

Municipal Forum Youth Education Fund

**Financial Statements
With Independent Accountant's Review Report
September 30, 2021 and 2020**

**Fylstra & Associates, LLC
Certified Public Accountants
Allendale, New Jersey**

Municipal Forum Youth Education Fund

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Governors of
Municipal Forum Youth Education Fund

We have reviewed the accompanying financial statements of Municipal Forum Youth Education Fund (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Allendale, New Jersey

June 27, 2022



Fylstra & Associates, LLC

Municipal Forum Youth Education Fund
Statement of Financial Position
September 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	\$ 102,907	\$ 114,519
Prepaid expenses	18,500	18,500
Investments	1,040,951	859,373
Total assets	<u>\$ 1,162,358</u>	<u>\$ 992,392</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 5,244	\$ 6,008
Total liabilities	<u>5,244</u>	<u>6,008</u>
Net Assets		
Without donor restrictions	1,157,114	986,384
Total net assets	<u>1,157,114</u>	<u>986,384</u>
Total liabilities and net assets	<u>\$ 1,162,358</u>	<u>\$ 992,392</u>

See accompanying notes and independent accountant's review report.

Municipal Forum Youth Education Fund

Statement of Activities

Years Ended September 30, 2021 and 2020

	2021	2020
Change in Net Assets		
Revenue		
Muni Forum of NY Contribution	\$ 165,500	\$ 70,000
Other Contribution income	98,250	28,145
Scholarship income	28,814	17,527
	<u>292,564</u>	<u>115,672</u>
Expenses		
Program Services:		
Program expense	51,776	4,284
Scholarship award	125,565	125,462
ULF stipen	120,000	-
Total program services	<u>297,341</u>	<u>129,746</u>
Management and General:		
Professional fees	4,000	4,000
Administrative expense	994	964
Insurance	377	377
Total management and general expense	<u>5,371</u>	<u>5,341</u>
Total expenses	<u>302,712</u>	<u>135,087</u>
Change in Net Assets from Operations	<u>(10,148)</u>	<u>(19,415)</u>
Other Income		
Interest income	9	14
Investment gain (loss)	168,231	48,981
Interest and dividends earned	12,638	12,861
Total other income	<u>180,878</u>	<u>61,856</u>
Change in Net Assets	170,730	42,441
Net Assets		
Beginning of Year	<u>986,384</u>	<u>943,943</u>
End of Year	<u>\$ 1,157,114</u>	<u>\$ 986,384</u>

See accompanying notes and independent accountant's review report.

Municipal Forum Youth Education Fund
Statement of Cash Flows
Years Ended September 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Expenses		
Change in net assets	\$ 170,730	\$ 42,441
Adjustments to reconcile net income to cash provided by operating activities:		
(Gain) loss on investments	(168,231)	(48,981)
Accounts receivable	-	500
Accounts payable	(764)	4,008
Net cash provided by operating activities	<u>1,735</u>	<u>(2,032)</u>
Cash Flows from Investing Activities		
Decrease (increase) in investments	<u>(13,347)</u>	<u>(12,811)</u>
Net cash provided by investing activities	<u>(13,347)</u>	<u>(12,811)</u>
Net Increase in Cash	(11,612)	(14,843)
Cash and Cash Equivalents		
Beginning of Year	<u>114,519</u>	<u>129,362</u>
End of Year	<u><u>\$ 102,907</u></u>	<u><u>\$ 114,519</u></u>

See accompanying notes and independent accountant's review report.

Municipal Forum Youth Education Fund

Notes to Financial Statements

September 30, 2021 and 2020

1. Nature of Activities:

Organization - Municipal Forum Youth Education Fund (MFYEF) provides summer internships in the municipal bond industry to New York City high school seniors. Through internships, the urban leadership fellows (ULF) program, the students receive work experience and exposure to the municipal bond industry as well as workshops in college preparation, numerical analysis and effective business writing. The students receive a stipend for their work as well as a book award to assist with their college expenses. After every college academic year, ULF alumni are eligible for scholarships based on minimum GPA requirements. Also, the municipal forum makes a community service award to a student who demonstrates commendable service to their environment.

2. Summary of Significant Accounting Policies:

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restriction - Net assets that are not subject to or are no longer subject to donor imposed stipulations.

Net Assets With Donor Restrictions - Net assets whose use is limited by donor imposed time and/or purpose restrictions.

Revenue Recognition - The financial statements are prepared on the accrual basis of accounting, whereby income is recorded when earned and expenses when incurred.

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

Cash and Cash Equivalents - MFYEF considers all cash on hand and in the bank, money market funds, and certificates of deposit with an original maturity of less than three months to be cash equivalents.

Contributions - Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Municipal Forum Youth Education Fund

Notes to Financial Statements

September 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued):

Donated Services - Many individuals have donated time and services in a variety of tasks to assist MFYEF operations; however, no amounts have been reported in the financial statements since they do not meet the criteria for recognition as contributed services contained in generally accepted accounting principles.

Income Taxes - MFYEF is a not-for-profit organization exempt from federal and state income taxes under section 501(c) (3) of the Internal Revenue Code. There is, therefore, no provision for income taxes in these financial statements. Annually, MFYEF files Form 990, Return of Organizations Exempt from Income Tax with the Internal Revenue Service. MFYEF believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Tax returns are open for examination by the Internal Revenue Service for three years after filing. Thus, returns for this year and the last three years remain open.

Concentration of Risk - The Organization's investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Fair Value Measurement - The fair value of financial assets and liabilities is measured according to the *Fair Value Measurements and Disclosures* topic of the FASB Accounting Standards Codification. Fair value is required to be evaluated and adjusted according to the following valuation techniques.

Level 1 - Fair value is determined using quoted market prices in active markets for identical assets and liabilities. Assets in this level typically include publicly traded equities, mutual fund investments, cash equivalents, and listed derivatives.

Level 2 - Fair value is determined using quoted market prices in active markets for similar assets and liabilities, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant inputs are observable in the market for substantially the full term of the assets and liabilities. Assets in this level include debt securities and partnerships that hold Level 1 assets, provided that the organization has the ability to redeem the investment in the near term, and real estate held for investment if measured by a current appraisal.

Level 3 - Fair value is determined using inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The market for assets and liabilities using Level 3 measures is typically inactive. Assets in this level include alternative investments, real estate held for investment if measured using management estimates, investment in partnerships and limited liability companies, and beneficial interests in charitable remainder trusts.

Municipal Forum Youth Education Fund

Notes to Financial Statements

September 30, 2021 and 2020

2. Summary of Significant Accounting Policies (concluded):

Subsequent Events - MFYEF has evaluated subsequent events through May 25, 2022, the date the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

3. Investments

The following tables present investment assets measured at fair value on a recurring basis as of September 30, and are categorized using the three levels of fair value hierarchy.

September 30, 2021	Level 1	Level 2	Level 3	Fair Value
Money Market Funds	\$ 77,893	\$ -	\$ -	\$ 77,893
Mutual Funds	963,058	-	-	963,058
	<u>\$ 1,040,951</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,040,951</u>

September 30, 2020	Level 1	Level 2	Level 3	Fair Value
Money Market Funds	\$ 50,320	\$ -	\$ -	\$ 50,320
Mutual Funds	809,044	-	-	809,044
	<u>\$ 859,364</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 859,364</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year.

	2021	2020
Investment gain or (loss)	\$ 168,231	\$ 48,981
Interest and dividends earned	12,647	12,875
	<u>\$ 180,878</u>	<u>\$ 61,856</u>

4. Functional Allocation of Expenses

The financial statements of the Organization report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated at the discretion of management, based on the amount of time and resources spent.

5. Liquidity and Availability of Financial Assets

The Organization's primary sources of revenue is from program revenue. They monitor their liquidity so they are able to meet all operating needs. They have the following financial assets that could readily be made available within one year of the balance sheet date to fund expenses without limitations.

	2021	2020
Cash and cash equivalents	\$ 102,907	\$ 114,519
Investments	1,040,951	859,373
	<u>\$ 1,143,858</u>	<u>\$ 973,892</u>