



## Finance & Audit Advisory Committee

September 22, 2022 – 9:00 -10:30 am

Hybrid meeting

In-person (291 Geary St, #200) and Virtual Communication System Zoom

### MINUTES

#### In attendance

Committee Members: Stephen Brett, Jim Sangiacomo, Russ Keil Jr, Paul Sandberg, J. Timothy Falvey, Tammy Brock, Pamela Garvey, and Wes Tyler.

Staff and contract service providers: Ben Horne (Deputy Director), Melanie Medina (Executive Director), and Carlos Montano (Intern)

#### 1) Call to Order and Introductions

Ben Horne called the meeting to order at 9:07 am.

#### 2) Public Comment

Ben called for public comment. He announced that the Alliance will no longer be able to count members attending meetings (and count to the quorum) virtually starting in 2023; making attendance mandatory for Board meetings unless there is reasonable cause/emergency.

#### 3) Action to approve the July 21, 2022, meeting minutes of the Committees.

Action: The committee unanimously approved the July 21, 2022, minutes as motioned by Timothy Falvey and seconded by Paul Sandberg.

#### 4) Since we last met & updates

##### - Staffing and Hiring Update

Ben announced new hires: Intern Carlos Montano and Digital Marketing Associate, Jessica Chilingirian. Additionally, Melanie Medina was promoted to Marisa Rodriguez's Executive Assistant. Member Services is actively looking to fill a part time and full-time position.

##### - Strategic Planning update

Chris Beynon with MIG will be presenting to the Board of Directors a summary of the strategic plan's goals and primary objectives for the Board's approval. The Alliance's Board will approve the full plan in November.

##### - SF Live Grant & Economic Recovery Grant



The Alliance was rewarded with the SF Live Grant but has not yet received a contract. The grant will go towards music events in Union Square Park; details and deliverables are still being discussed. Moreover, the Alliance applied for the Economic Recovery Grant that will be used towards the holiday market in Hallidie Plaza along with lighting, tables and chairs, pop ups, and possible staffing.

- Holiday Market and Holiday Updates

The Alliance has been provided preliminary branding with the theme Winter Wonderland. The contract with Willy Bietek is still in works as the Alliance awaits the grant from OEWD for the Holiday Market funding. For the Foundation's Holiday Fundraiser on December 1, Dianna Cavagnaro will be joining the Alliance part time to help plan this event.

- Banking

The Alliance has engaged a new banking officer from the San Francisco office of City National Bank. The Alliance is getting better interest on our savings and CD's now and we are in process of applying for the City National credit card. Once approved the Alliance will close all accounts with Wells Fargo.

**5) Assessment payment and receivables review**

The Alliance received its last fiscal year (21-22) payment in July/early August of \$8K resulting in a remaining balance of \$22K in total receivables. The prior BID term (2010-2019) total is down to \$83.00, and the Alliance is expected to receive its first assessment payment for 22-23FY in late December 2022.

**6) Audit Update**

a) Leases and deferred rent

The Alliance in 22-23 will be implementing a change to accounting for leases (office spaces and equipment) will be going on the balance sheet as a leased asset and lease payable as our liability. The two figures will be matching one another and will be represented in next year's balance sheet. There's a \$26K liability sitting on our books in deferred rent that will be adjusted due to a conservative estimate made on potential future rents which our auditor says is not proper.

b) Foundation and Alliance Funds

The Alliance's new auditor's opinion is that part of the Foundation's funding for Alliance programs such as streetscapes and security camera, are considered grants and not contracts for services. In result, this changes the reporting on the 990 and classification for the Alliance's revenue from the Foundation will now be a grant instead of contract revenue.



7) **Action to Accept the Unaudited Financial Reports of August 2022, for recommendation to the Board of Directors**

Ben summarized the unaudited financial reports of August 2022. The Union Square Alliance has a deficit of \$1.2 million as we spend down the reserves from the prior fiscal year. The organization outperformed budget by \$5K overall and will receive the first assessment payment in December 2022. The assessments/ core operations are outperforming budget by \$26K due to expenses being under budgeted in both admin and marketing categories. The assessment clean and safe operations had a negative variance of \$10K due to BHR adjustment from the prior year. Additional revenues from the SF Live Grant, Economic Recovery Grants or Holiday Market grant have not been recognized as of August 31, 2022. The USBID assessment operation expenses were near management plan levels with 74% on clean and safe (includes security cameras), 13% on marketing and 13% on admin. The forecast for the fiscal year is a total deficit of \$376K with the approved budget of \$318K deficit. Net assets (reserves) are at \$1 million and cash balance was \$1.46 million at 8/31/22.

Discussion took place regarding expansion of private security and drawing the line of credit.

**Action:** The Committee unanimously approved the Unaudited Financial Reports of August 2022, for recommendation to the Board of Directors as motioned by Russ Keil Jr and seconded by Timothy Falvey

8) **Next Meeting and Events**

Ben reviewed the upcoming meetings.

- Board Meeting: September 29, 2022, at 9:00am (Marker Hotel)
- Executive Committee: October 27, 2022, at 9:00am
- Finance and Audit Committee next meeting November 10, 2022, at 9:00am (potential scheduling conflict with Streetscapes).

9) **Adjournment**

Meeting adjourned at 10:09