Municipal Forum Youth Education Fund

Financial Statements
With Independent Accountant's Review Report
September 30, 2018 and 2017

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 of New York, Inc.

We have reviewed the accompanying financial statements of Municipal Forum of New York, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2018 and 2017, 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.

Fylstra & Associates, LLC

Fylstra & Associates, LLC

Allendale, New Jersey

February 1, 2019

Municipal Forum Youth Education Fund
Statement of Financial Position
September 30, 2018 and 2017

		2018		2017
Assets				
Cash and cash equivalents	$	146,853	$	138,188
Accounts receivable		19,045		9,000
Prepaid expenses				18,000
Investments		771,105		698,701
Total assets	$	937,003	$	863,889
Liabilities and Net Assets				
Liabilities				
Accounts payable		4,455		4,439
Total liabilities		4,455		4,439
Net Assets				
Unrestricted		932,548		859,450
Total net assets		932,548		859,450
Total liabilities and net assets	$	937,003	$	863,889

See accompanying notes and independent accountant's review report.

Municipal Forum Youth Education Fund

Statement of Activities

Years Ended September 30, 2018 and 2017

	2018	2017
Change in Unrestricted Net Assets		
Revenue		
Annual dinner revenue	$ 314,430	$ 342,800
Contribution income	7,395	13,607
	321,825	356,407
Expenses		
Program Services:		
Program expense	68,804	70,449
Scholarship award	75,750	67,500
Book grant	22,000	23,500
Total program services	166,554	161,449
Management and General:		
Professional fees	4,000	2,750
Administrative expense	1,236	2,213
Licenses and permits	-	480
Insurance	260	260
Total management and general expense	5,496	5,703
Fundraising:		
Annual dinner expense	149,095	162,341
Total Fundraising expense	149,095	162,341
Total expenses	321,145	329,493
Change in Net Assets from Operations	680	26,914
Other Income		
Interest income	14	14
Capital gains	60,047	66,748
Dividends	12,357	10,851
Total other income	72,418	77,613
Change in Unrestricted Net Assets	73,098	104,527
Net Assets		
Beginning of Year	859,450	754,923
End of Year	$ 932,548	$ 859,450

See accompanying notes and independent accountant's review report.

Municipal Forum Youth Education Fund
Statement of Cash Flows
Years Ended September 30, 2018 and 2017

		2018		2017
Cash Flows from Operating Expenses				
Change in net assets	$	73,098	$	104,527
Adjustments to reconcile net income to cash provided by operating activities:				
(Gain) loss on investment		(60,047)		(66,748)
Accounts receivable		(10,045)		(9,000)
Prepaid expenses		18,000		
Accounts payable		16		4,439
Net cash provided by operating activities		21,022		33,218
Cash Flows from Investing Activities				
Decrease (increase) in investments		(12,357)		(15,328)
Net cash provided by investing activities		(12,357)		(15,328)
Net Increase in Cash		8,665		17,889
Cash and Cash Equivalents				
Beginning of Year		138,188		120,299
End of Year	$	146,853	$	138,188

See accompanying notes and independent accountant's review report.

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 minumum 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

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that must be maintained permanently by the organization.

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.

2. Summary of Significant Accounting Policies (continued):

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 unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net

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.

2. Summary of Significant Accounting Policies (concluded):

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.

Subsequent Events - MFYEF has evaluated subsequent events through February 1, 2019 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, 2018	Level 1	Level 2	Level 3	Fair Value
Money Market Funds	$ 53,056	$ -	$ -	$ 53,056
Mutual Funds	718,049	-	-	718,049
	$771,105	$ -	$ -	$ 771,105

September 30, 2017	Level 1	Level 2	Level 3	Fair Value
Money Market Funds	$ 58,130	$ -	$ -	$ 58,130
Mutual Funds	640,571	-	-	640,571
	$698,701	$ -	$ -	$ 698,701

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

	2018	2017
Unrealized investment gain or (loss)	$ 60,047	$ 66,748
Interest and dividends earned	12,371	10,865
	$ 72,418	$ 77,613