



## Finance & Audit Advisory Committee

July 15, 2021 – 9:00 -10:30 am

Hybrid Meeting at 291 Geary Street, Suite 200 and Virtual Communication System Zoom

### MINUTES

#### In attendance

Committee Members: Wes Tyler, Russell D. Keil Jr., Julie Taylor, Mark Purdy, Tad Moore, Paul Sandberg, and Stephen Brett.

Staff and contract service providers: Karin Flood (Executive Director), Ben Horne (Deputy Director), Zarrina Yousufzai (Administrative Coordinator), and Eva Schouten (Volunteer)

#### 1. Call to Order and Introductions

Observing a quorum present, Karin Flood called the meeting to order at 9:06am.

#### 2. Public Comment

Karin called for public comment. Seeing none, she moved to the next agenda item.

#### 3. Action to approve the May 20, 2021 minutes.

Ben summarized the action items taken during last meeting and members reviewed minutes that were previously sent out.

**Action:** The committee unanimously approved the May 20, 2021 minutes as motioned by Julie Taylor and seconded by Wes Tyler. No public comment received prior to action.

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

##### - New name & Branding

As part of the rebranding, the Union Square Business Improvement District will now be known as the Union Square Alliance. All staff have new email addresses and stationery has been updated with the new brand. Upcoming rebranding projects are the district banners, Big Belly wraps and Block by Block uniforms. A discussion took place about the replacement of the awnings at 291 Geary.

##### - PPP updates

The second PPP loan has been received early May. The forgiveness application is not available yet. Once received, the forgiveness may be accepted as revenue of last fiscal year to avoid a deficit.

##### - Audit Started



The engagement letter with Marcum has been signed. Fieldwork will begin August 3-5.

- Banking update

Ben will keep the communication open with several banks who responded to the RFP. However, no action will be taken until the new ED position has been filled.

- Staffing/hiring update

The hiring committee is currently reviewing 30 applicants who have been screened by Ben and Zarrina and will narrow them down to 10. If there is a major difference in opinion a meeting will be set up to discuss. The next step will be completing phone interviews with the 10 applicants.

**5. Assessment payments received June 23, 2021, and receivables review**

Ben summarized the assessment payment. He will reach out to Chris Corgas regarding discrepancies in the budget. Most of the assessments have been paid.

**6. Action to accept the Unaudited Financial Reports of June 30, 2021, for recommendation to the Board of Directors**

Ben directed the committee to the June 30, 2021, financial reports and gave an overview. The USAlliance had a small deficit of \$55K for the fiscal year. This outperformed budget by \$222K through June. The second assessment payment was received (\$2.54mil) and received \$83K in June leaving only \$72K unpaid. The assessment/core operations had a \$86K surplus through June. The assessment operations had a positive spending variance (\$368K) due to clean and safe and other expenses being less than budgeted. The first PPP loan was forgiven in late Feb (\$134K); however, the second PPP loan was received in May but was budgeted in Feb (creating negative revenue variance of \$110K). Union Square Park services expenses (\$248K) and revenues (\$274K) were not budgeted until January. Net assets (reserves) are at \$2.2mil and cash balance was \$2.5mil at 6/30/21. Members reviewed statements and discussed.

**Action:** The committee unanimously approved the Unaudited Financial Reports of April for recommendation to the Board of Directors as motioned by Russell D. Keil Jr. and seconded by Stephen Brett. No public comment received prior to action.

**7. Review of draft budget summaries for 21/22FY and Action to make recommendation to the Board to approve draft budget**

Ben presented the budget summaries for 21-22FY. The budget has a \$284K projected deficit. He expects the budget to be larger due to Hallidie Plaza grant, Union Square Park revenue, ED transition, security camera grant funds and by hiring a grant writer. However, Ben did believe that the organization would outperform budget and will likely be close to break-even at FYE. A discussion took place about expanding the Big Belly Program.



**Action:** The committee unanimously approved the draft 21/22FY budget as motioned by Stephen Brett and seconded by Russell D. Keil Jr. No public comment received prior to action.

**8. Next Meeting & Events**

- Board Meeting – July 22, 2021 at 9am
- Executive Committee meeting – August 26, 2021 at 9am
- Finance & Audit Committee Meeting – September 16, 2021 at 9am.

**9. Adjournment**

Karin adjourned the meeting at 10:14am.