the year ended September 30, 2018 is as follows: Phase 1: \$6,338,500; Phase 2: \$3,186,000.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2019 and 2018

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

Grants Revenue and Receivable *(continued)*

The Behavioral Health Information Technology (BHIT) grant provided by the NYSDOH, in connection with the electronic health records project, is a core and multi-phase, milestone-based grant, and is ultimately funded via New York State funds and pass-through funds provided to the State from the Federal government (DHHS). Core is defined as work done, which supports the general operation and administration of the project, in the areas of:

- 1) Outreach and recruitment
- 2) Engagement
- 3) Education
- 4) Implementation

The Organization and DOHMH collaborated with the NYSDOH and the Office of Mental Health (OMH) to develop a milestone framework that defines the activities associated with each phase of the project. Based on these activities and the Organization's role in their completion, it was concluded that the milestones were substantive in nature.

These phases are completed by the BHIT Program Team. The team collects documentation from participating vendors and providers, reviews the documentation, then forwards it to the Organization and submits it to the NYSDOH on a quarterly basis to substantiate that milestones have been met. The phases, when complete and approved by the NYSDOH, represent achieved milestones at which point the Organization recognizes revenue as specified in the grant award.

The phases or milestones are:

- 1) Attestation of completion of provider scoping activities
- 2) Selection of Electronic Health Record (EHR)/Electronic Billing Systems (EBS) Software Vendors
- 3) Implementation of EHR/EBS Software
- 4) Successful e-billing by provider organizations

There is no contingent consideration associated with the milestones established under the BHIT grant.

There was no revenue recognized for the year ended September 30, 2019.

The total amount of revenue recognized for the milestones for the year ended September 30, 2018 was \$2,999,999 broken down as Milestone 3: \$1,755,000 and Milestone 4: \$1,244,999.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2019 and 2018

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

Grants Revenue and Receivable *(continued)*

The EP2 (Extension to Medicaid Eligible Professional Expansion Program) Squared grant provided by the 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, 2019 was \$5,928,537. There was no revenue recognized for the year ended September 30, 2018.

At September 30, 2019 and 2018, the Organization had received grants from governmental entities in the aggregate amounts of \$4,705,307 and \$8,502,297, respectively. These grants have not been recorded in the financial statements as they have not been earned.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2019 and 2018

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

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 \$25,937 and \$85,996 for the years ended September 30, 2019 and 2018, 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, 2019 and 2018, 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, 2019 and 2018 will be collected; therefore, no allowance has been established.

Contributed Goods and Services

Contributed services totaled \$298,811 and \$567,057 in 2019 and 2018, respectively. In addition, contributed goods totaled \$646,585 and \$749,449 in 2019 and 2018, 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 farmer markets. Contributed services consists of salaries and fringe benefits. The fair value of the "healthbucks" were determined based on consideration of cash payments typically made by buyers receiving similar goods.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2019 and 2018

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

Contributed Goods and Services *(continued)*

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 \$112,410 and \$125,100 were allocated to programs based on Central office staff time spent working on the program for the fiscal years ended September 30, 2019 and 2018, 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, 2019 and 2018, 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.

Advertising Expenses

As part of its program activity, the Organization incurred advertising expenses of \$61,446 and \$137,778 for the years ended September 30, 2019 and 2018, 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.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2019 and 2018

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

Reclassification

Certain prior-year amounts have been reclassified to conform with the current year presentation.

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, 2020. 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, 2022. 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 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, 2019 and 2018

NOTE 3 NEW ACCOUNTING PRONOUNCEMENTS *(continued)*Change in Accounting Principle

In 2019, the Organization adopted FASB ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the requirements for the presentation of the financial statements and notes. In particular, it enhances the qualitative and quantitative disclosures of the net asset classes, investment return, expenses, liquidity and availability of resources, and operating cash flows. Certain requirements were adopted retrospectively in the comparative fiscal year 2018 financial statements.

A summary of net asset classifications pursuant to the adoption of ASU 2016-14 is as follows as of September 30, 2018:

<u>Net Asset Classifications</u>	<u>ASU 2016-14 Classifications</u>		<u>Total Net Assets</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	
<i>As previously presented</i>			
Unrestricted	\$ 3,550,907	\$ -	\$ 3,550,907
Temporarily restricted	-	34,425,654	34,425,654
Net assets, as reclassified	<u>\$ 3,550,907</u>	<u>\$ 34,425,654</u>	<u>\$ 37,976,561</u>

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:

	<u>September 30, 2019</u>
Cash and cash equivalents	\$ 22,240,918
Grants receivable	10,132,961
Contribution receivable	3,947,777
Investments	6,278,543
Total	<u>\$ 42,600,199</u>

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2019 and 2018

NOTE 4 LIQUIDITY AND AVAILABILITY *(continued)*

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, 2019 and 2018, contributions receivable, net, are due as follows:

	<u>2019</u>	<u>2018</u>
Less than one year	\$ 3,947,777	\$ 4,395,320
One to five years	1,470,000	2,142,500
Less: Fair value adjustment	<u>(25,937)</u>	<u>(85,996)</u>
Total	<u>\$ 5,391,840</u>	<u>\$ 6,451,824</u>

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, 2019 and 2018, 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 2.71% for 2019 and 2.28% and 2.61% in 2018, depending on the length of discount time.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2019 and 2018

NOTE 5 GRANTS AND CONTRIBUTIONS RECEIVABLE (continued)

Grants receivable represented contractual expenses incurred and reimbursable under Federal, state and local grants at September 30, 2019 and 2018 and consisted of the following:

	<u>2019</u>	<u>2018</u>
<i>U.S. Department of Health and Human Services</i>		
Health Resources and Services		
Administration	\$ 326,717	\$ 469,421
Centers for Disease Control	2,024,936	1,334,963
State and City of New York		
Departments of Health	7,450,526	11,537,866
Other	<u>330,782</u>	<u>2,213,108</u>
Total	<u>\$ 10,132,961</u>	<u>\$ 15,555,358</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, 2019 and 2018

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, 2019 and 2018. 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, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest-bearing cash accounts	\$ 817,163	\$ -	\$ -	\$ 817,163
Cerificates of deposit	-	6,278,543	-	6,278,543
<i>Beneficial interest in assets held by others</i>				
Donor advised funds	-	-	916,911	916,911
Total	<u>\$ 817,163</u>	<u>\$ 6,278,543</u>	<u>\$ 916,911</u>	<u>\$ 8,012,617</u>

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2019 and 2018

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, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest-bearing cash accounts	\$ 813,087	\$ -	\$ -	\$ 813,087
Certificates of deposit	-	6,129,174	-	6,129,174
<i>Beneficial interest in assets held by others</i>				
Donor advised funds	-	-	898,556	898,556
Total	<u>\$ 813,087</u>	<u>\$ 6,129,174</u>	<u>\$ 898,556</u>	<u>\$ 7,840,817</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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Balance, beginning of the year	\$ 898,556	\$ 890,038
Interest income	18,355	8,518
Balance, end of year	<u>\$ 916,911</u>	<u>\$ 898,556</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	\$ 916,911	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 - \$916,911 ▪ \$0 - \$916,911 ▪ October 1, 2019 and thereafter

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2019 and 2018

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, 2019 and 2018.

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, 2019 and 2018

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>2019</u>	<u>2018</u>
Asthma Care	\$ -	\$ 2,620
Breastfeeding	-	102,202
Brownbag Lecture Series	48,310	-
Data Analysis	50,000	-
Electronic Case Reporting	-	81,746
Foodborne Disease	103,367	241,827
Health and Nutrition Examination Survey	-	3,883
Healthy Eating	297,727	496,421
Healthy Neighborhoods	657,690	876,202
Hepatitis C	50,373	147,388
HIV Testing	30,754	163,678
Honoraria	144,743	155,758
Maternal Health	654,092	1,361,896
Mental Health	567,495	1,454,726
Mural Arts Project	-	10,349
Nurse Family Partnership	120,063	130,346
Other	42,418	42,421
Primary Care Information Project	25,577,758	23,109,874
Public Health Laboratory	-	14,379
School Based Health	6,354,512	5,675,734
Senior Falls Prevention	-	44,096
ThriveNYC	348,372	300,000
Tuberculosis	2,392	10,000
Vision Screening	-	108
Total	<u>\$ 35,050,066</u>	<u>\$ 34,425,654</u>

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2019 and 2018

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>2019</u>	<u>2018</u>
Asthma Care	\$ 2,620	\$ -
Breastfeeding	102,202	352,474
Brownbag Lecture Series	1,691	-
Diabetes	-	217,087
Electronic Case Reporting	81,746	18,254
Foodborne Disease	138,460	250,137
Health and Nutrition Examination Survey	3,883	39,761
Healthy Access	-	18,894
Healthy Eating	376,384	418,340
Healthy Neighborhoods	621,762	968,454
Hepatitis C	231,465	269,215
HIV Testing	132,924	351,810
Honoraria	19,765	7,162
Maternal Health	728,090	463,108
Mental Health	887,231	321,802
Mural Arts Project	10,349	14,651
Nurse Family Partnership	10,283	18,964
Primary Care Information Project	5,917,436	5,295,370
Public Health Laboratory	14,379	43,773
School Based Health	2,421,223	2,129,397
Senior Falls Prevention	29,096	55,904
Syndromic Surveillance	-	157
ThriveNYC	201,628	-
Tuberculosis	7,608	-
Vision Screening	110	61,940
Total	<u>\$ 11,940,335</u>	<u>\$ 11,316,655</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 \$577,395 and \$620,859 for the years ended September 30, 2019 and 2018, respectively.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.

Notes to Financial Statements

Years Ended September 30, 2019 and 2018

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>
2020	\$ 349,584
2021	369,891
2022	377,236
2023	384,780
2024	162,718
	<u>\$ 1,644,209</u>

These amounts reflect rent credits previously discussed.

Rent expense for fiscal years ended 2019 and 2018 was \$346,777 and \$338,155, 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, 2019 and 2018, 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, 2019 and 2018

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 2019 and 2018, the Organization received 94% and 95%, respectively, of its Federal funding from the DHHS. Such funding accounted for 30% and 16% 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 3% and 7% and funding from the city accounted for 43% and 31% of the Organization's total revenue for fiscal years ended 2019 and 2018, 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, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</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>332,438</u>	<u>304,766</u>
Property and equipment, net	<u>\$ 48,339</u>	<u>\$ 76,011</u>

NOTE 14 SUBSEQUENT EVENTS

The Organization evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected or disclosed in the financial statements. Such evaluation was performed through June 12, 2020, the date these financial statements were available for issuance.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
Notes to Financial Statements
Years Ended September 30, 2019 and 2018

NOTE 14 SUBSEQUENT EVENTS *(continued)*

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which could negatively impact activities of the Organization. Other financial impacts could occur though such potential implications are unknown at this time. No adjustments or provisions were made in these financial statements related to COVID-19. There were no other subsequent events to recognize in these financial statements.

**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, 2019

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Department of Health and Human Services				
Centers for Disease Control and Prevention				
Environmental Public Health and Emergency Response (09/30/2019-09/29/2020)	93.070	N/A	\$ -	\$ 407
Environmental Public Health and Emergency Response (09/30/2018-09/29/2019)	93.070	N/A	-	190,789
Environmental Public Health and Emergency Response (09/01/2018-08/31/2019)	93.070	N/A	-	203,583
Total Environmental Public Health and Emergency Response			-	394,779
Sodium Reduction in Communities (9/30/2019-9/29/2020)	93.082	N/A	-	741
Sodium Reduction in Communities (9/30/2018-9/29/2019)	93.082	N/A	-	402,091
Total Sodium Reduction in Communities			-	402,832
Teenage Pregnancy Prevention Program (07/01/2019-06/30/2020)	93.297	N/A	-	471,243
Teenage Pregnancy Prevention Program (07/01/2018-06/30/2019)	93.297	N/A	-	1,536,446
Total Teenage Pregnancy Prevention Program			-	2,007,689
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke (09/30/2018-09/29/2019)	93.426	N/A	63,000	1,921,251
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke (09/30/2019-3/29/2020)	93.426	N/A	-	4,106
Total Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke			63,000	1,925,357
Passed through National Association of County and City Health Officials				
Non-ACA/PPHF—Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations (02/01/2017-06/30/2019)	93.424	6NU38OT000172-04-02	-	10,779
Total			-	10,779
Passed through Health Research, Inc.				
Organized Approaches to Increase Colorectal Cancer Screening (06/30/2019-06/29/2020)	93.800	5205-05	-	13,046
Organized Approaches to Increase Colorectal Cancer Screening (06/30/2018-06/29/2019)	93.800	5205-04	-	47,392
Total Organized Approaches to Increase Colorectal Cancer Screening			-	60,438
Health Resources and Services Administration				
Healthy Start Initiative (04/01/2019-03/31/2020)	93.926	N/A	35,769	358,426
Healthy Start Initiative (04/01/2018-03/31/2019)	93.926	N/A	250,342	981,271
Total Healthy Start Initiative			286,111	1,339,697
Centers for Medicare and Medicaid Services				
Passed through Health Research, Inc.				
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance (04/01/2017-01/31/2019)	93.624	5900-01	-	200,544
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance (02/01/2019-01/31/2020)	93.624	5900-02	-	140,708
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance (02/01/2019-01/31/2020)	93.624	N/A	-	791,838
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance (04/01/2018-01/31/2019)	93.624	5443-02	-	289,479
Total ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance			-	1,422,569
Passed through NYU Practice School of Medicine				
ACA - Transforming Clinical Practice Initiative: Practice Transformation Networks (09/29/2018-09/28/2019)	93.638	1L1CMS331468-04-00	-	201,085
ACA - Transforming Clinical Practice Initiative: Practice Transformation Networks (09/29/2017-09/28/2019)	93.638	1L1CMS331468-03-00	-	5,720
Passed through NYS Practice Transformation Network				
ACA - Transforming Clinical Practice Initiative: Practice Transformation Networks (09/28/2015-09/29/2019)	93.638	15-Fund for Public Health in New York, Inc.-01	-	323,686
Total ACA - Transforming Clinical Practice Initiative: Practice Transformation Networks			-	530,491

See accompanying notes.

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
Schedule of Expenditures of Federal Awards (continued)
For the Year Ended September 30, 2019

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Department of Health and Human Services (continued)				
Centers for Medicare and Medicaid Services (continued)				
Passed through New York State Department of Health				
Medical Assistance Program (10/01/2014-09/30/2019)	93.778	C029355	\$ -	\$ 2,818,775
Medical Assistance Program (07/1/2015-03/31/2019)	93.778	C030130	-	887,231
Total Medical Assistance Program			-	3,706,006
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	-	19,785
National Center for Advancing Translational Sciences (07/01/2018-06/30/2019)	93.350	16-A0-00-007000-01	-	19,935
Total National Center for Advancing Translational Sciences			-	39,720
Research and Development Cluster				
National Institutes of Health				
Passed through Einstein College of Medicine				
Diabetes, Digestive, and Kidney Diseases Extramural Research (04/01/2019-03/31/2020)	93.847	5R01DK110048-02	-	44,520
Diabetes, Digestive, and Kidney Diseases Extramural Research (04/01/2018-03/31/2019)	93.847	5R18DK098742-05	-	78,700
Diabetes, Digestive, and Kidney Diseases Extramural Research (07/01/2017-06/30/2019)	93.847	5R18DK098742-03	-	62,952
Total Diabetes, Digestive, and Kidney Diseases Extramural Research			-	186,172
Agency for Healthcare Research and Quality				
Passed through NYU School of Medicine				
Research on Healthcare Costs, Quality and Outcomes (05/01/2018-04/30/2019)	93.226	1 R18 HS023922-02	-	118,588
Total Research on Healthcare Costs, Quality and Outcomes			-	118,588
Total Research & Development Cluster			-	304,760
Total U.S. Department of Health and Human Services			349,111	12,145,117
United States Department of Agriculture				
National Institute of Food and Agriculture				
Food Insecurity Nutrition Incentive Grants Program (04/01/2016-04/30/2020)	10.331	N/A	35,946	387,815
Total			35,946	387,815
Food and Nutrition Service				
Passed through New York Department of Health				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (10/01/2018-09/30/2019)	10.561	C30363GG	-	102,313
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (10/01/2018-09/30/2019)	10.561	C30361GG	-	99,315
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			-	201,628
Total U.S. Department of Agriculture			35,946	589,443
Total Federal Awards Passed Through to Subrecipients			\$ 385,057	
Total Federal Awards				\$ 12,734,560

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, 2019

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, 2019. 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 CFDA Number	Subrecipient	Amount Provided to Subrecipient
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke (09/30/2018-09/30/2019)	93.426	Korean Comm Svc of Metropolitan NY	\$ 21,000
	93.426	Health People, Inc.	21,000
	93.426	Mexican Coalition for the Empowerment of Youth & Family, Inc.	<u>21,000</u>
		Subtotal	<u>63,000</u>
Healthy Start Initiative (04/01/2018-03/31/2019) and (04/01/2019-03/31/2020)	93.926	Brooklyn Perinatal Network	36,714
Healthy Start Initiative (04/01/2018-03/31/2019)	93.926	SCO Family of Services, Inc.	161,982
Healthy Start Initiative (04/01/2018-03/31/2019)	93.926	Excellence Baby Academy	38,000
Healthy Start Initiative (04/01/2018-03/31/2019)	93.926	Caribbean Women's Health Association, Inc.	<u>49,415</u>
		Subtotal	<u>286,111</u>
Food Insecurity Nutrition Incentive Grants Program (04/01/2016-04/30/2020)	10.331	Wholesome Wave	<u>35,946</u>
		Grand Total	\$ <u>385,057</u>

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
Notes to Schedule of Expenditures of Federal Awards (*continued*)
For the Year Ended September 30, 2019

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 \$ 12,734,560

Less: Pass Throughs:

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA #</u>	<u>Pass Through Grant #</u>	<u>Amount</u>
Passed through Health Research, Inc.			
Organized Approaches to Increase Colorectal Cancer Screening (06/30/2019-06/29/2020)	93.800	5205-05	\$ 13,046
Organized Approaches to Increase Colorectal Cancer Screening (06/30/2018-06/29/2019)	93.800	5205-04	47,392
Passed through National Association of County and City Health Officials			
NON-ACA/PPHF—Building Capacity of the Public Health System to Improve Population Health through National (02/01/2017-06/30/2019)	93.424	6NU38OT000172-04-02	10,779
Passed through New York State Department of Health			
Medical Assistance Program (10/1/2014-9/30/2019)	93.778	C029355	2,818,775
Medical Assistance Program (7/1/2015-3/31/2019)	93.778	C030130	887,231
Passed through Health Research, Inc.			
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance (4/1/2017-1/31/2019)	93.624	5900-01	200,544
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance (2/1/2019-1/31/2020)	93.624	5900-02	140,708
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance (2/1/2019-1/31/2020)	93.624	N/A	791,838
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance (4/1/2018-1/31/2019)	93.624	5443-02	289,479
Passed through NYU Practice School of Medicine			
ACA - Transforming Clinical Practice Initiative - Practice Transformation Networks YR3 (9/29/18-09/28/19)	93.638	1L1CMS331468-04-00	201,085
ACA - Transforming Clinical Practice Initiative - Practice Transformation Networks YR3 (9/29/17-09/28/18)	93.638	1L1CMS331468-03-00	5,720
Passed through NYS Practice Transformation Network			
ACA - Transforming Clinical Practice Initiative - Practice Transformation Networks (09/28/2015-09/29/2019)	93.638	15-Fund for Public Health in New York, Inc.-01	323,686
Passed through New York University			
National Center for Advancing Translational Sciences (07/01/2019-06/30/2020)	93.350	16-A0-00-007000-01	19,785
National Center for Advancing Translational Sciences (07/01/2018-06/30/2019)	93.350	16-A0-00-007000-01	19,935
Passed through Einstein College of Medicine			
Diabetes, Digestive, and Kidney Diseases Extramural Research (4/1/2019-3/31/2020)	93.847	5R01DK110048-02	44,520
Diabetes, Digestive, and Kidney Diseases Extramural Research (4/1/2018-3/31/2019)	93.847	5R18DK098742-05	78,700
Diabetes, Digestive, and Kidney Diseases Extramural Research (7/1/2017-6/30/2019)	93.847	5R18DK098742-03	62,952
Passed through NYU School of Medicine			
Research on Healthcare Costs, Quality and Outcomes (05/01/2018-04/30/2019)	93.226	1 R18 HS023922-02	118,588
Passed through New York Department of Health			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (10/01/2018-09/30/2019)	10.561	C30361GG	102,313
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (10/01/2018-09/30/2019)	10.561	C30363GG	99,315
Subtotal adjustments			<u>6,276,391</u>
Add: Other Adjustments			
CDC - Menustat Update and Enhancement			18
HRSA - Healthy Start C3 Y5			(275)
HRSA - Healthy Start C4 Y1			(44)
Miscellaneous adjustments			(3)
Subtotal Other Adjustments			<u>(304)</u>
SEFA Federal Revenue Adjusted			<u>6,457,865</u>
Federal Revenue Per Financial Statement			\$ <u>6,457,865</u>



**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, 2019, 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 June 12, 2020.

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.

Mitchell Titus, LLP

June 12, 2020



**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, 2019. 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, 2019.

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.

Mitchell Titus, LLP

June 12, 2020

FUND FOR PUBLIC HEALTH IN NEW YORK, INC.
 Schedule of Findings and Questioned Costs
 For the Year Ended September 30, 2019

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:

CFDA Number(s)

Name of Federal Program or Cluster

93.297
 93.426

Teenage Pregnancy Prevention Program
 Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke

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, 2019

SECTION II—FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

