

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

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

**DECEMBER 31, 2020**

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

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying financial statements of Mayor's Alliance for NYC's Animals, Inc. (the "**Alliance**"), which comprise the statement of financial position as of December 31, 2020 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alliance as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

***Report on Summarized Comparative Information***

We have previously audited the Alliance's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 6, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Tait, Weller & Baker LLP*

**Philadelphia, Pennsylvania  
August 26, 2021**

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

## STATEMENTS OF FINANCIAL POSITION

December 31, 2020 And 2019

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	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash	\$ 256,621	\$ 425,425
Contributions and accounts receivable	-	10,440
Security deposit and other assets	<u>-</u>	<u>19,333</u>
<b>Total assets</b>	<b><u>\$ 256,621</u></b>	<b><u>\$ 455,198</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accrued expenses	\$ <u>1,701</u>	\$ <u>2,740</u>
<b>Total liabilities</b>	<u>1,701</u>	<u>2,740</u>
Net assets		
Without restrictions	<u>254,920</u>	<u>452,458</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 256,621</u></b>	<b><u>\$ 455,198</u></b>

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

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2020 With Summarized Information For 2019

	<u>Year Ended December 31, 2020</u>			<u>Year Ended</u>
	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>	<u>December 31,</u>
	<u>Restrictions</u>	<u>Restrictions</u>		<u>2019</u>
				<u>Total</u>
<b>Support and Revenue</b>				
Contributions				
Foundations	\$ 20,200	\$ -	\$ 20,200	\$ 214,000
Individuals and others	46,703	-	46,703	499,039
PPP grant	28,700	-	28,700	-
Other	<u>4,670</u>	<u>-</u>	<u>4,670</u>	<u>58,497</u>
<b>Total support and revenue</b>	<u>100,273</u>	<u>-</u>	<u>100,273</u>	<u>771,536</u>
<b>Expenses</b>				
Program expense	218,475	-	218,475	530,024
Management and general	39,035	-	39,035	91,357
Fundraising	<u>40,301</u>	<u>-</u>	<u>40,301</u>	<u>196,180</u>
<b>Total expenses</b>	<u>297,811</u>	<u>-</u>	<u>297,811</u>	<u>817,561</u>
<b>Change in net assets</b>	(197,538)	-	(197,538)	(46,025)
<b>Net assets</b>				
Beginning of year	<u>452,458</u>	<u>-</u>	<u>452,458</u>	<u>498,483</u>
End of year	<u>\$ 254,920</u>	<u>\$ -</u>	<u>\$ 254,920</u>	<u>\$ 452,458</u>

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

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020 With Summarized Information For 2019

	<u>Year Ended December 31, 2020</u>			<u>Year Ended</u>	
	<u>Program</u>	<u>Management And General</u>	<u>Fund- Raising</u>	<u>December 31, 2019</u>	
			<u>Total Expenses</u>	<u>Total Expenses</u>	
Salaries and benefits	\$ 145,576	\$ 9,099	\$ 27,296	\$ 181,971	\$ 346,035
Consultants	285	22,324	285	22,894	34,998
Insurance	2,577	2,836	483	5,896	7,445
Equipment and software	1,160	72	217	1,449	2,618
Printing and supplies	5,127	320	962	6,409	7,589
Telephone and communications	7,089	443	1,329	8,861	19,420
Postage and shipping	1,429	89	268	1,786	4,046
Travel and entertainment	921	58	172	1,151	5,277
Rent	8,372	523	1,570	10,465	88,575
Storage	1,051	66	196	1,313	4,134
Media expense	17,555	-	7,523	25,078	51,216
Emergency medical expense	13,082	-	-	13,082	15,613
Depreciation	-	-	-	-	6,566
Boarding	8,895	-	-	8,895	14,517
Animal transport program	4,456	-	-	4,456	167,628
Feral cat initiative	-	-	-	-	37,320
Miscellaneous	<u>900</u>	<u>3,205</u>	<u>-</u>	<u>4,105</u>	<u>4,564</u>
<b>Total expenses</b>	<b><u>\$218,475</u></b>	<b><u>\$39,035</u></b>	<b><u>\$40,301</u></b>	<b><u>\$297,811</u></b>	<b><u>\$817,561</u></b>

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

## STATEMENTS OF CASH FLOWS

Years Ended December 31, 2020 And 2019

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	<u>2020</u>	<u>2019</u>
<i>Cash flows from operating activities</i>		
<i>Change in net assets</i>	\$(197,538)	\$ (46,025)
<i>Adjustments to reconcile net change in net assets to net cash used for operating activities</i>		
Depreciation	-	6,566
Loss on disposal of vehicles	-	8,208
Decrease in contribution and accounts receivable	10,440	89,560
Decrease in security deposit and other assets	19,333	11,647
Decrease in accrued expense	<u>(1,039)</u>	<u>(2,480)</u>
<b>Net cash provided by (used for) operating activities</b>	<u>(168,804)</u>	<u>67,476</u>
<b>Increase (decrease) in cash</b>	(168,804)	67,476
<i>Cash</i>		
Beginning of year	<u>425,425</u>	<u>357,949</u>
<b>End of year</b>	<u>\$ 256,621</u>	<u>\$ 425,425</u>



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

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **ORGANIZATION**

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

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

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

#### **ACCOUNTING ESTIMATES**

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

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

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

#### **REVENUE RECOGNITION**

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

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

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2020

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### **NET ASSETS**

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

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

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

### **FUNCTIONAL ALLOCATION OF EXPENSES**

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

### **TAXES**

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

Management has reviewed the tax positions for each of the open tax years (2017 – 2019) or expected to be taken in the Alliance's 2020 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

### **PRIOR YEAR INFORMATION**

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Alliance's audited financial statements for the year ended December 31, 2019, from which the summarized information was derived.

## **(2) RETIREMENT PLAN**

The Alliance has a qualified 403(b) defined contribution retirement plan covering all full-time employees. Under the plan, employees may contribute up to the IRS elective deferral limit. The plan provides for discretionary contributions by the Alliance as a percentage of the elective deferrals. There were no employer contributions made to the plan in 2020 and 2019.

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

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2020

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### (3) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The following table reflects the Alliance's financial assets as of December 31, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal Board designations:

Financial Assets	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 256,621	\$ 425,425
Contributions and accounts receivable	<u>-</u>	<u>10,440</u>
Total financial assets available to meet current obligations	<u>\$ 256,621</u>	<u>\$ 435,865</u>

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

### (4) COVID-19 AND PAYROLL PROTECTION PROGRAM

In December 2019, a novel strain of the coronavirus ("COVID-19") was reported in China. The World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern". This outbreak has affected virtually every industry and has created volatility in stock markets throughout the world. Many federal and state governments have implemented numerous restrictions, mandated various closures and quarantine requirements in connection with the COVID-19 outbreak. The extent of the impact of COVID-19 on the Alliance's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and the impact on the Alliance's funders, donors, employees and vendors, all of which are uncertain and cannot be predicted.

On April 19, 2020, the Alliance received \$28,700 in funds from the Federal Paycheck Protection Program (PPP). The PPP loan is designed to provide a direct incentive for small businesses to keep their workers on the payroll. The Small Business Administration (SBA) will forgive loans if all employees are kept on the payroll for a specific period of time and the money is used for certain allowable costs. Any amounts not forgiven at the end of the program period convert into a loan with 1% interest, payable over 24 months. The AICPA released guidance on recording options and the Alliance has decided to record these funds under the government grant model (FASB ASC 958-605). The cash received under the PPP is recorded as a liability until the conditions are substantially met. When the Alliance has substantially met the conditions of the program and qualifying expenses are incurred, the cancellation of the liability is recorded as revenue. As the Alliance had met conditions and incurred expense in the amount of \$28,700 as of December 31, 2020, the amount has been included in the Statement of Activities with grant revenue. Further, on December 8, 2020, the Alliance was notified that the PPP loan of \$28,700 was forgiven by the SBA.

### (5) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, August 26, 2021, have been evaluated in the preparation of the financial statements.

On February 6, 2021, the Alliance received a \$34,089 Paycheck Protection Program Second Draw Loan ("PPP Second Draw Loan") under the Consolidated Appropriations Act 2021, Additional Coronavirus Response and Relief provisions. PPP Second Draw Loans are eligible for forgiveness if the Alliance incurs qualifying expenses over a period of time not to exceed 24 weeks. The period of time in which qualifying expenses may be incurred commences upon receipt of the loan. Any portion of the loan not forgiven is payable over a 5-year period at an interest rate of 1%. The Alliance was notified on August 25, 2021 that the PPP Second Draw Loan was forgiven by the SBA.