



Finance & Audit Advisory Committee

January 20, 2022 – 9:00 -10:30 am
Virtual Communication System Zoom

MINUTES

In attendance

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

Staff and contract service providers: Marisa Rodriguez (Executive Director), Ben Horne (Deputy Director), Zarrina Yousufzai (Senior Administrative Coordinator), Melanie Medina (Intern).

1. Call to Order and Introductions

Observing a quorum present, Ben Horne called the meeting to order at 9:04am.

2. Public Comment

Ben called for public comments. Seeing none, he moved to the next agenda item.

3. Action to approve the November 11, 2021, minutes.

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

Action: The committee unanimously approved the November 11, 2021, minutes as motioned by Tim Falvey and seconded by Mark Purdy.

4. Since we last met & updates

- Staffing and Hiring Update

We are still in the process of looking for a Director of Services as resumes are coming in. There are currently five candidates for the Director of Marketing and Events position that will be interviewed in the coming weeks. The Alliance has started working in hybrid mode due to the surges of covid cases.

- PPP update and Banking

Ben explained the difficulties with Wells Fargo during Marisa's transition into the Executive Director role. The Executive committee approved to switch from Wells Fargo to City National Bank in December 2021. The PPP loan will still need to be forgiven through Wells Fargo.

- Strategic Planning

Ben and Marisa have met with three different consultants for the upcoming strategic plan. The next step is to pick a consultant and bring it to the Board for their approval.



- Fundraising and Foundation updates

In December, we received a \$500,000 grant from Chris Larsen. This money will be used to expand our security camera coverage. A discussion took place about proposed legislation from Mayor Breed regarding security camera access.

- Finance Committee member update

Ben informed the committee that Jeff Evans, committee member from Wells Fargo, has stepped down from being in the Finance Committee. Members asked if another Wells Fargo representative (or banking representative) could be added (or recommended by Jeff Evans).

5. Assessment payment update and review assessment receivables.

The Alliance received the assessment payment on December 24th, 2021. Second payments were made ahead of time and were received quicker than expected. The line of credit did not have to be drawn a second time. The total assessments receivable for FY 21-22 are a little over \$69K and almost \$24K for FY20-21.

6. Discussion and action to recommend approval of starting RFP and CPA firms.

Marcum has done the organization's audits in the past (dating back to 2010). However, we would like to look for a new CPA firm who specializes in nonprofits and may provide a more affordable rate. The Alliance would like to begin the RFP process and would ideally like to approve a new firm in March.

Action: The committee unanimously approved to recommend approval of starting RFP and CPA firms as motioned by Mark Purdy and seconded by Jim Sangiacomo.

7. Action to accept the Unaudited Financial Reports of December 2021, for recommendation to the Board of Directors.

Ben went through the unaudited financial reports of December 2021. The Union Square Alliance has a surplus of \$397K and outperformed budget, for the fiscal year as the first assessment payment of FY21-22 was received in December. The payment was \$3.6K including the second payments. The assessment and core operations have a \$472K surplus through December and had a positive spending variance due to clean and safe and other expenses being less than budgeted. There was a negative revenue variance due to the PPP loan which is still in the process of being forgiveness. Also, the organization spent less than other funds (Hallidie Plaza and Union Square Park) by \$90K. The USBID assessment operation expenses were near management plan levels with 68% on clean & safe (including security cameras), 14% on marketing and 18% on admin. The forecast of the fiscal year is a total deficit of \$230K. The approved budget was a \$284K deficit; our goal is to break even for the fiscal year. Net assets are at \$2.622mi and cash balance was \$2.93min. The organization used \$500K of the LOC which was paid back before the end of December. Members reviewed the financial reports and discussed.



Action: The committee unanimously approved to accept the unaudited financial reports of December 2021, for recommendation to the Board of Directors as motioned by Jim Sangiacomo and seconded by Tim Falvey.

8. Review draft of budget modifications for Jan-June 2022 and Action to recommend approval of budget modification to Board of Directors.

Ben gave a summary of the budget modifications that were made for Jan-June 2022. The modifications include new activations in the Square, and streetscapes and marketing projects to further enhance the Union Square area.

Action: The committee unanimously approved the budget modifications and recommend approval to the Board of Directors as motioned by Mark Purdy and seconded by Julie Taylor.

9. Next meetings & events

- Board Meeting: January 27, 2022, at 9:00am
- Executive Committee: February 24th, 2022, at 9:00am
- Finance and Audit Committee: March 17, 2022, at 9:00am

10. Adjournment

Meeting adjourned at 10:11