Financial Statements, Audit Reports and Supplementary Information in Accordance With the Uniform Guidance For the Year Ended September 30, 2022 (With Summarized Information for 2021) With Independent Auditor's Reports



FUND FOR PUBLIC HEALTH IN NEW YORK, INC. Financial Statements and Additional Information

Year Ended September 30, 2022

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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

Opinion

We have audited the accompanying financial statements of Fund for Public Health in New York, Inc. (the Organization), which comprise the statements of financial position as of September 30, 2022, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Fund for Public Health in New York, Inc. as of September 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

80 Pine Street New York, NY 10005 **T** +1 212 709 4500 **F** +1 212 709 4680



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the inancial statements, whether
 due to fraud or error, and design and perform audit procedures responsive to those risks.
 Such procedures include examining, on a test basis, evidence regarding the amounts and
 disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of expressing
 an opinion on the effectiveness of the Organization's internal control. Accordingly, no such
 opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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



Supplementary 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 (the Schedule) 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 (the 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 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 29, 2023 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.

Report on Summarized Comparative Information

Mitchell: Titus, LLP

We have previously audited the Organization's September 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 24, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

June 29, 2023

Statements of Financial Position As of September 30, 2022 and 2021

	2022	2021
ASSETS Current assets Cash and cash equivalents	\$ 18,641,245	\$ 19,417,591
Grants and contributions receivables net Investments	73,564,193	35,791,227 367,107
Total current assets	92,205,438	55,575,925
Other assets Property and equipment net of accumulated		
depreciation (\$375,601 in 2022 and \$368,948 in 2021)		11,829
Contributions receivables net	228,323	226,423
Contract Advance Beneficial interest in assets held by others	1,151,420 924,575	- 922,204
Other assets	79,274	83,255
Total other assets	2,388,768	1,243,711
Total assets	\$ 94,594,206	\$ 56,819,635
LIABILITIES AND NET ASSETS Current liabilities	Φ 00 700 000	. 40.040.050
Accounts payable and accrued expenses Accrued payroll and benefits Other liabilities	\$ 26,798,363 909,873 22,537,681	\$ 13,343,256 742,933
Total current liabilities	50,245,917	14,086,189
Other liabilities		
Endowment advance	867,547	867,547
Deferred rent	48,177	23,507
Total other liabilities	915,724	891,054
Total liabilities	51,161,641	14,977,243
Net assets		
Without donor restrictions With donor restrictions	8,286,969 35,145,596	9,823,038 32,019,354
Total net assets	43,432,565	41,842,392
Total liabilities and net assets	\$ 94,594,206	\$ 56,819,635

The accompanying notes are an integral part of these financial statements.

Statement of Operations and Changes in Net Assets For the Year Ended September 30, 2022 (With Summarized Financial Information for 2021

		2021		
	Without	With		
	Donor	Donor		
	Restrictions	Restrictions	Total	Total
REVENUE AND RECLASSIFICATIONS				
Direct support from federal				
government	\$ 20,300,810	\$ -	\$ 20,300,810	\$ 9,308,913
Pass-through grants from federal				
government	57,666,822	-	57,666,822	33,369,870
Contributed services	-	-	-	424,814
Other grants and contributions	53,215,345	10,190,487	63,405,832	28,882,079
Other	63,890	-	63,890	24,337
Net assets released from				
restrictions	7,064,245	(7,064,245)		
Total revenue and				
reclassifications	138,311,112	3,126,242	141,437,354	72,010,013
		, ,		
EXPENSES				
Program services	132,640,143	-	132,640,143	62,002,400
Management and general	7,207,038		7,207,038	5,311,010
Total expenses	139,847,181		139,847,181	67,313,410
Change in net assets	(1,536,069)	3,126,242	1,590,173	4,696,603
Net assets, at beginning of year	9,823,038	32,019,354	41,842,392	37,145,789
Net assets, at end of year	\$ 8,286,969	\$ 35,145,596	\$ 43,432,565	\$ 41,842,392

Statement of Functional Expenses For the Year Ended September 30, 2022 (With Summarized Financial Information for 2021)

		2021		
	Program			
	Services	and General	Total	Total
	Expenses	Expenses	Expenses	Expenses
Calariae and wages	\$ 20.928.426	\$ 3.235.126	¢ 04.462.550	\$ 17.962.228
Salaries and wages	+,,	* -,, -	\$ 24,163,552	¥,,
Fringe benefits	6,210,788	975,597	7,186,385	5,280,455
Subrecipient contract	40,747,764	-	40,747,764	24,291,113
Professional fees and other				
services	986,896	1,758,153	2,745,049	17,891,940
Contracted direct program expense	63,262,077	-	63,262,077	-
Supplies	331,676	47,745	379,421	575,178
Occupancy expenses	-	641,370	641,370	457,852
Donated services	-	-	-	424,814
Equipment	-	382,916	382,916	14,895
Travel	48,797	717	49,514	108,300
Staff development and training expense	34,962	84,418	119,380	282,275
Meetings	21,494	9,871	31,365	5,659
Printing and materials	66,846	4,691	71,537	38,078
Other expenses	416	59,782	60,199	(30,671)
Depreciation and amortization		6,653	6,653	11,294
Total expenses	\$ 132,640,143	\$ 7,207,038	\$ 139,847,181	\$ 67,313,410

Statements of Cash Flows

For the Years Ended September 30, 2022 and 2021

	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,590,173	\$ 4,696,603
Adjustments to reconcile change in net assets to net	, , ,	, , ,
cash used in operating activities		
Depreciation and amortization	6,653	11,294
Realized (gain)/loss on sales of investments	107	37,535
Decrease in beneficial interest in assets held by		
others	(2,371)	-
Change in operating assets and liabilities		
Change in grants and contributions receivable	(37,774,867)	(20,175,919)
Change in contract advance	(1,151,420)	-
Change in prepaid expenses	-	187,154
Change in other assets	3,981	1,365
Change in accounts payable and accrued expenses	13,455,108	8,985,704
Change in accrued payroll and benefits	166,940	199,371
Change in other liabilities	22,537,681	(110,746)
Change in deferred rent	24,670	(9,729)
Net cash used in operating activities	(1,143,345)	(6,177,369)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	-	(118,000)
Sale of investments	367,000	5,644,000
Net cash provided by investing activities	367,000	5,526,000
Net change in cash	(776,345)	(651,369)
Cash and cash equivalents, at beginning of year	19,417,591	20,068,959
Cash and cash equivalents, at end of year	\$ 18,641,245	\$ 19,417,591

Notes to Financial Statements Years Ended September 30, 2022 and 2021

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 revenue and expenses associated with the principal operating activities of the Organization and are not subject to donor-imposed stipulations.

Notes to Financial Statements Years Ended September 30, 2022 and 2021

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, 2022 and 2021, 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 2021

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, 2021 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, 2022, and 2021, the Organization held such funds totaling \$924,575 and \$922,204, respectively.

Notes to Financial Statements Years Ended September 30, 2022 and 2021

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 0.20% to 1.50% for 2022 and 2021. The Organization has not experienced any losses in such accounts. Fair value was \$6,448,712 and \$6,115,143 at September 30, 2022 and 2021, 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 2022 or 2021.

Notes to Financial Statements Years Ended September 30, 2022 and 2021

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 EP2 (Extension to Medicaid Eligible Professional Expansion Program) Squared grant provided by the New York State Department of Health (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:

- 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 years ended September 30, 2022 and 2021 was \$1,147,457 and \$4,589,828, respectively.

Notes to Financial Statements Years Ended September 30, 2022 and 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants Revenue and Receivable (continued)

At September 30, 2022 and 2021, the Organization had received grants from governmental entities in the aggregate amounts of \$34,180,653 and \$51,878,026, respectively. These grants have not been recorded in the financial statements as they have not been earned.

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 their 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 \$0 and \$1,900 for the years ended September 30, 2022 and 2021, respectively, were recorded to reflect contributions receivable 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 been substantially met. There were no conditional contributions received for the years ended September 30, 2022 and 2021.

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, 2022 and 2021 will be collected; therefore, no allowance has been established.

Notes to Financial Statements Years Ended September 30, 2022 and 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Goods and Services

Contributed services totaled \$0 in 2022 and 2021. In addition, contributed goods totaled \$0 and \$424,814 in 2022 and 2021, 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 farmers' markets. Contributed services consists of salaries and fringe benefits. The fair value of the "healthbucks" was determined based on consideration of cash payments typically made by buyers receiving similar goods.

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 \$345,624 and \$140,002 were allocated to programs based on Central Office staff time spent working on the program for the fiscal years ended September 30, 2022 and 2021, 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, 2022 and 2021, 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 2019, which is the standard statute of limitations look-back period.

Notes to Financial Statements Years Ended September 30, 2022 and 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising Expenses

As part of its program activity, the Organization incurred advertising expenses of \$82,169 and \$20,863 for the years ended September 30, 2022 and 2021, 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.

Reclassification

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation of the current-year financial statements.

NOTE 3 NEW ACCOUNTING PRONOUNCEMENT

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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 the year ending September 30, 2023. The Organization is currently evaluating the impact of the adoption of the ASU on the Organization's financial statements.

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:

	September 30 2022		
Cash and cash equivalents	\$	18,641,245	
Grants receivable		71,150,933	
Contribution receivable		2,413,261	
Total	\$	92,205,438	

Notes to Financial Statements Years Ended September 30, 2022 and 2021

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 a projected shortfall in operating cash or unanticipated cash need.

NOTE 5 GRANTS AND CONTRIBUTIONS RECEIVABLE

As of September 30, 2022 and 2021, contributions receivable, net, are due as follows:

	 2022	-	2021
Less than one year	\$ 2,413,261		\$ 1,562,387
One to five years	228,323		228,323
Less: Fair value adjustment	 	_	(1,900)
Total	\$ 2,641,584	=	\$ 1,788,810

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, 2022 and 2021, 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 2.10% for both 2022 and 2021, depending on the length of discount time.

Notes to Financial Statements Years Ended September 30, 2022 and 2021

NOTE 5 GRANTS AND CONTRIBUTIONS RECEIVABLE (continued)

Grants receivable represented contractual expenses incurred and reimbursable under Federal, state and local grants at September 30, 2022 and 2021 and consisted of the following:

	 2022		2021
U.S. Department of Health and			
Human Services			
Health Resources and Services			
Administration	\$ 906,846	\$	365,131
Centers for Disease Control	9,183,707		1,523,055
National Institute of Food and Agriculture	749,572		-
State and City of New York			
Departments of Health	60,297,517		31,934,836
Other	 13,291		405,818
Total	\$ 71,150,933	\$	34,228,840

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:

- <u>Level 1:</u> 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.
- <u>Level 2</u>: 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.
- <u>Level 3:</u> Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Notes to Financial Statements Years Ended September 30, 2022 and 2021

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, 2022 and 2021. 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, 2022:

	Level 1	 Level 2	 Level 3	 Total
Cash and cash equivalents Investments	\$ 821,397	\$ -	\$ -	\$ 821,397
Cash and cash equivalents Cerificates of deposit	6,488,712 -	-	-	6,488,712 -
Beneficial interest in assets held by others				
Money market funds		 <u>-</u>	 924,575	 924,575
Total	\$ 7,310,109	\$ 	\$ 924,575	\$ 8,234,684

Notes to Financial Statements Years Ended September 30, 2022 and 2021

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, 2021:

	 Level 1	Level 2		Level 2 Level 3		Total	
Cash and cash equivalents Cerificates of deposit Beneficial interest in assets held by others	\$ 820,986 -	\$	- 6,482,400	\$	-	\$	820,986 6,482,400
Money market funds	 				922,204		922,204
Total	\$ 820,986	\$	6,482,400	\$	922,204	\$	8,225,590

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, 2022 and 2021:

		2022	2021		
Balance, beginning of the year Interest income		922,204 2,371	\$	922,204	
Balance, end of year	\$	924,575	\$	922,204	

<u>Quantitative Information About Significant Unobservable Inputs Used in Level 3</u> 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:

Ins	trument	Fair Value	Valuation Technique	Unobservable Inputs	Ranges of Input Values
Dono fun	or-advised d	\$924,575	Value as reflected in the investment statements from the financial institution holding the beneficial interest instruments	 Changes in donor stipulations Possible withdrawal amount Possible withdrawal date 	\$0 - \$924,575\$0 - \$924,575October 1, 2022 and thereafter

Notes to Financial Statements Years Ended September 30, 2022 and 2021

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, 2022 and 2021.

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.

Notes to Financial Statements Years Ended September 30, 2022 and 2021

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

	2022	2021
	A 00.050	
Administration	\$ 29,250	\$ 29,250
Asthma Care	1,841,311	359,642
COVID-19	357,461	2,482,209
Early Intervention	861,504	1,678,971
Epidemics	12,750	12,750
Healthy Eating	404,833	83,996
Healthy Neighborhoods	234,675	285,933
Hepatitis C	1	1
Honoraria	49,037	50,714
Maternal Health	312,358	313,089
Mental Health	96,291	112,751
Nurse Family Partnership	4,849	4,849
Opioid	118,452	150,000
Other	42,416	42,418
NYC REACH	23,402,626	21,805,857
Quickie Lab	718,581	718,581
Racial Justice and Health Equity	1,263,020	607,627
School Based Health	5,387,274	3,246,804
STI Testing	-	2
ThriveNYC	8,907	33,912
Total	\$ 35,145,596	\$ 32,019,354

Notes to Financial Statements Years Ended September 30, 2022 and 2021

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

		2022		2021
Asthma Care	\$	41,210	\$	173,691
COVID-19	Ψ	2,124,748	Ψ	1,700,855
Early Intervention		817,466		1,029
Foodborne Disease		-		27,234
Healthy Eating		35,083		85,946
Healthy Neighborhoods		51,258		180,628
Hepatitis C		-		2,810
HIV Testing		_		716
Honoraria		1,678		1,100
Maternal Health		731		227,322
Mental Health		16,460		42,443
Opiod		31,548		-
Primary Care Information Project		734,919		6,628,167
Quickie Lab		-		14,893
Racial Justice and Health Equity		494,607		111,312
School Based Health		2,689,530		2,340,772
STI Testing		2,000,000		7,135
ThriveNYC		25,005		173,140
Tuberculosis		-		2,392
		7.004.045		
Total	\$	7,064,245	\$	11,721,587

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 \$840,499 and \$650,678 for the years ended September 30, 2022 and 2021, respectively.

Notes to Financial Statements Years Ended September 30, 2022 and 2021

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 with the original agreement and after July 2016 rent is in accordance with the extended agreement. On November 16, 2021, the lease was extended to June 30, 2027 and for a larger space.

The lease includes three months of free rent totaling \$52,662, which is being amortized over the life of the original lease. In addition, the lease extension also includes two additional months of free rent totaling \$70,000, which is being amortized over the life of the extended lease.

The office lease provides for minimum annual payments as follows:

Year Ending September 30,	 Amount	
2023	\$ 467,825	
2024	507,399	
2025	470,146	
2026	257,249	
2027	 53,223	
	\$ 1,755,842	

These amounts reflect rent credits previously discussed. Rent expense for fiscal years ended 2022 and 2021 was \$479,874 and \$377,912, respectively.

Notes to Financial Statements Years Ended September 30, 2022 and 2021

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, 2022 and 2021, 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. 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 2022 and 2021, the Organization received 73% and 44%, respectively, of its Federal funding from the DHHS and 23% and 52%, respectively, from FEMA. Such funding accounted for 61% and 48% 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 0% and 2% and funding from the city accounted for 38% and 39% of the Organization's total revenue for fiscal years ended 2022 and 2021, 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, 2022 and 2021 consisted of the following:

	2022		 2021
Leasehold improvements Furniture and fixtures Computer software and hardware	\$	48,429 216,440 115,908	\$ 48,429 216,440 115,908
Total cost Less: Accumulated depreciation		380,777 375,601	 380,777 368,948
Property and equipment, net	\$	5,176	\$ 11,829

Notes to Financial Statements Years Ended September 30, 2022 and 2021

NOTE 14 SUBSEQUENT EVENTS

The Organization evaluates events occurring after the date of the financial statements to consider whether the impact of such events needs to be reflected or disclosed in the financial statements. Such evaluation was performed through June 29, 2023, the date these financial statements were available for issuance.

SUPPLEMENTARY INFORMATION AND INDEPENDENT AUDITOR'S REPORTS

Federal Grantor/Pass Through Grantor/Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Department of Homeland Security Federal Emergency Management Agency Passed through New York City Department of Health and Mental Hygiene COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters) (2/12/2021-6/30/2022)	97.036	21FB054601R0X00	\$	\$ 21,274,719
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)				21,274,719
Total United States Department of Homeland Security				21,274,719
United States Department of Health and Human Services Centers for Disease Control and Prevention Environmental Public Health and Emergency Response (09/30/21-09/29/22)	93.070	N/A	_	195,783
Total Environmental Public Health and Emergency Response				195,783
Sodium Reduction in Communities (9/30/2020-3/26/2022) Total Sodium Reduction in Communities	93.082	N/A	<u>-</u>	170,749 170,749
Injury Prevention and Control Research and State and Community Based Programs (9/1/2021-08/31/2022)	93.136	N/A	<u> </u>	1,988,092
Total Injury Prevention and Control Research and State and Community Based Programs				1,988,092
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke (9/30/2021-9/29/2022)	93.426	N/A	15,000	1,692,947
Total Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke			15,000	1,692,947
COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises (6/1/2021-5/31/2023)	93.391	N/A	9,100,907	11,039,478
Total COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises			9,100,907	11,039,478

Federal Grantor/Pass Through Grantor/Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Department of Health and Human Services (continued)				
Passed through New York City Department of Health and Mental Hygiene (continued)				
COVID-19 - Immunization Cooperative Agreements(7/1/2021-6/30/2023)	93.268	22FB001501R0X00	\$ -	\$ 12,767,977
COVID-19 - Immunization Cooperative Agreements(7/1/2021-6/30/2023)	93.268	22FB001501R0X00	-	3,277,772
COVID-19 - Immunization Cooperative Agreements (7/1/2021-6/30/2024)	93.268	22FB001501R0X00	-	245,231
COVID-19 - Immunization Cooperative Agreements(7/1/2021-6/30/2023)	93.268	22FB001501R0X00	-	366,643
COVID-19 - Immunization Cooperative Agreements(7/1/2021-6/20/2024)	93.268	22FB001501R0X00	-	397,760
COVID-19 - Immunization Cooperative Agreements(7/1/2021-6/30/2024)	93.268	22FB012501R0X00	-	2,466,805
COVID-19 - Immunization Cooperative Agreements(7/1/2021-6/30/2024)	93.268	22FB001501R0X00	-	857,048
COVID-19 - Immunization Cooperative Agreements(7/1/2021-6/20/2023)	93.268	22FB001501R0X00	-	1,664,044
COVID-19 - Immunization Cooperative Agreements(7/1/2021-6/20/2023)	93.268	22FB001501R0X00		2,552,210
Total COVID-19 - Immunization Cooperative Agreements				24,595,490
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2022)	93.323	22FB001501R0X00	-	224,877
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2022)	93.323	22FB012501R0X00	-	195,232
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2022)	93.323	22FB001501R0X00	-	442,829
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2022)	93.323	22FB012501R0X00	-	708,314
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2023)	93.323	22FB001501R0X00	-	70,641
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2023)	93.323	22FB001501R0X00	-	139,547
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2022)	93.323	22FB012501R0X00	-	480,110
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2022)	93.323	22FB001501R0X00	-	830,518
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2023)	93.323	22FB001501R0X00	-	317,043
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2022)	93.323	22FB012501R0X00	-	2,382,107
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2022)	93.323	22FB001501R0X00	-	580,439
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2022)	93.323	22FB012501R0X00	-	444,112
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2024)	93.323	22FB001501R0X00	-	1,702,753
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2022)	93.323	22FB001501R0X00	-	130,999
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2022)	93.323	22FB001501R0X00	-	192,018
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2022)	93.323	22FB012501R0X00	-	85,544

Federal Grantor/Pass Through Grantor/Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Department of Health and Human Services (continued)				
Passed through New York City Department of Health and Mental Hygiene (continued)				
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2024)	93.323	22FB001501R0X00	\$ -	\$ 1,584,449
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/2024)	93.323	22FB001501R0X00	Ψ -	4,028,245
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-7/31/2023)	93.323	22FB012501R0X00	-	1.818.625
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-7/31/2023)	93.323	22FB012601R0X00	-	34.674
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-7/31/2023)	93.323	22FB012601R0X00	-	23,787
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-7/31/2023)	93.323	22FB012601R0X00	-	66,215
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2022-6/30/2024)	93.323	22FB012501R0X00	-	291,978
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2022-6/30/2023)	93.323	22FB012601R0X00	-	116,970
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2022-6/30/2023)	93.323	22FB012601R0X00	-	299,965
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2022-6/30/2023)	93.323	22FB012601R0X00	-	386,262
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2022-6/30/2024)	93.323	22FB012601R0X00	-	111,071
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2022-6/30/2023)	93.323	22FB012601R0X00	-	140,944
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2022-6/30/2024)	93.323	22FB012601R0X00		2,092,821
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)				19,923,089
Community Programs to Improve Minority Health Grant Program (7/1/2022-6/30/2023)	93.137	22FB012601R0X00	-	107,601
Community Programs to Improve Minority Health Grant Program (7/1/2022-6/30/2023)	93.137	22FB012601R0X00		12,458
Total Community Programs to Improve Minority Health Grant Program				120,059
Project Grants and Cooperative Agreements for Tuberculosis Control Programs (7/1/2021-6/30/2023)	93.116	22FB001501R0X00	-	283,163
Project Grants and Cooperative Agreements for Tuberculosis Control Programs (7/1/2021-6/30/2023)	93.116	22FB001501R0X00		32,785
Total Project Grants and Cooperative Agreements for Tuberculosis Control Programs				315,948
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees (7/1/2021-6/30/2022)	93.478	22FB012601R0X00	-	70,403
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees (7/1/2021-6/30/2022)	93.478	22FB012601R0X00		8,151
Total Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees				78,554

Federal Grantor/Pass Through Grantor/Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Department of Health and Human Services (continued) Passed through New York City Department of Health and Mental Hygiene (continued) Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance (9/1/2021-6/30/2022)	93.944	22FB012601R0X00	\$ -	\$ 117,588
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance (8/1/2022-6/30/2023)	93.944	22FB012601R0X00	Ψ - -	13,463
Total Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance			-	131,051
HIV Emergency Relief Project Grants HIV Emergency Relief Project Grants	93.914 93.914	22FB012601R0X00 22FB012601R0X00	- -	2,028,163 234,824
Total HIV Emergency Relief Project Grants				2,262,987
Office of the Assistant Secretary for Health				
Teenage Pregnancy Prevention Program (7/1/2022-6/30/2023) Teenage Pregnancy Prevention Program (7/1/2021-6/30/2022)	93.297 93.297	N/A N/A	- -	438,593 976,469
Total Teenage Pregnancy Prevention Program				1,415,062
Health Resources and Services Administration Healthy Start Initiative (4/1/2022-3/31/2023) Healthy Start Initiative (4/1/2021-3/31/2022)	93.926 93.926	N/A N/A	23,960 52,030	429,717 445,369
Total Healthy Start Initiative			75,990	875,086
Research and Development Cluster Agency for Healthcare Research and Quality Research on Healthcare Costs, Quality and Outcomes (9/30/2020-09/29/2023)	93.226	N/A	75,643	341,253
Total Research on Healthcare Costs, Quality and Outcomes	93.220	IV/A	75,643	341,253
National Institutes of Health Passed through New York University				
National Center for Advancing Translational Sciences (7/1/2020-6/30/2022)	93.350	16-A0-00-007000-01		9,665
Total National Center for Advancing Translational Sciences			<u> </u>	9,665

Federal Grantor/Pass Through Grantor/Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Department of Health and Human Services (continued) Passed through New York City Department of Health and Mental Hygiene Diabetes, Digestive, and Kidney Diseases Extramural Research (7/1/2021-6/30/2022) Diabetes, Digestive, and Kidney Diseases Extramural Research (7/1/2021-6/30/2023) Total Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847 93.847	22FB012601R0X00 22FB012601R0X00	\$ - -	\$ 146,137 16,920 163,057
Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders (6/1/2022-6/30/2023) Total Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders	93.840	22FB012601R0X00		36,261 36,261
Total Research and Development Cluster Total United States Department of Health and Human Services			75,643 9,267,540	550,236 65,354,611
United States Department of Housing and Urban Development Passed through New York City Department of Health and Mental Hygiene Housing Opportunities for Persons with AIDS (7/1/2022-8/31/2023) Housing Opportunities for Persons with AIDS (7/1/2022-8/31/2023) Total Housing Opportunities for Persons with AIDS Total United States Department of Housing and Urban Development	14.241 14.241	22FB012601R0X00 22FB012601R0X00		227,000 26,282 253,282 253,282
United States Department of Agriculture National Institute of Food and Agriculture Food Insecurity Nutrition Incentive Grants Program (8/1/2021-7/31/2025) Food Insecurity Nutrition Incentive Grants Program (9/1/2020-8/31/2024) Total Food Insecurity Nutrition Incentive Grants Program	10.331 10.331	N/A N/A	<u>:</u>	122,303 1,805,865 1,928,168
Passed through New York City Department of Health and Mental Hygiene Supplemental Nutrition Assistance Program Cluster State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (7/1/2021-6/30/2024) State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (7/1/2021-6/30/2023) State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (7/1/2021-6/30/2024)	10.561 10.561 10.561	22FB012601R0X00 22FB012601R0X00 22FB012601R0X00	- - -	548,491 364,471 61,708
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program Total Supplemental Nutrition Assistance Program Cluster Total United States Department of Agriculture Total Federal Awards Passed Through to Subrecipients Total Federal Awards	13.321		- - - - - - - - - - - - - - -	974,670 974,670 2,902,838 \$ 89,785,450

Notes to Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2022

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, 2022. 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 Assistance Listing Number	Subrecipient	Amount Provided to Subrecipient
COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	84484, Jewish Community Council of Greater Cone 84502, Fund for the City of New York 84503, Boro Park Jewish Community Council 84505, Destination Tomorrow 84506, Haltian Americans United for Progress Brooklyn Bureau Of Community Service Dba Brooklyn Community Services, 84297 Hebrew Educational Society of Brooklyn, 84292 India Home, 84406 Jewish Community Council of Greater Coney Island, 84362 Latino Commission on AIDS, 84301 Little Sisters of the Assumption Family Health Services Inc, 84296 National Black Leadership Commission on AIDS, 84293 Phipps Neighborhoods, Inc., 84294 Project Hospitality, 84416	\$ 230,907 428,899 398,288 157,511 183,378 431,159 1,021,268 726,367 401,679 830,606 997,790 286,349 869,954 640,623
		Public Health Solutions, 84414 ReServe Elder Services, Inc., 84298 Test Contact The Central Family Life Center, Inc., 84336 Little Sisters of the Assumption Family Health Services Inc, 84296 Subtotal	158,897 425,260 420,232 459,990 31,750 9,100,907
Healthy Start Initiative	93.926	Brooklyn Perinatal Network, Inc. Caribbean Women's Health Association, Inc. Excellence Baby Academy Subtotal	23,963 33,027 19,000 75,990
Research on Healthcare Costs, Quality and Outcomes	93.226	New York University Subtotal	75,643 75,643
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and			
Stroke	93.426	RiseBoro Community Partnership, Inc Grand Total	15,000 \$ 9,267,540

Notes to Schedule of Expenditures of Federal Awards *(continued)* For the Year Ended September 30, 2022

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			\$ 89,785,450
Less: Pass throughs:			
	Federal Assistance		
Federal Grantor/Pass-Through Grantor/Program Title	Listing Number	Pass-Through Grant #	Amount
Passed through New York City Department of Health and Mental Hygiene			
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters) (2/12/2021-2/11/2022)	97.036		\$ 21,274,719
Passed through New York City Department of Health and Mental Hygiene			
COVID-19 - Immunization Cooperative Agreements (7/1/2021-6/30/2023)	93.268	22FB001501R0X00 22FB001501R0X00	12,767,977
COVID-19 - Immunization Cooperative Agreements (7/1/2021-6/30/2023) COVID-19 - Immunization Cooperative Agreements (7/1/2021-6/30/2024)	93.268 93.268	22FB001501R0X00 22FB001501R0X00	3,277,772 245,231
COVID-19 - Immunization Cooperative Agreements (7/1/2021-6/30/2023)	93.268	22FB001501R0X00	366,643
COVID-19 - Immunization Cooperative Agreements (7/1/2021-6/20/2024)	93.268	22FB012501R0X00	397,760
COVID-19 - Immunization Cooperative Agreements (7/1/2021-6/30/2024) COVID-19 - Immunization Cooperative Agreements (7/1/2021-6/30/2024)	93.268 93.268	22FB001501R0X00 22FB001501R0X00	2,466,805 857,048
COVID-19 - Immunization Cooperative Agreements (7/1/2021-6/20/2023)	93.268	22FB001501R0X00	1,664,044
COVID-19 - Immunization Cooperative Agreements (7/1/2021-6/20/2023)	93.268	22FB001501R0X00	2,552,210
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/	93.323	22FB001501R0X00	224,877
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/.	93.323	22FB012501R0X00	195,232
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/. COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/.	93.323 93.323	22FB001501R0X00 22FB012501R0X00	442,829 708,314
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/.	93.323	22FB012501R0X00 22FB001501R0X00	708,314
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/.	93.323	22FB001501R0X00	139,547
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/	93.323	22FB012501R0X00	480,110
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/	93.323	22FB001501R0X00	830,518
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/. COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/.	93.323 93.323	22FB001501R0X00 22FB012501R0X00	317,043 2.382.107
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/.	93.323	22FB012501R0X00	2,382,107 580,439
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/.	93.323	22FB012501R0X00	444,112
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/.	93.323	22FB001501R0X00	1,702,753
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/	93.323 93.323	22FB001501R0X00 22FB001501R0X00	130,999 192,018
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/. COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/.	93.323	22FB011501R0X00	85,544
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/.	93.323	22FB001501R0X00	1,584,449
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-6/30/	93.323	22FB001501R0X00	4,028,245
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-7/31/	93.323 93.323	22FB012501R0X00 22FB012601R0X00	1,818,625
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-7/31/. COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-7/31/.	93.323	22FB012601R0X00 22FB012601R0X00	34,674 23,787
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-7/31/.	93.323	22FB012601R0X00	66,215
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2021-7/31/	93.323	22FB012601R0X00	299,965
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2022-6/30/2023)	93 323	22FB012601R0X00	116 970
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2022-6/30/2023)	93.323	22FB012601R0X00	386,262
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2022-6/30/2024)	93.323	22FB012601R0X00	111,071
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2022-6/30/2023)	93.323 93.323	22FB012601R0X00 22FB012601R0X00	140,944 291,978
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2022-6/30/2024) Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)(7/1/2022-6/30/2024)	93.323	22FB012601R0X00	2,092,821
Community Programs to Improve Minority Health Grant Program (7/1/2022-6/30/2023)	93.137	22FB012601R0X00	120,059
	93.116	22FB001501R0X00	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs (7/1/2021-6/30/2			315,948
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees (7/1/2021-6/30/2	93.478	22FB012601R0X00	78,554
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance (9/1/2021-6/30/2022)	93.944	22FB012601R0X00	131,051
HIV Emergency Relief Project Grants	93.914	22FB012601R0X00	2,262,987
Passed through New York University National Center for Advancing Translational Sciences (7/1/2020-6/30/2022)	93.350	16-A0-00-007000-01	9,665
Passed through New York City Department of Health and Mental Hygiene			
Diabetes, Digestive, and Kidney Diseases Extramural Research (7/1/2021-6/30/2022)	93.847	22FB012601R0X00	163,057
Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders (6/1/2022-06/30/2023)	93.840	22FB012601R0X00	36.261
Housing Opportunities for Persons with AIDS (7/1/2022-8/31/2023)	14 241	22FB012601R0X00	253 282
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	22FB012601R0X00	974,670
Subtotal adjustments			70,138,832
Add: Other adjustments: CTL funded expense			57,195
Prior year revenue Prior year revenue			395,713 201.283
Misc. Y.E ADJ			-
Subtotal other adjustments			654,192
SEFA federal revenue adjusted			20,300,810
Federal revenue per financial statement			\$ 20,300,810



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, 2022, 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, and have issued our report thereon dated June 29, 2023.

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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

80 Pine Street New York, NY 10005 **T** +1 212 709 4500 **F** +1 212 709 4680

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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*.

The Organization's Response to Finding

Mitchell: Titus, LLP

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

June 29, 2023



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

Opinion on 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 identified as subject to audit 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, 2022. 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.

In our opinion, the Organization complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.



Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item Finding 2022-002. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.



Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 29, 2023

Schedule of Findings and Questioned Costs For the Year Ended September 30, 2022

SECTION I—SUMMARY OF AUDITOR'S RESULTS - Update pending

Financial Statements Type of auditor's report issued (unmodified, qualified, adverse, or disclaimer): Unmodified Internal control over financial reporting: _____ Yes X No Material weakness(es) identified? Significant deficiency(ies) identified? X Yes None Reported Noncompliance material to financial ____ Yes X No statements noted? **Federal Awards** Internal control over major federal programs: Yes X No Material weakness(es) identified? Significant deficiency(ies) identified? X Yes 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)? X Yes No Identification of major federal programs: Federal Assistance Listing Number(s) Name of Federal Program or Cluster 93.391 COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crisis

COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared

Disasters)

97.036

Schedule of Findings and Questioned Costs *(continued)* For the Year Ended September 30, 2022

SECTION I—SUMMARY OF AUDITOR'S RESULTS (continued)

Dollar threshold used to distinguish between type A and type B programs:		\$2,693,564	
Auditee qualified as low-risk auditee?	Χ	Yes	_ No

SECTION II—FINANCIAL STATEMENT FINDINGS

Finding 2022-001

Inadequate Controls over Financial Reporting

Criteria

U.S. GAAP requires management to establish and maintain a system of internal controls, and to ensure that financial information is accurately recorded and properly reported in Fund for Public Health in New York, Inc.'s (the Organization)'s financial system.

Statements on Auditing Standards AU Section 314.41 states that internal control is a process effected by those charged with governance, management, and other personnel designed to provide reasonable assurance about the achievement of the entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition and Context

The Organization's system of internal controls in place over accounts receivable appears inadequate to ensure timely, complete, and accurate reconciliation.

During our testing of accounts receivables, we sent and received accounts receivable confirmation that indicated a difference of \$6.4 million between the grantor's balance and the Organization's balance. Further inquiries indicated that this difference occurred during the transition of the Organization's accounting system and periodic reconciliations was not performed to help prevent, detect and correct errors noted on a timely basis. The Organization was able to investigate and reduce the difference noted to \$1.02 million. Consequently, adjustments were proposed and recorded to the financial statements to correct these misstatements.

Effect

The year-end financial statements of the Organization would have been misstated without recording the audit adjustments. Additionally, lack of timely reconciliation of significant accounts, timely billings to grantor agency(ies), and maintaining supporting documentation could result in future misstatements.

Schedule of Findings and Questioned Costs *(continued)* For the Year Ended September 30, 2022

SECTION II—FINANCIAL STATEMENT FINDINGS (continued)

Finding 2022–001 (continued)

Inadequate Controls over Financial Reporting (continued)

Cause

Based on discussions with management, this occurred during the transition of accounting systems created a lapse that did not allow for deposits received and posted in the old accounting system during the transition period to migrate to the new accounting system successfully. The Organization's procedures in place during 2022 did not timely identify the necessary adjustment and reconciliations required to represent the financial statements in accordance with U.S. GAAP.

Recommendations

We recommend the Organization enhance its monthly and annual reconciliations of accounts receivables against grantor(s) payments and implement procedures for the financial reporting and closing process to ensure the accounts receivable are accurate, reconciled, reviewed and recorded in a timely manner.

Management's Response

Management agrees with the recommendation. The Organization's corrective action plan is on pages 43.

SECTION III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2022–002: Reporting

Finding Type: Noncompliance, Significant Deficiency

Federal Department: U.S. Department of Health and Human Services

FAIN: NH75OT000036

COVID-19 – Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crisis, Federal Assistance Listing Number 93.391

<u>Criteria</u>

Federal Funding Accountability and Transparency Act

Aspects of the Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282) (Transparency Act), as amended by Section 6202 of Pub. L. No. 110-252, that relate to subaward reporting (1) under grants and cooperative agreements were implemented in OMB in 2 CFR Part 170 and (2) under contracts, by the regulatory agencies responsible for the Federal Acquisition Regulation (FAR at 5 FR 39414 et seq., July 8, 2010). The requirements pertain to recipients (i.e., direct recipients) of grants or cooperative agreements who make first-tier subawards and contractors (i.e., prime contractors) that award first-tier subcontracts.

Schedule of Findings and Questioned Costs *(continued)* For the Year Ended September 30, 2022

SECTION III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

Finding 2022–002: Reporting (continued)

Criteria (continued)

There are limited exceptions as specified in 2 CFR Part 170 and the FAR. The guidance at 2 CFR Part 170 currently applies only to federal financial assistance awards in the form of grants and cooperative agreements (e.g., it does not apply to loans made by a federal agency to a recipient), however the subaward reporting requirement applies to all types of first-tier subawards under a grant or cooperative agreement.

Direct recipients are required to report each first-tier subaward or subaward amendment that results in an obligation of \$30,000 or more in federal funds. Prime contractors are required to report each first-tier subcontract award of \$30,000 or more in federal funds.

Grant and cooperative agreement recipients and contractors are required to register in FSRS and report subaward data through FSRS. To do so, they will first be required to register in the System for Award Management (SAM) (if they have not done so previously for another purpose (e.g., submission of applications through Grants.gov) and actively maintain that registration. Prime contractors have previously been required to register in SAM. Information input to FSRS is available at USASpending.gov as the publicly available website for viewing this information (https://www.usaspending.gov/search).

Condition

The Fund has an obligation to report subaward data as required under the Federal Funding Accountability and Transparency Act (FFATA). This includes subawardee information, subawardee DUNS or SAM number or Unique Entity ID, and relevant executive compensation, if applicable. Based on our selection of eight subawards for testing, the following was noted:

93.391									
Transactions Tested	Subaward Not Reported			Report Not Timely		Subaward Amount Incorrect		Subaward Missing Key Elements	
8	0			4		2		0	
Dollar Amount of Tested Transactions	Subaward Not Reported		Report Not Timely			Subaward Amount Incorrect		Subaward Missing Key Elements	
\$ 15,415,447	\$	_	\$	8,541,698	\$	(350)	\$	-	

Schedule of Findings and Questioned Costs *(continued)* For the Year Ended September 30, 2022

SECTION III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

Finding 2022–002: Reporting (continued)

Cause

Due to the large volume of COVID-19 work during fiscal year 2022 and understaffing for the Grants and Contracts team, the Fund did not consistently have personnel in place to ensure they submitted subaward information in FFATA reports accurately and timely.

Effect

The Fund did not submit subaward information in certain FFATA reports accurately or timely.

Questioned Costs

None.

Recommendation

We recommend that the Fund implement internal control procedures whereby someone other than the preparer reviews the FFATA reports to ensure accurate and timely reporting of all required subawards on FFATA reports prior to submission.

View of Responsible Officials

Management agrees with the recommendation. The Organization's corrective action plan is on page 43.



FPHNY FY22 Audit Responses

SECTION II—FINANCIAL STATEMENT FINDINGS Finding 2022–001

Inadequate Controls over Financial Reporting

Corrective Action Plan: To improve the account reconciliation process and related controls, the Fund has taken the following steps:

- Developed and notified employees of new standard operating procedures (SOP) for the finance and accounting departments on how to prepare and document reconciliation templates to ensure consistency. This includes assigning each account to a preparer and a reviewer. The reconciliations are done on a monthly basis, completed after the standard closing entries have been entered but before the analytical review.
- Engaged JMT Consulting, expert implementation partners for nonprofit organizations using Sage Intacct accounting software, to rectify the historical account balance transfer related issues and provide additional training to the employees on the new software operations.

Management will also monitor this issue regularly during the year to ensure compliance.

Person Responsible for Correction Action: Angela Grigoryan, Chief Financial Officer

Projected Date of Completion: This corrective action plan will be implemented immediately in response to the Auditor's recommendation.

SECTION III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS Finding 2022–002 Reporting

Corrective Action Plan: To ensure timely and accurate reporting of subaward data as required under the Federal Funding Accountability and Transparency Act (FFATA), the Fund will update its internal procedures to enhance tracking and monitoring. This will include requiring that the FFATA reports are prepared and then reviewed by the preparer's supervisor prior to submission. The Fund will also ensure that appropriate staff are notified and trained on the requirements and updated process. Management will monitor this issue regularly during the year to ensure compliance.

Person Responsible for Correction Action: Rebecca Adeskavitz, Chief Operating Officer

Projected Date of Completion: This corrective action plan will be implemented immediately in response to the Auditor's recommendation.

