

MAYOR'S FUND TO ADVANCE NEW YORK CITY

MEETING OF THE FINANCE AND AUDIT COMMITTEE OF THE BOARD OF DIRECTORS: MINUTES

October 14, 2020

Directors in attendance:

- Alexis Blane
- Lisette Camilo
- Matthew Klein

Officers in attendance:

- Matt Everett, Secretary
- Maya Jakubowicz, Treasurer
- Toya Williford, Executive Director

Other participants:

- Jennifer Katz, RSM US LLP
- Chris Kelsaw, Director of Finance and Operations
- Jorge Luis PaniaguaValle, Deputy Executive Director
- Melissa Quinn, RSM US LLP

Toya Williford, Executive Director, opened the meeting at 2:04 PM, welcomed attendees, and took the roll.

Ms. Williford acknowledged the work of Chris Kelsaw and Harry Cheng from the Mayor's Fund's Finance and Operations team during the period of increased contributions during Q4 of FY20. Ms. Williford then introduced Ms. Katz and Ms. Quinn from RSM US LLP.

Ms. Katz noted from the Management's Discussion and Analysis that the COVID-19 Relief Fund brought in \$53.5 million, including \$5.4 million in in-kind contributions from over 9,500 donors.

Ms. Katz then noted that the Mayor's Fund had over \$34.3 million in assets, an increase of more than 80% over the previous year, against liabilities of \$6.9 million, for a total net position of \$27.4 million.

She noted that the Mayor's Fund had revenues of \$77 million in FY20, compared to other years that are typically between \$20-30 million, against expenses of \$67 million, providing an operating surplus of \$10.6 million. The overall change in net position over the previous year is \$11.4 million. Ms. Katz noted that the audit is substantially complete aside from a few wrap-up items but that the numbers are final.

Ms. Quinn then shared required communications. She noted that RSM intends to issue an unmodified, "clean" audit, that there are no new accounting policies, and nothing new from the Governmental Accounting Standards Board (GASB) that needed implementation. She noted that RSM did not identify any significant or unusual transactions. Ms. Quinn then shared significant estimates.

Ms. Quinn then shared the summary of recorded audit adjustments, including four transactions in which revenue was recorded in the incorrect fiscal year. She noted that one instance was because of a misunderstanding in an amendment while the other three were due to contracts not being executed until the very end of FY20. She noted that because two of the four items that were recorded in the incorrect fiscal year were large amounts, they were recorded as material weakness. Ms. Katz noted that material weaknesses related to revenue recognition that were recorded are in the process of being corrected due to new controls being implemented.

Ms. Quinn then noted an additional adjustment related to expenses incurred in FY20 that were not recorded until FY21.

Ms. Quinn then shared the summary of uncorrected misstatements and noted they had no impact on the final net position. She noted that because RSM does not test every transaction, but rather samples, that the expenses misstatement was in fact a projection. She noted two further projected misstatements related to the value of donated Personal Protective Equipment. She noted that the impact on net position for in-kind donations is always zero, since the Mayor's Fund receives and then disburses donated items.

Ms. Quinn then noted the one significant deficiency, that the required annual renewal of the Conflict of Interest disclosures for Board Members and Officers did not take place within the fiscal year, but has since been completed and has no impact on the financials. Ms. Williford noted that this usually takes place at the Mayor's Fund's June in-person meeting, which instead took place virtually this year.

The floor was then opened for questions. Mr. Klein asked if there was additional guidance given by RSM. Ms. Katz responded that a few "control deficiencies" came up but did not rise to the level of significant deficiencies or material weakness. She noted a minor bank reconciliation error, as well as certain employee timesheets that did not have the necessary approvals. She noted that because all timesheets were for salaried rather than hourly employees, they did not have an impact on financials.

Ms. Jakubowicz then asked if there were any issues receiving documentation from City Agency partners during FY20. Ms. Kelsaw responded that things went more smoothly this year than in the past, especially given the remote nature of work in Q4 and noted that this was due to the close working relationships the Programs team has with Agency partners.

Ms. Blane then asked if there were any other issues of risk not discussed. Ms. Katz responded that there is inherent risk due to the current virtual environment and that the Mayor's Fund should remain cognizant of internal controls and cybersecurity concerns. She also noted that the decrease in federal funding streams will lead to a decreased risk in cut-off errors.

Ms. Williford then noted that the two programs that receive federal funding, Connections to Care and a DOJ grant related to domestic violence, are both winding down and that the Mayor's Fund does not plan to seek additional federal funding in the coming fiscal year.

Ms. Katz then asked if there are any new significant events or allegations that RSM needed to be aware of. Ms. Jakubowicz responded that there are not.

Ms. Williford then noted that the Mayor's Fund will share the audit with the full Board at their upcoming November meeting and asked for a motion to approve the audit.

Ms. Camilo offered a motion to approve. Mr. Klein seconded. The motion carried and the audit was approved.

Ms. Williford then adjourned the meeting at 2:35 PM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Matt Everett", with a stylized flourish at the end.

Matt Everett
Board Secretary